Town of Telluride, Colorado

Financial Statements

December 31, 2025

Town of Telluride, Colorado

Financial Statements
For the Year Ended December 31, 2025

Table of Contents

Town of Telluride, Colorado

Financial Statements
For the Year Ended December 31, 2025

Table of Contents
(Continued)

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Town Council
Town of Telluride, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Telluride, 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, each major fund, and the aggregate remaining fund information 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 audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Required Supplementary Information

U.S. GAAP require that the Management's Discussion and Analysis in section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in 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 combining non-major fund financial statements, 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 combining non-major fund financial statements, individual fund budgetary comparison information, and the *Local Highway Finance Report* in Section F is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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
June 1, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF TELLURIDE
EST.1878

Town of Telluride, Colorado
Management's Discussion and Analysis

As management of the Town of Telluride (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $220,685,327 (net position). The unrestricted net position, which represents the amounts available to meet the Town's ongoing obligations to citizens and creditors, was $46,303,566.

- The Town's total net position increased $12,550,822 due to strong sales and use and real estate transfer taxes and conservative spending.

- At the close of the current fiscal year, the Town's governmental funds reported combined fund balances of $40,911,348, an increase of $3,339,687 in comparison with the prior year. Of this amount, $12,478,064 is available for spending at the government's discretion (unassigned fund balance).

- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was $12,624,284, or approximately 71.0% of total General Fund expenditures. $146,220 of unassigned fund balance in the General Fund is for the Transportation sub-fund.

Overview of the Financial Statements

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

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the Town's assets and liabilities, 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 the financial position of the Town 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works, community and economic development, culture and recreation, and transportation. The business-type activities of the Town include water, wastewater, parking, and housing operations.

The government-wide financial statements can be found in Section C of this report.

Overview of the Financial Statements (continued)

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government- wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 15 individual governmental funds. Information is presented separately in the governmental fund balance sheets and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvement Fund, Affordable Housing Fund, and Open Space Fund, which are considered to be major funds. Data from the other 11 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The Town adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for all governmental funds to demonstrate compliance with these budgets.

The basic major governmental fund financial statements can be found in Section C.

Proprietary Funds: The Town maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its water, wastewater, parking, and housing operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for the management of its health insurance plan. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the Town, each of which is considered to be a major fund of the Town.

The basic proprietary fund financial statements can be found in Section C of this report.

Notes to the Financial Statements: The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Section D of this report.

Government-wide Financial Analysis:

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $220,685,327, at the close of the most recent fiscal year.

Town of Telluride's Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024 (as restated)	2025	2024 (as restated)	2025	2024 (as restated)
Assets:						
Current and other assets	51,173,794	46,884,731	33,685,675	31,165,370	84,859,469	78,050,101
Capital assets, net	114,786,334	108,886,451	115,675,624	103,183,892	230,461,958	212,070,343
Total Assets	165,960,128	155,771,182	149,361,299	134,349,262	315,321,427	290,120,444
Liabilities:						
Other liabilities	7,093,729	6,585,822	3,595,595	2,821,763	10,689,324	9,407,585
Long-term liabilities	1,829,564	2,031,354	78,422,282	66,744,203	80,251,846	68,775,557
Total Liabilities	8,923,293	8,617,176	82,017,877	69,565,966	90,941,170	78,183,142
Deferred Inflows:	2,300,443	2,130,838	1,394,487	1,671,959	3,694,930	3,802,797
Net Position:						
Net investment in capital assets	112,528,920	107,241,993	50,612,122	44,402,168	163,141,042	151,644,161
Restricted	9,031,144	7,188,916	2,209,575	2,780,209	11,240,719	9,969,125
Unrestricted	33,176,328	30,592,259	13,127,238	15,928,960	46,303,566	46,521,219
Total Net Position	154,736,392	145,023,168	65,948,935	63,111,337	220,685,327	208,134,505

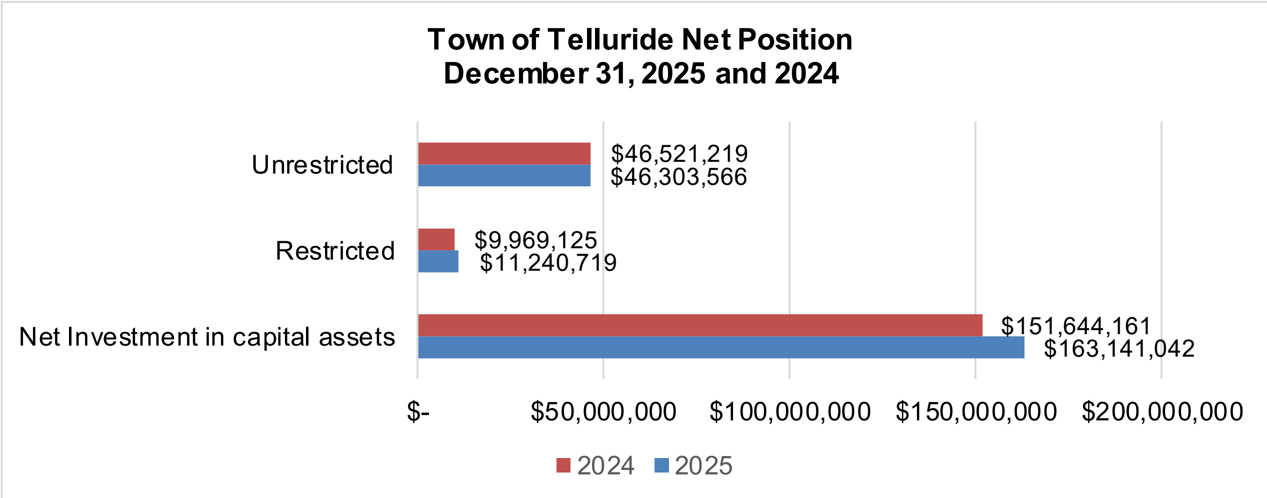
Long-term liabilities, which consist of bonds, notes, certificates of participation, and compensated absences increased $11,476,289 from the previous year. This was primarily due to the issuance of $13,890,000 in certificates of participation to fund housing developments in 2025, offset by the Town making regularly scheduled principal payments on outstanding debt. The Town's long-term liability activity is discussed in further detail later in this section.

By far, the largest portion of the Town's net position, $163,141,042, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The Town's net investment in capital assets accounted for 74% of its total net position. Accordingly, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining $57,544,285 in net position, $1,153,000 is restricted for TABOR reserve, $2,046,579 is restricted for debt service, $3,999,576 is restricted for parks and open space, $4,041,564 is restricted for housing, and $46,303,566 is unrestricted.

At the end of the 2025 fiscal year, the Town is able to report positive balances in all three categories of net position, first for the government as a whole, and then as separate governmental and business-type activities.

Government-wide Financial Analysis (continued):



The Town's overall net position increased $12,550,822 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Government-wide Financial Analysis (continued):

Town of Telluride's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024 (as restated)	2025	2024 (as restated)	2025	2024 (as restated)
Revenues:						
Program revenues:						
Charges for services	6,722,860	5,726,097	10,863,952	9,639,751	17,586,812	15,365,848
Operating grants/cont.	2,636,220	1,394,344	118,164	113,468	2,754,384	1,507,812
Capital grants/cont.	649,641	471,097	3,798,336	4,162,516	4,447,977	4,633,613
General revenue:						
Property taxes	2,136,210	2,050,767	556,890	541,995	2,693,100	2,592,762
Sales and use taxes	13,451,046	13,489,405	-	-	13,451,046	13,489,405
Real estate transfer taxes	7,997,233	9,639,516	-	-	7,997,233	9,639,516
Other taxes	7,344,793	7,082,328	17,798	18,655	7,362,591	7,100,983
Miscellaneous	19,054	3,041	-	-	19,054	3,041
Investment earnings	1,566,593	1,193,002	573,727	1,558,991	2,140,320	2,751,993
Gain on sale of assets	48,044	50,886	-	-	48,044	50,886
Total Revenues	42,571,694	41,100,483	15,928,867	16,035,376	58,500,561	57,135,859
Expenses:						
General government	8,051,153	7,746,666	-	-	8,051,153	7,746,666
Public safety	3,025,364	2,694,418	-	-	3,025,364	2,694,418
Public works	4,999,098	5,628,116	-	-	4,999,098	5,628,116
Community development	6,655,891	7,233,860	-	-	6,655,891	7,233,860
Culture and recreation	7,241,046	5,676,528	-	-	7,241,046	5,676,528
Transportation	1,230,288	867,859	-	-	1,230,288	867,859
Interest on long-term debt	27,658	32,378	-	-	27,658	32,378
Water operations	-	-	3,202,533	2,910,368	3,202,533	2,910,368
Wastewater operations	-	-	3,310,909	2,587,776	3,310,909	2,587,776
Parking	-	-	1,319,624	930,107	1,319,624	930,107
Housing	-	-	6,886,175	4,099,303	6,886,175	4,099,303
Total Expenses	31,230,498	29,879,825	14,719,241	10,527,554	45,949,739	40,407,379
Change in Net Position Before Transfers	11,341,196	11,220,658	1,209,626	5,507,822	12,550,822	16,728,480
Transfers	(1,627,972)	(2,916,873)	1,627,972	2,916,873	-	-
Change in Net Position	9,713,224	8,303,785	2,837,598	8,424,695	12,550,822	16,728,480
Net Position - Beginning	145,023,168	136,719,383	63,111,337	54,686,642	208,134,505	191,406,025
Net Position - Ending	154,736,392	145,023,168	65,948,935	63,111,337	220,685,327	208,134,505

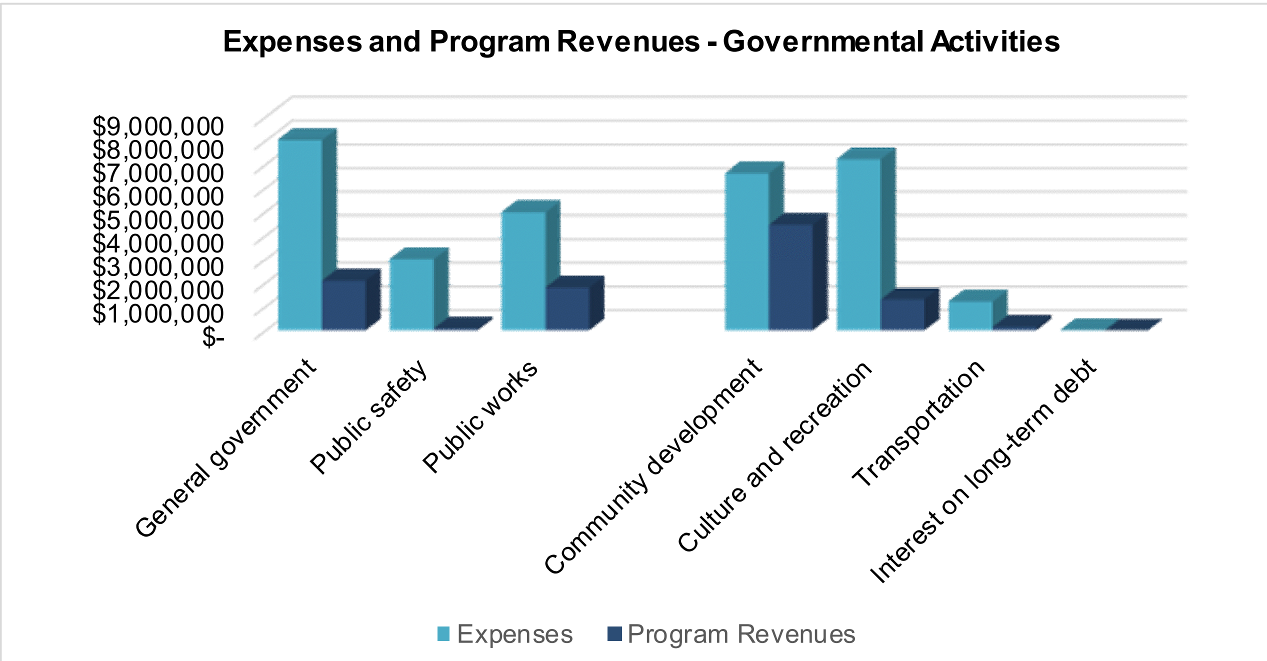
Governmental Activities. During 2025, net position for governmental activities increased $9,713,224 from 2024 for an ending balance of $154,736,392. The increase in the overall net position of governmental activities was primarily due to the strong performance of certain taxes, higher fees on building permits, increased grant revenues, and investment in capital assets, net of current year depreciation expense.

Revenues increased $1,471,211 largely due to an increase in building permit fees and increased operating grants. These increases offset slight reductions in a) real estate transfer taxes, which is driven by home purchases within the Town and b) investment earnings due to reduced yields on accounts. Sales and use taxes remain the largest sources of revenue, accounting for 31.6% of 2025’s governmental activities total revenues, compared to 32.8% in 2024.

Government-wide Financial Analysis (continued):

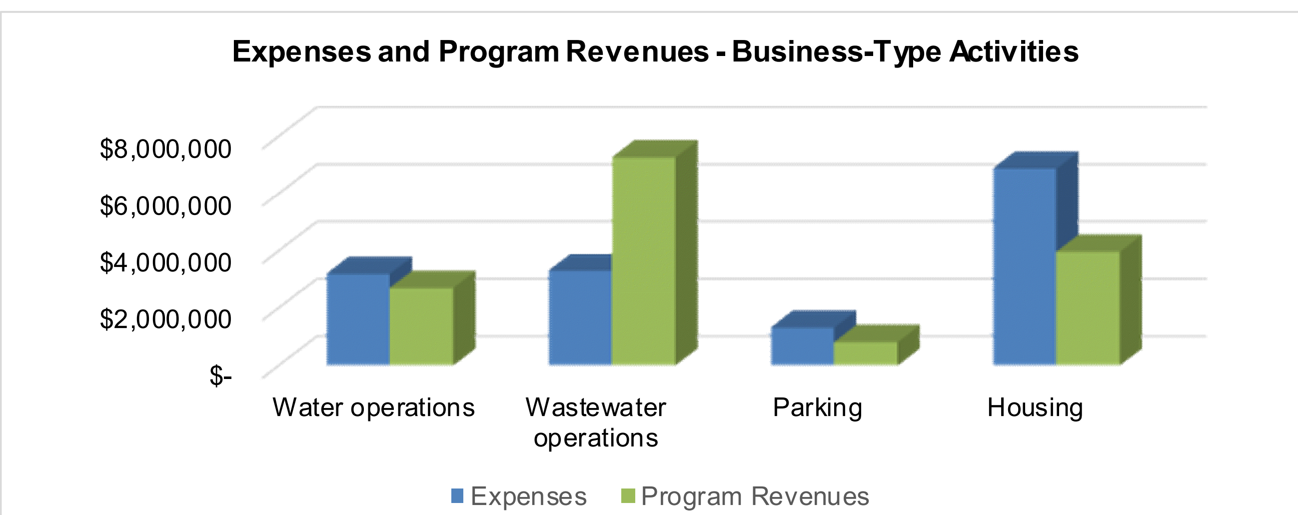
Expenses, before transfers, grew during the current year, increasing from $29,879,825 in 2024 to $31,230,498 in 2025. The most significant increase was in the culture and recreation function which was attributed to the Town's ongoing efforts to preserve open space and provide quality recreational experiences for citizens and guests.

As shown in the chart below, revenues generated by the Town's programs are not sufficient to cover the costs. The Town relies on property taxes, sales taxes, real estate transfer taxes, other taxes, investment income, and other general revenues to cover the costs associated with the various programs.



Business-type Activities. For the Town's business-type activities, overall net position increased to reach an ending balance of $65,948,935. The total increase in net position for business-type activities (water, wastewater, parking, and housing operations) was $2,837,598, or 4.5% from 2024. The total increase in net position also includes net transfers of $1,627,972. The growth in large part is due to an general conservative spending relative to the revenues the Town's business-type activities generate.

The following chart excludes non-operating expenses and revenues which are also available and critical to these programs; but indiciates the relationship of specific operating revenues, to the operating costs of these programs:



Financial Analysis of Governmental Funds

Governmental Funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Town's Council.

At December 31, 2025, the Town's governmental funds reported combined fund balances of $40,911,348, an increase of $3,339,687 from December 31, 2024. Of this amount, $12,478,064 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form, $3,074,826; (2) not spendable because it is legally required to be maintained intact, $990,004; (3) restricted for particular purposes, $8,041,140; (4) committed for particular purposes, $14,983,749; or (5) assigned for particular purposes, $1,343,565.

Analysis of Individual Funds

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was $12,478,064, while total fund balance increased to $13,614,284. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 70.2% of total General Fund expenditures, while total fund balance represents 71.0% of that same amount.

The Capital Improvement Fund, a major fund, had a decrease in fund balance during the current year of $4,734,873 to bring the year end fund balance to $7,416,225. The Capital Improvement Fund transferred $5,163,670 to other funds to assist with Street Alley and Bridge Fund capital expenditures and maintenance, Virginia Placer 2A capital expenditures, and the transportation function of the Town.

The Affordable Housing Fund, another major fund, had an increase of $4,050,829 in fund balance during 2025 which put the overall fund balance in a positive position for the amount of $7,116,390. The large increase in fund balance is due to increased housing mitigation building permit fees and continued collections of the short-term rental excise tax.

The Open Space Fund, the last major fund of the Town, had a decrease in fund balance during 2025 of $428,720, which put the overall fund balance in a positive position for the amount of $3,845,123.

Proprietary Funds: The Town's proprietary funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail.

The Town's proprietary funds ending net position at December 31, 2025 was $65,948,935, which is an increase of $2,837,598 from 2024, which is broken down by fund as follows: Water – $19,343,657, Wastewater – $24,290,844, Parking – $2,613,314, Telluride Housing Authority – $17,862,174, and Virginia Placer 2A – $1,838,946. The net position includes each fund's net investment of capital assets.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations.

General Fund Budgetary Highlights

Final budget compared to actual results. The following significant variances were noted in the General Fund:

Account	Variance Positive (Negative)	Reason
Revenues:		
Taxes:		
Property tax	(185,029)	The budgeted figure is for the entire property tax contribution. It does not account for the allocations to the Open Space (5%) and Reserve Capital Improvement (15%) Funds.
Sales tax	(2,335,592)	The budgeted figure is for all Town sales tax revenues. It does not account for the allocations to the Open Space (5%) and Reserve Capital Improvement (15%) Funds.
Use tax	(328,458)	Driven by permits issued, which are difficult to budget.
Licenses and permits:		
Business licenses	(122,105)	The budgeted figure is for all anticipated business licenses. It does not account for the allocations to the Open Space (5%) and Reserve Capital Improvement (15%) Funds, which occur after reasonable costs are paid for.
Intergovernmental:		
Grants	(152,409)	Budgeted to receive a DOLA grant that was ultimately received in 2026.
Expenditures:		
General government:		
Contract services	88,484	Conservatively budgeted, in-house IT department established in 2024 reduced need for contracted IT services
Miscellaneous operations and maintenance	206,773	Conservatively budgeted
Public works:		
Road and utility	138,235	Conservative budgeting relating to equipment rentals and operating supplies/maintenance.
Culture and recreation:		
Historic preservation	109,339	Conservatively budgeted

Capital Assets and Debt Administration

Capital assets. Telluride's capital assets for its governmental and business-type activities as of December 31, 2025, amount to $230,461,958 (net of accumulated depreciation), an increase of $18,391,615 from December 31, 2024. The total increase in capital assets for the current fiscal year was 8.7%. Capital assets include land, buildings and improvements, machinery, construction in progress, equipment and vehicles, treatment plants and systems, and infrastructure.

Capital Assets and Debt Administration (continued)

Town of Telluride's Capital Assets (net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	80,556,438	80,556,438	4,721,011	4,721,011	85,277,449	85,277,449
Construction in progress	3,309,163	1,754,337	18,767,472	3,553,846	22,076,635	5,308,183
Buildings	7,517,162	4,975,676	62,942,995	64,841,202	70,460,157	69,816,878
Infrastructure	14,174,650	12,334,354	118,569	118,569	14,293,219	12,452,923
Equipment and vehicles	1,971,248	1,460,136	496,375	333,738	2,467,623	1,793,874
Improvements	7,257,673	7,805,510	-	-	7,257,673	7,805,510
Treatment plants	-	-	28,629,202	29,615,526	28,629,202	29,615,526
Total	114,786,334	108,886,451	115,675,624	103,183,892	230,461,958	212,070,343

Major capital asset additions during the current fiscal year included the following:

- Purchased several pieces of equipment (shuttle bus, daycab) for a cost of $800k.
- Completed the warming hut and washstand project at a cost of $2.9mm.
- Continued West Pacific Ave Street Improvements at a cost of $2.6mm
- Asphalt Mill & Overlay projects at a cost of $900k
- Completed Colorado Ave accessibility improvements at a cost of $2.2mm
- Continued Dewatering Redundancy project at a cost of $2.3mm
- Continued Tomboy sewer realignment project at a cost of $1.7mm
- Continued CIPP lining upgrades at a cost of $1.3mm
- Continued wastewater treatment plant upgrades at a cost of $1.2mm
- Continued Phase II of the planned improvements and renovations to Shandoka units Building F at a cost of $9.1mm.
- Began construction of Virginia Placer 2A Affordable Housing Project at a cost of $1.6mm

Additional information on the Town's capital assets can be found in Note IV.F. of the accompanying notes to the financial statements, as listed in the table of contents.

Long-term debt. At the end of 2025, the Town had total bonded debt outstanding of $52,675,077. Of this amount, $3,481,477 is debt backed by the full faith and credit of the government. The $26,749,292 remainder of the Town's long-term obligations is comprised of certificates of participation.

Town of Telluride's Outstanding Long-term Liabilities

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Certificates of participation	181,320	201,050	26,567,972	12,842,961	26,749,292	13,044,011
General obligation bonds	-	-	2,654,000	3,167,000	2,654,000	3,167,000
Revenue bonds, net	890,000	1,100,000	49,131,077	50,663,995	50,021,077	51,763,995
Compensated absences	758,244	730,304	69,233	70,247	827,477	800,551
Total	1,829,564	2,031,354	78,422,282	66,744,203	80,251,846	68,775,557

The Town's total debt increased by a net $11,476,289 (16.7%) during 2025. The following are the reasons for the overall change:

- Issued 2025 Certificates of Participation at a face value of $13,890,000, which will be used for Shandoka upgrades and the construction of the Virginia Placer 2A affordable housing project.
- Made regular principal payments on current outstanding debt

Capital Assets and Debt Administration (continued)

Long-term debt (continued).

Additional information on the Town's long-term debt can be found in Note IV.G. of the accompanying notes to the financial statements, as listed in the table of contents.

Economic Factors and Next Year's Budgets and Rates

- State regulations on wastewater are causing major capital improvements to occur at the regional treatment plant. The Town of Mountain Village has purchased a piece of property for a potential future wastewater treatment plant site and is currently conducting a feasibility study on the land. Additionally, we are evaluating the establishment of a Wastewater Authority.

- The Town continues with our conservative approach to budgeting for expenses. We have been able to maintain a minimum fund balance of 35% in the General Fund. For the 2026 fiscal year, sales tax revenues are budgeted to decrease slightly from 2025.

- Both water and wastewater rates are budgeted to increase from 2025 to 2026, with the percentage increases varying based on different rate classes.

- Several capital projects are anticipated to take place, as they were previously deferred to future years due to contractor availability and appropriate town staffing.

Next Year's Budget and Rates: The Town's General Fund balance at the end of fiscal year 2025 totaled $13,614,284. The original 2026 budget anticipates decreasing this balance by approximately $1.2mm.

Request for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, P.O. Box 397, Town of Telluride, Colorado, 81435.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Town of Telluride, Colorado
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments - Unrestricted	41,215,059	14,265,743	55,480,802
Cash and investments - Restricted	1,779,824	16,333,237	18,113,061
Accounts receivable, net:			
Taxes	2,300,443	554,687	2,855,130
Trade accounts	74,856	567,426	642,282
Intergovernmental	1,448,736	1,613,927	3,062,663
Notes	500,000	-	500,000
Other	157,896	8,084	165,980
Leases receivable	-	964,724	964,724
Internal balances	622,154	(622,154)	-
Housing unit inventory available for resale	3,074,826	-	3,074,826
Investment in partnership	-	1	1
Capital assets, not being depreciated	83,865,601	23,488,483	107,354,084
Capital assets, net of accumulated depreciation	30,920,733	92,187,141	123,107,874
Total Assets	165,960,128	149,361,299	315,321,427
Liabilities:			
Accounts payable and accrued expenses	4,030,024	2,836,931	6,866,955
Accrued payroll and taxes	404,590	-	404,590
Accrued interest payable	1,939	413,521	415,460
Unearned revenue	1,867,943	-	1,867,943
Deposits	789,233	345,143	1,134,376
Long-term liabilities:			
Portion due or payable within one year:			
Accrued compensated absences	189,561	-	189,561
Certificates of participation	20,420	456,293	476,713
Bonds and notes payable	215,000	2,055,000	2,270,000
Portion due or payable after one year:			
Accrued compensated absences	568,683	69,233	637,916
Certificates of participation	160,900	20,516,042	20,676,942
Bonds and notes payable	675,000	55,325,714	56,000,714
Total Liabilities	8,923,293	82,017,877	90,941,170
Deferred Inflows of Resources:			
Property taxes	2,300,443	554,687	2,855,130
Leases	-	839,800	839,800
Total Deferred Inflows of Resources	2,300,443	1,394,487	3,694,930
Net Position:			
Net investment in capital assets	112,528,920	50,612,122	163,141,042
Restricted for:			
Emergencies	990,000	163,000	1,153,000
Parks and open space	3,999,576	-	3,999,576
Debt service	4	2,046,575	2,046,579
Affordable housing	4,041,564	-	4,041,564
Unrestricted	33,176,328	13,127,238	46,303,566
Total Net Position	154,736,392	65,948,935	220,685,327

The notes to the financial statements are an integral part of this statement.

Town of Telluride, 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	8,051,153	1,961,796	149,818	-	(5,939,539)	-	(5,939,539)
Public safety	3,025,364	34,113	67,671	-	(2,923,580)	-	(2,923,580)
Public works	4,999,098	1,120,663	86,213	619,247	(3,172,975)	-	(3,172,975)
Community and economic development	6,655,891	2,491,913	1,986,175	-	(2,177,803)	-	(2,177,803)
Culture and recreation	7,241,046	1,114,375	179,387	30,394	(5,916,890)	-	(5,916,890)
Transportation	1,230,288	-	166,956	-	(1,063,332)	-	(1,063,332)
Interest on long-term debt	27,658	-	-	-	(27,658)	-	(27,658)
Total Governmental Activities	31,230,498	6,722,860	2,636,220	649,641	(21,221,777)	-	(21,221,777)
Business-type Activities:							
Water operations	3,202,533	2,202,788	22,490	487,463	-	(489,792)	(489,792)
Wastewater operations	3,310,909	3,875,756	87,158	3,310,873	-	3,962,878	3,962,878
Parking	1,319,624	819,452	-	-	-	(500,172)	(500,172)
Housing	6,886,175	3,965,956	8,516	-	-	(2,911,703)	(2,911,703)
Total Business-type Activities	14,719,241	10,863,952	118,164	3,798,336	-	61,211	61,211
Total	45,949,739	17,586,812	2,754,384	4,447,977	(21,221,777)	61,211	(21,160,566)

	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property tax, levied for general purposes	2,136,210	556,890	2,693,100
Specific ownership tax	67,947	17,798	85,745
Sales and use tax	13,451,046	-	13,451,046
Franchise tax	264,668	-	264,668
Road and bridge taxes	484,400	-	484,400
Lodging taxes	1,132,141	-	1,132,141
Excise tax	4,835,929	-	4,835,929
Real estate transfer taxes	7,997,233	-	7,997,233
Other taxes	559,708	-	559,708
Miscellaneous	19,054	-	19,054
Unrestricted investment earnings	1,566,593	573,727	2,140,320
Gain on sale of capital assets	48,044	-	48,044
Transfers	(1,627,972)	1,627,972	-
Total General Revenues and Transfers	30,935,001	2,776,387	33,711,388
Change in Net Position	9,713,224	2,837,598	12,550,822
Net Position (Deficit) - Beginning, as Previously Presented	144,774,629	62,986,279	207,760,908
Error correction	248,539	125,058	373,597
Net Position (Deficit) - Beginning of Year, As Restated	145,023,168	63,111,337	208,134,505
Net Position - Ending	154,736,392	65,948,935	220,685,327

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

TOWN OF TELLURIDE
EST.1878

Town of Telluride, Colorado
Balance Sheet
Governmental Funds
December 31, 2025

	General Fund	Capital Projects Fund: Capital Improvement Fund	Special Revenue Fund: Affordable Housing Fund	Special Revenue Fund: Open Space Fund	Non-major Governmental Funds	Total Governmental Funds
Assets:						
Cash and investments - Unrestricted	14,193,113	8,597,678	3,479,500	3,932,665	10,107,586	40,310,542
Cash and investments - Restricted	-	-	1,779,817	7	-	1,779,824
Accounts receivable, net:						
Taxes	1,199,954	-	1,100,489	-	-	2,300,443
Trade accounts	68,604	-	-	-	6,252	74,856
Intergovernmental	1,448,736	-	-	-	-	1,448,736
Notes	-	-	-	-	500,000	500,000
Other	-	4,642	-	-	56,378	61,020
Due from other funds	622,154	-	-	-	-	622,154
Housing unit inventory available for resale	-	-	3,074,826	-	-	3,074,826
Total Assets	17,532,561	8,602,320	9,434,632	3,932,672	10,670,216	50,172,401
Liabilities:						
Accounts payable	848,820	1,186,095	25,490	87,549	1,750,890	3,898,844
Accrued payroll and taxes	404,590	-	-	-	-	404,590
Unearned revenue	677,570	-	1,190,373	-	-	1,867,943
Deposits payable	787,343	-	1,890	-	-	789,233
Total Liabilities	2,718,323	1,186,095	1,217,753	87,549	1,750,890	6,960,610
Deferred Inflows of Resources:						
Unavailable property taxes	1,199,954	-	1,100,489	-	-	2,300,443
Total Deferred Inflows of Resources	1,199,954	-	1,100,489	-	-	2,300,443
Fund Balances:						
Nonspendable						
Inventories	-	-	3,074,826	-	-	3,074,826
Restricted for:						
Emergencies	990,000	-	-	-	-	990,000
Affordable housing	-	-	4,041,564	-	-	4,041,564
Parks and open space	-	-	-	3,845,123	154,453	3,999,576
Debt service	-	-	-	-	4	4
Committed for:						
Capital projects	-	7,416,225	-	-	2,282,073	9,698,298
Culture and recreation	-	-	-	-	4,728,600	4,728,600
Energy mitigation	-	-	-	-	556,851	556,851
Assigned for:						
Transportation	146,220	-	-	-	-	146,220
Marketing	-	-	-	-	973,843	973,843
Affordable housing	-	-	-	-	218,436	218,436
Community services	-	-	-	-	5,066	5,066
Unassigned	12,478,064	-	-	-	-	12,478,064
Total Fund Balances	13,614,284	7,416,225	7,116,390	3,845,123	8,919,326	40,911,348
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	17,532,561	8,602,320	9,434,632	3,932,672	10,670,216	50,172,401

The notes to the financial statements are an integral part of this statement.

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

Total fund balances - Governmental funds		40,911,348
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.		114,786,334
The internal service fund is used by management to charge the costs of self-insurance activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		870,213
Long-term liabilities and related deferred items are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities and related items include:		
Certificates of participation payable	(181,320)	
Bonds and notes payable	(890,000)	
Accrued interest payable	(1,939)	
Accrued compensated absences	(758,244)	
		(1,831,503)
Total net position - Governmental activities		154,736,392

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

	Capital Projects Fund	Special Revenue Funds			
	General Fund	Capital Improvement Fund	Affordable Housing Fund	Open Space Fund	Non-major Governmental Funds	Total Governmental Funds

	General Fund	Capital Projects Fund: Capital Improvement Fund	Special Revenue Funds: Affordable Housing Fund	Special Revenue Funds: Open Space Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	11,359,277	6,397,786	4,897,838	1,052,610	7,221,771	30,929,282
Licenses and permits	1,555,951	-	-	32,724	98,171	1,686,846
Intergovernmental	225,550	358,484	4,214	-	414,837	1,003,085
Charges for services and fees	1,848,203	-	2,504,483	-	691,502	5,044,188
Investment earnings	1,490,754	-	75,241	-	598	1,566,593
Miscellaneous	109,761	180,675	614	2,000	15,869	308,919
Total Revenues	16,589,496	6,936,945	7,482,390	1,087,334	8,442,748	40,538,913
Expenditures:						
General government	7,549,888	-	-	-	611,980	8,161,868
Public safety	2,965,199	-	-	-	4,500	2,969,699
Public works	2,745,839	-	-	-	3,873,127	6,618,966
Transportation	990,409	-	-	-	-	990,409
Culture and recreation	3,277,180	-	-	1,486,054	674,568	5,437,802
Economic development	245,705	-	832,359	-	3,592,639	4,670,703
Capital outlay	-	6,556,192	-	-	-	6,556,192
Debt service:						
Principal	-	-	210,000	-	19,730	229,730
Interest	-	-	22,330	-	5,730	28,060
Total Expenditures	17,774,220	6,556,192	1,064,689	1,486,054	8,782,274	35,663,429
Excess (Deficiency) of Revenues over Expenditures	(1,184,724)	380,753	6,417,701	(398,720)	(339,526)	4,875,484
Other Financing Sources (Uses):						
Sale of assets	-	48,044	-	-	-	48,044
Purchase of housing units	-	-	(1,940,607)	-	-	(1,940,607)
Sale of housing units	-	-	1,981,961	-	-	1,981,961
Insurance proceeds	2,777	-	-	-	-	2,777
Transfers in	2,494,546	133,940	-	-	3,970,610	6,599,096
Transfers (out)	(308,345)	(5,297,610)	(2,408,226)	(30,000)	(182,887)	(8,227,068)
Total Other Financing Sources (Uses)	2,188,978	(5,115,626)	(2,366,872)	(30,000)	3,787,723	(1,535,797)
Net Change in Fund Balances	1,004,254	(4,734,873)	4,050,829	(428,720)	3,448,197	3,339,687
Fund Balances - Beginning of Year	12,610,030	12,151,098	3,065,561	4,273,843	5,471,129	37,571,661
Fund Balances - End of Year	13,614,284	7,416,225	7,116,390	3,845,123	8,919,326	40,911,348

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

Net Change in Fund Balances of Governmental Funds		3,339,687
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay expenses for the current year:		
Capital outlays	9,083,515	
Depreciation expense	(3,183,632)	
		5,899,883
The issuance of long-term debt (e.g., certificates of participation, leases and notes payable, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net position. This is the effect of the difference in the treatment of the repayment of principal of long-term debt in the current year:		
Principal repayments		229,730
Internal service funds are used by management to charge the costs of self-insurance activities to individual funds. The net income or loss of the internal service fund is reported with governmental activities.		271,465
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. Details of these items are as follows:		
Change in accrued compensated absences	(27,940)	
Change in accrued interest	399	
		(27,541)
Governmental Activities Change in Net Position		9,713,224

The notes to the financial statements are an integral part of this statement.

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

	Business-type Activities - Enterprise Funds						
	Water Fund	**Wastewater Fund**	**Parking Fund**	**Telluride Housing Authority**	**Virginia Placer 2A Fund**	**Total**	**Governmental Activities - Internal Service Fund**
Assets:							
Current assets:							
Cash and investments - Unrestricted	2,125,069	9,841,553	493,785	972,056	833,280	14,265,743	904,517
Accounts receivable, net:							
Taxes	554,687	-	-	-	-	554,687	-
Trade accounts	156,469	393,795	-	17,162	-	567,426	-
Intergovernmental	-	1,613,927	-	-	-	1,613,927	-
Leases	-	-	-	964,724	-	964,724	-
Other	7,593	491	-	-	-	8,084	96,876
Total - Current assets	2,843,818	11,849,766	493,785	1,953,942	833,280	17,974,591	1,001,393
Noncurrent assets:							
Cash and investments - Restricted	4,049,948	3,493,420	-	3,235,342	5,554,527	16,333,237	-
Investment in partnership	-	-	-	1	-	1	-
Capital assets, not being depreciated	3,016,899	6,497,584	-	12,397,931	1,576,069	23,488,483	-
Capital assets, net of depreciation	20,509,649	9,402,698	4,555,993	57,718,801	-	92,187,141	-
Total - Noncurrent assets	27,576,496	19,393,702	4,555,993	73,352,075	7,130,596	132,008,862	-
Total Assets	30,420,314	31,243,468	5,049,778	75,306,017	7,963,876	149,983,453	1,001,393
Liabilities:							
Current liabilities:							
Accounts payable	398,982	661,527	15,359	1,253,078	507,985	2,836,931	131,180
Accrued interest payable	26,963	34,800	9,105	321,345	21,308	413,521	-
Deposits	-	-	-	345,143	-	345,143	-
Due to other funds	-	-	-	622,154	-	622,154	-
Current portion of long-term debt	973,293	300,000	301,000	937,000	-	2,511,293	-
Total - Current liabilities	1,399,238	996,327	325,464	3,478,720	529,293	6,729,042	131,180
Noncurrent liabilities:							
Accrued compensated absences	24,645	20,220	-	24,368	-	69,233	-
Certificates of participation payable	6,961,087	-	-	13,554,955	-	20,516,042	-
Bonds and notes payable	2,137,000	5,936,077	2,111,000	39,546,000	5,595,637	55,325,714	-
Total - Noncurrent liabilities	9,122,732	5,956,297	2,111,000	53,125,323	5,595,637	75,910,989	-
Total Liabilities	10,521,970	6,952,624	2,436,464	56,604,043	6,124,930	82,640,031	131,180
Deferred Inflows of Resources:							
Unavailable property taxes	554,687	-	-	-	-	554,687	-
Leases	-	-	-	839,800	-	839,800	-
Total Deferred Inflows of Resources	554,687	-	-	839,800	-	1,394,487	-
Net Position:							
Net investment in capital assets	17,398,664	11,842,594	2,143,993	18,199,897	1,026,974	50,612,122	-
Restricted for emergencies	-	-	-	102,000	61,000	163,000	-
Restricted for debt service	1,088,209	958,366	-	-	-	2,046,575	-
Unrestricted	856,784	11,489,884	469,321	(439,723)	750,972	13,127,238	870,213
Total Net Position	19,343,657	24,290,844	2,613,314	17,862,174	1,838,946	65,948,935	870,213

The notes to the financial statements are an integral part of this statement.

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

	Business-type Activities - Enterprise Funds						
	Water Fund	**Wastewater Fund**	**Parking Fund**	**Telluride Housing Authority**	**Virginia Placer 2A Fund**	**Total**	**Governmental Activities - Internal Service Fund**
Operating Revenues:							
Charges for services	2,202,788	3,875,756	819,452	3,965,956	-	10,863,952	2,271,165
Reinsurance	-	-	-	-	-	-	328,850
Miscellaneous	22,490	87,159	-	8,516	-	118,165	77,473
Total Operating Revenues	2,225,278	3,962,915	819,452	3,974,472	-	10,982,117	2,677,488
Operating Expenses:							
Personnel	390,871	799,909	-	449,054	-	1,639,834	-
Operating supplies and equipment	459,772	885,666	-	227,503	-	1,572,941	-
Purchased services	438,488	497,028	584,869	759,062	-	2,279,447	-
Utilities	91,458	155,613	11,760	524,809	-	783,640	-
Claims	-	-	-	-	-	-	1,688,129
Premiums	-	-	-	-	-	-	680,061
Administrative costs	-	-	-	-	-	-	37,833
Depreciation	1,507,077	758,809	602,941	2,497,288	-	5,366,115	-
Other	927	36,576	-	2,378	-	39,881	-
Total Operating Expenses	2,888,593	3,133,601	1,199,570	4,460,094	-	11,681,858	2,406,023
Operating Income (Loss)	(663,315)	829,314	(380,118)	(485,622)	-	(699,741)	271,465
Non-Operating Revenues (Expenses):							
Property taxes	556,890	-	-	-	-	556,890	-
Specific ownership taxes	17,798	-	-	-	-	17,798	-
Treasurer's fees	(11,138)	-	-	-	-	(11,138)	-
Investment income (loss)	176,627	59,594	-	281,903	55,603	573,727	-
Grants and contributions awarded - Mountain Village	-	2,849,959	-	-	-	2,849,959	-
Interest expense	(302,227)	(177,308)	(120,054)	(2,100,119)	(58,167)	(2,757,875)	-
Paying agent fees	(575)	-	-	-	-	(575)	-
Issuance costs	-	-	-	(164,017)	(103,778)	(267,795)	-
Total Non-Operating Revenues (Expenses)	437,375	2,732,245	(120,054)	(1,982,233)	(106,342)	960,991	-
Income (Loss) Before Contributions and Transfers	(225,940)	3,561,559	(500,172)	(2,467,855)	(106,342)	261,250	271,465
Capital contributions	487,463	460,913	-	-	-	948,376	-
Transfers in	-	-	-	799,369	1,945,288	2,744,657	-
Transfers (out)	(458,081)	(458,081)	-	(200,523)	-	(1,116,685)	-
Change in Net Position	(196,558)	3,564,391	(500,172)	(1,869,009)	1,838,946	2,837,598	271,465
Net Position (Deficit) - Beginning of Year, As Previously Presented	19,540,215	20,601,395	3,113,486	19,731,183	-	62,986,279	350,209
Error correction	-	125,058	-	-	-	125,058	248,539
Net Position (Deficit) - Beginning of Year, As Restated	19,540,215	20,726,453	3,113,486	19,731,183	-	63,111,337	598,748
Net Position - End of Year	19,343,657	24,290,844	2,613,314	17,862,174	1,838,946	65,948,935	870,213

The notes to the financial statements are an integral part of this statement.

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

	Business-type Activities - Enterprise Funds						
	Water Fund	Wastewater Fund	Parking Fund	Telluride Housing Authority	Virginia Placer 2A Fund	Totals	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities:							
Cash received from customers	2,190,033	3,785,728	819,452	3,724,111	-	10,519,324	-
Cash payments to suppliers	(1,047,606)	(1,388,742)	(675,439)	(1,323,337)	-	(4,435,124)	(2,474,153)
Cash payments to employees	(383,076)	(808,459)	-	(449,313)	-	(1,640,848)	-
Net receipt (return) of customer deposits	-	-	-	(38,680)	-	(38,680)	-
Cash received from interfund services provided	-	-	-	-	-	-	2,271,165
Other cash receipts	22,490	90,583	-	8,516	-	121,589	379,619
Net Cash Provided (Used) by Operating Activities	781,841	1,679,110	144,013	1,921,297	-	4,526,261	176,631
Cash Flows From Non-Capital Financing Activities:							
Property taxes received, net of Treasurer's fees	545,752	-	-	-	-	545,752	-
Specific ownership taxes received	17,798	-	-	-	-	17,798	-
Transfers (to) from other funds	(458,081)	(458,081)	-	(400,524)	1,945,288	628,602	-
Operating grants and contributions - Mountain Village	-	1,667,636	-	-	-	1,667,636	-
Net Cash (Used) by Non-Capital Financing Activities	105,469	1,209,555	-	(400,524)	1,945,288	2,859,788	-
Cash Flows From Capital and Related Financing Activities:							
Capital grants	4,681	-	-	1,900,000	-	1,904,681	-
Connection fees	487,463	460,913	-	-	-	948,376	-
Proceeds from issuance of debt	-	-	-	8,474,000	5,602,702	14,076,702	-
Debt issue costs	(575)	-	-	-	(103,778)	(104,353)	-
Interest paid on bonds	(349,418)	(214,726)	(121,071)	(2,075,666)	(43,924)	(2,804,805)	-
Principal repaid on bonds	(953,953)	(300,000)	(289,000)	(908,000)	-	(2,450,953)	-
Acquisition and construction of capital assets	(825,523)	(7,336,895)	-	(8,119,361)	(1,068,084)	(17,349,863)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,637,325)	(7,390,708)	(410,071)	(729,027)	4,386,916	(5,780,215)	-
Cash Flows From Investing Activities:							
Interest income received	176,627	59,594	-	281,903	55,603	573,727	-
Lease principal received	-	-	-	149,264	-	149,264	-
Investment in partnership	-	-	-	(1)	-	(1)	-
Net Cash Provided by Investing Activities	176,627	59,594	-	431,166	55,603	722,990	-
Net Change in Cash and Cash Equivalents	(573,388)	(4,442,449)	(266,058)	1,222,912	6,387,807	2,328,824	176,631
Cash and Cash Equivalents - Beginning of Year	6,748,405	17,777,422	759,843	2,984,486	-	28,270,156	727,886
Cash and Cash Equivalents - End of Year	6,175,017	13,334,973	493,785	4,207,398	6,387,807	30,598,980	904,517
Cash and Cash Equivalents - End of Year comprises:							
Cash and investments - Unrestricted	2,125,069	9,841,553	493,785	972,056	833,280	14,265,743	904,517
Cash and investments - Restricted	4,049,948	3,493,420	-	3,235,342	5,554,527	16,333,237	-
Total	6,175,017	13,334,973	493,785	4,207,398	6,387,807	30,598,980	904,517
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	(663,315)	829,314	(380,118)	(485,622)	-	(699,741)	271,465
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization expense	1,507,077	758,809	602,941	2,497,288	-	5,366,115	-
Amortization of deferred inflows	-	-	-	(274,188)	-	(274,188)	-
(Increase) decrease in accounts receivable	(12,755)	(86,604)	-	32,342	-	(67,017)	(26,704)
Increase (decrease) in accounts payable and accrued expenses	(49,166)	177,591	(78,810)	190,157	-	239,772	(68,130)
Increase (decrease) in customer deposits	-	-	-	(38,680)	-	(38,680)	-
Total Adjustments	1,445,156	849,796	524,131	2,406,919	-	5,226,002	(94,834)
Net Cash Provided (Used) by Operating Activities	781,841	1,679,110	144,013	1,921,297	-	4,526,261	176,631

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF TELLURIDE
EST.1878

I. Summary of Significant Accounting Policies

The Town of Telluride, Colorado (the "Town") was founded in 1878 and, pursuant to the Article XX of the Colorado Constitution and the *Municipal Home Rule Act of 1971*, adopted its Home Rule Charter in 1977. The governing body of the Town is an elected seven-member Board of Town Council, including an elected Mayor. The Town provides the following services directly: general administration, Marshal, street construction and maintenance, affordable housing, community development, parks and open space, parking, recreation programs, and water and wastewater services. The Town is located in San Miguel County, Colorado.

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

A. Financial 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 to be financially accountable for a legally separate organization if it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Town. Consideration is also given to other organizations that are fiscally dependent on the Town; that is, unable to adopt a budget, levy tax, 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.

The accompanying financial statements present the primary government and its component units; entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations. Each component unit has a fiscal year end of December 31.

Blended Component Units

Block 23 Housing Corporation

Block 23 Housing Corporation, a Colorado nonprofit corporation, was incorporated in March 2000 to facilitate the construction of affordable housing for residents residing in San Miguel County that meet income limitations set by the Town's affordable housing guidelines. The financial data of Block 23 Housing Corporation is reported as part of the primary government because it is fiscally dependent upon the Town, and Town exercises effective operational and financial control over Block 23 Housing Corporation. Block 23 Housing Corporation is reported as a special revenue fund of the Town. Block 23 Housing Corporation is exempt from Colorado's Local Government Budget Law.

I. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

Blended Component Units (continued)

Telluride Housing Authority

The Telluride Housing Authority ("THA") provides housing for employees who work within the boundaries of the Telluride R-1 School District. THA is comprised of 134 apartments at Shandoka; 18 apartments and 3 tiny homes at Virginia Placer; 8 townhomes, 3 tiny homes, and 18 apartments at Sunnyside; 27 units and a 3,700 square foot commercial space at Voo Doo; and single and double occupancy rooms that accommodate 46 at the Telluride Boarding House. The financial data of THA is reported as part of the primary government because members of the Town Council sit as the THA Board of Directors and the Town manages the properties on behalf of THA.

Other Related Entities

The Town and the Town of Mountain Village, Colorado ("Mountain Village") entered into an agreement for the joint construction and operation of a regional wastewater treatment facility. Each entity obtains its own financing for construction and improvements to the joint facility. The reserved capacity rights are 65% for the Town and 35% for Mountain Village. The Town owns and operates the joint facility. The Town reports its percentage interest in the joint facility as a capital asset and the entire joint facilities operating costs as an operating expense. Mountain Village reimbursements under the agreement are reported as operating grants and contributions.

The Town has entered into an agreement with San Miguel County, Colorado to jointly fund the costs of transit services in the Telluride region.

Marketing Telluride, Inc. ("MTI") – a Colorado nonprofit corporation – was formed primarily to provide the community of Telluride with services necessary to maintain, promote and manage tourism. MTI receives funding from the Town, the Telluride Ski and Golf Company, Mountain Village, and San Miguel County.

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 information on all the activities of the Town and its component units. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's public safety, public works, transportation, culture and recreation, community and economic development, and general government functions are classified as governmental activities. The Town's water and wastewater operations, parking, Virginia Placer 2A housing, and THA 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 (property taxes, specific ownership taxes, sales taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants.

I. Summary of Significant Accounting Policies (continued)

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

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 operations.

C. Fund Financial Statements

The financial transactions of the Town are reported in individual fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise 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. Operations of the Transportation Fund are included in the General Fund as a sub-fund.

The *Capital Improvement Fund* accounts for general capital projects and outlays, economic and cultural development, public works and government facility maintenance, and transportation subsidies. It is financed primarily by real estate transfer taxes, which are assessed at a flat rate of 3%.

The *Affordable Housing Fund* accounts for the Town's 0.5% sales and use tax, a 2.5% Affordable Housing short-term rental excise tax, and a 2 mil property tax levy to finance the development and preservation of affordable housing.

The *Open Space Fund* accounts for the acquisition and maintenance of open space financed by 5% of unencumbered revenues generated from property, sales, and real estate transfer taxes and business licenses. Reserves are developed over time and are then utilized to acquire real properties to be dedicated as open spaces.

The Town reports the following major enterprise funds:

The *Water Fund* accounts for the charges to constituents for water provided by the Town and the expense to provide those services.

The *Wastewater Fund* accounts for revenues earned from providing sewer services to Town residents as well as residents of several nearby communities and the expenses to provide those services.

The *Parking Fund* accounts for all Town parking meter fees and parking permit fees and related activity.

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

THA accounts for the activity in the Shandoka, Sunnyside, Virginia Placer, and Voo Doo affordable housing projects, including rental income from the units and the costs to hold, manage and maintain the affordable housing units, together with related long-term debt financing.

The *Virginia Placer 2A* fund accounts for the activity in the Virginia Placer 2A affordable housing project, including rental income from the units and the costs to hold, manage and maintain the affordable housing units, together with related long-term debt financing.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* accounts for the Town's self-insurance health insurance plan.

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 expenditures or expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both the governmental and business-type activities in the government-wide financial statements, proprietary fund financial statements, and fiduciary 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.

Property taxes, sales taxes, intergovernmental revenues, charges for services, licenses, other taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. All other revenues items are considered to be measurable and available only when cash is received by the Town.

I. Summary of Significant Accounting Policies (continued)

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

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 water and wastewater operations and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the water and wastewater functions.

Amounts reported as program revenues include 1) fees, fines, and charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. 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 funds are from water and wastewater utility services provided, parking meters, and housing activities. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less. Investments are stated at fair value or net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

For the purposes of the Statement of Cash Flows, the Town defines cash and cash equivalents as amounts in demand deposits as well as short-term, highly liquid investments with original maturities of three months or less.

Certain proceeds of debt issuances, as well as certain resources set aside for their repayment, have been classified as restricted assets on the balance sheet because their use is limited by the applicable covenants. Restricted assets also include certain deposits that have been limited as to usage pursuant to escrow and similar agreements.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents and Investments (continued))

The Town is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, custodial and concentration risk criteria in which local governments may invest, which include (with applicable minimum NRSRO credit rating restrictions):

- Obligations of the United States and certain U.S. agency securities
- General obligation and revenue bonds of U.S. local government entities (AA)
- Bankers' acceptance of certain banks (AA)
- Commercial paper and corporate bonds (A-1)
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds (AAAm)
- Certificates of deposit – non-negotiable
- Local government investment pools (AAAm)

2. Receivables

All property tax and other receivables are shown net of an allowance for uncollectible accounts.

3. Investment in LLC

THA holds a 0.1% interest as a Limited Partner in the Servitas-Telluride Housing I LLC, (the "Partnership"). The Partnership was organized as a limited liability limited partnership in November 2024 to develop two multifamily affordable housing developments (the "Canyonlands" and "Towerhouse" projects) in Telluride, Colorado, pursuant to an Agreement of Limited Liability Limited Partnership, effective in January 2025 (the "Partnership Agreement"). The Authority's investment in the Partnership is accounted for using the cost method of accounting and is displayed as a non-current asset.

4. Leases

Town as Lessor

The Town is lessor in a non-cancellable lease of commercial space within the Voo Doo affordable housing project, as further described in Note III.F. In such arrangement, the Town recognizes a lease receivable and a deferred inflow of resources on the Statement of Net Position.

At lease commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

4. Leases (continued)

Town as Lessor (continued)

The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term.

Key estimates and judgments include how the Town determines the following:

Discount Rate: The Town utilizes the daily United States Treasury Yield Rate as the discount rate to discount the expected lease receipts to present value.

Lease Term: The lease term includes the non-cancellable period of the lease and extended term(s) that the Town is reasonably certain the lessee will exercise.

Lease Receipts: Lease receipts included in the measurement of the lease receivable are composed of fixed payments and minimum guaranteed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its leases, and will re-measure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

5. Inventories

Inventories are valued at cost. Inventory in the Affordable Housing Fund consists of deed-restricted housing held for resale and is recorded as an other financing use at the time the individual unit is purchased.

6. Capital Assets

Capital assets, which include land, construction in progress, treatment plants and systems, infrastructure, buildings and improvements, and equipment and vehicles are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets have that have a useful life or one or more years, and for which the initial, individual value equals or exceeds the following dollar amounts:

Asset Class	Minimum dollar value
Land	no minimum
Buildings	no minimum
Building and other improvements	$ 20,000
Furniture, equipment, and vehicles	5,000
Infrastructure	25,000

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

6. Capital Assets (continued)

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

Capital outlay for projects is capitalized as projects are constructed. Costs related to the construction of assets including engineering, legal, surveying, and landscaping that were incurred from the beginning of construction until the assets were substantially complete are capitalized. Interest is expensed as incurred.

Capital assets (excluding land, water rights, easements, certain intangibles, and construction in progress) of the primary government and its component units are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	25 - 40 years
Building and other improvements	15 years
Water and wastewater systems	25 to 35 years
Furniture, equipment, and vehicles	5 to 10 years
Infrastructure	15 to 40 years

7. Compensated Absences

The Town allows its employees to accumulate paid time off, based on the employee's length of service. Paid time off and compensatory time can be accrued up to a maximum of 280 and 80 hours, respectively. Paid time off and compensatory time is paid out upon termination up to the maximum accrual.

The Town allows full-time employees to accumulate paid sick leave, which is accrued at a rate of 80 hours a year, based on the anniversary of the employee's hire date. Part-time employees earn paid sick leave proportional to full-time employee entitlement based on annual hours worked as a percentage of full-time employment. Sick leave can be accrued up to a maximum of 480 hours. After two years' service, sick leave accrued during the current year may be paid out at 25% of its cash value.

The Town estimates how much of the leave is more likely than not to be used as paid leave and recognizes that portion as a liability for compensated absences. At December 31, 2025, the estimated value of accumulated paid time off, compensatory time, and sick leave is $827,478.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

7. Compensated Absences (continued)

Vested or accumulated 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 only if they have matured (e.g., unused reimbursable leave still outstanding following an employee's resignation or retirement). Amounts of vested or accumulated vacation 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 leave of the proprietary fund types are recorded as an expense and liability of that fund as the benefits accrue to employees.

8. Deferred Outflows and 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.

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 this category: revenue from property taxes, and lease revenue. These amounts are deferred and recognized as an inflow from resources in the period that the amounts become available.

9. Fund Equity

Governmental accounting standards establishes 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. Fund balance classifications include Nonspendable, Restricted, Committed, Assigned and Unassigned. 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. Further details on the various fund balance classifications are provided in Note III.I.

10. Interfund Transactions

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

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

11. Tap Fees

Water and wastewater 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. Significant Accounting Policies

1. 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.

2. Credit Risk

Receivables in the Town's funds are primarily due from other governments. Management believes that the credit risk related to these receivables is minimal.

3. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual appropriated expenditure budgets are adopted for all governmental funds on a basis consistent with GAAP. Annual appropriation budgets are also adopted for certain proprietary funds on a non-GAAP budget basis and are reconciled to GAAP below:

	Water Fund	Wastewater Fund	Parking Fund	Shandoka Fund
Change in net position - Budget basis	$ (468,956)	$ (3,313,695)	$ (186,231)	$ 630,517
Add(less):				
Bond principal payments	953,953	300,000	289,000	340,000
Depreciation and amortization	(1,507,077)	(758,809)	(602,941)	(600,637)
Proceeds from issuance of debt	-	-	-	(8,425,000)
Capitalized assets	825,522	7,336,895	-	8,119,361
Change in net position - GAAP basis	$ (196,558)	$ 3,564,391	$ (500,172)	$ 64,241

	Virginia Placer Fund	Sunnyside Fund	Voo Doo Fund	Virginia Placer 2A Fund
Change in net position - Budget basis	$ (41,173)	$ (204,114)	$ (359,312)	5,727,877
Add(less):				
Bond principal payments	298,000	255,000	15,000	-
Depreciation and amortization	(287,567)	(517,516)	(1,091,568)	-
Proceeds from issuance of debt	-	-	-	(5,465,000)
Capitalized assets	-	-	-	1,576,069
Change in net position - GAAP basis	$ (30,740)	$ (466,630)	$ (1,435,880)	$ 1,838,946

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

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

(1) For the 2025 budget year, prior to December 10, 2024, the San Miguel County Assessor sent to the Town the final recertified assessed valuation of all taxable property within the Town's boundaries.

(2) The Town Manager, or other qualified persons appointed by the Council, submitted to the Council, on or before the first regularly Scheduled meeting in October, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.

(3) Notice of a public hearing of the budget was announced, the budget was made available in the office of the Finance Director and a public hearing was held more than 10 days after the budget was submitted to Council.

(4) After the required public hearing, the Town Council adopted the proposed budget by resolution on or before the first regular meeting in November. The ordinance which legally appropriates expenditures for the upcoming year was passed on or before the first regular Council meeting in December.

(5) The Town Council may make additional appropriations by ordinance during the fiscal year for unanticipated expenditures required by the Town, but such additional appropriations shall not exceed the amount by which actual and anticipated revenues of the year are exceeding the revenues as estimated in the budget, unless the appropriations are necessary to relieve an emergency endangering the public health, peace or safety. At any time during the year, the Town Council may, by affirmative vote of five or more members, transfer part or all of any unexpended funds from one department, fund, or office to another.

(6) For the 2025 budget, on or before the first regular meeting in December, or such other date required by law, the Town Council computed and certified to the San Miguel County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.

(7) 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 one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

Supplemental appropriations for the primary government during 2025 resulted in budget amendments as follows:

Fund	Original Amount	Final Amount
Governmental Activities:		
General	$ 20,039,947	$ 20,594,397
Capital Improvement Fund	18,655,315	20,254,871
Affordable Housing Fund	8,442,524	14,812,155
Open Space Fund	5,145,978	5,202,808
Reserve Capital Improvement Fund	-	872,880
Restricted Fund	60,600	64,463
Energy Mitigation Fund	300,965	380,115
Child Development Fund	414,464	414,994
Street Alley and Bridge Fund	7,350,000	5,490,000
Airline Guarantee Fund	2,260,340	2,531,000
Town Lodgers' Tax Fund	1,289,928	1,311,782
Health Reserve Fund	2,200,000	2,268,000
Business-type Activities:		
Water Fund	7,059,026	7,034,608
Wastewater Fund	13,733,588	15,517,960
Parking Fund	1,202,605	1,207,730
THA: Shandoka Fund	11,096,549	11,303,049
THA: Virginia Placer Fund	759,244	823,044
Virginia Placer 2A Fund	-	1,772,990
THA: Sunnyside Fund	821,687	878,187
THA: Voo Doo Fund	1,213,938	1,383,873

Expenditures and other financing uses in the following Town's funds exceeded appropriations, which may be a violation of state statute:

Fund	Final Budget, Including Transfers Out	2025 Expenditures	Over Budget
Governmental Activities:			
Health Reserve Fund	2,268,000	2,406,023	138,023
Business-type Activities:			
THA: Sunnyside Fund	605,922	611,861	5,939

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.

II. 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 restricted $1,153,000 of December 31, 2025 fund balances and net position for this purpose, which is the approximate required TABOR reserve.

In November 1994, Town voters approved a ballot question to exempt the Town from the revenue and expenditure limits of the TABOR amendment.

III. Detailed Notes on All Funds

A. Deposits and Investments

The Colorado Public Deposit Protection Act (“PDPA”) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by State regulators. Amounts in deposit in excess of Federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of collateral must be at least equal to the aggregate uninsured deposits.

Local Government Investment Pool – At December 31, 2025, the Town had invested $40,539,020 in the Colorado Government Liquid Asset Trust (“COLOTRUST”). COLOTRUST is an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds for investment purposes, and is registered with the State Securities Commissioner. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment.

The majority of securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify investments owned by COLOTRUST. COLOTRUST’s investments consist of U.S. Treasury and U.S. agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. agency securities. These investments are not categorized because the underlying securities cannot be determined. Of the investments held in COLOTRUST at December 31, 2025, the Town had invested in COLOTRUST PLUS+, which operates similarly to money market funds and each share is equal in value to $1.

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2025, the Town had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying amounts	Maturities: Less than one year	Maturities: One to five years
Deposits:				
Petty cash	Not Rated	$ 1,065	$ 1,065	$ -
Checking	Not Rated	6,029,459	6,029,459	-
Savings & Money Market	Not Rated	27,024,319	27,024,319	-
Investments:				
Investment pools	AAAm	40,539,020	40,539,020	-
Total Cash and Investments		$ 73,593,863	$ 73,593,863	$ -
Reconciliation to Statement of Net Position:				
Governmental activities - Unrestricted		41,215,059		
Governmental activities - Restricted		1,779,824		
Business-type activities - Unrestricted		14,265,743		
Business-type activities - Restricted		16,333,237		
Total Cash and Investments		$ 73,593,863		

Restricted cash and investments represent unspent bond proceeds.

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	Total
COLOTRUST	$ 40,539,020

III. Detailed Notes on All Funds (continued)

B. Receivables

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

	General Fund	Capital Improvement Fund	Affordable Housing Fund	Non-major Governmental Funds
Taxes	$ 1,199,954	$ -	$ 1,100,489	$ -
Trade accounts	68,604	-	-	20,691
Intergovernmental	1,448,736	-	-	-
Notes	-	-	-	500,000
Other	-	4,642	-	56,378
Gross Receivables	2,717,294	4,642	1,100,489	577,069
Less: Allowance for uncollectibles	-	-	-	(14,439)
Net Receivables	2,717,294	4,642	1,100,489	562,630

	Water Fund	Wastewater Fund	Telluride Housing Authority	Internal Service Fund	Total
Taxes	$ 554,687	$ -	$ -	$ -	$ 2,855,130
Trade accounts	156,469	393,795	17,162	-	656,721
Intergovernmental	-	1,613,927	-	-	3,062,663
Leases	-	-	964,724	-	1,464,724
Notes	-	-	-	-	500,000
Other	7,593	491	-	96,876	165,980
Gross Receivables	718,749	2,008,213	981,886	96,876	8,705,218
Less: Allowance for uncollectibles	-	-	-	-	(14,439)
Net Receivables	718,749	2,008,213	981,886	96,876	8,690,779

C. Interfund Payables and Transfers

Interfund balances at December 31, 2025 were as follows:

	Due from	Due to
General Fund	$ 622,154	$ -
Telluride Housing Authority:		
Voo Doo Fund	-	622,154
	$ 622,154	$ 622,154

Interfund balances at December 31, 2025 are a result of interfund services provided.

III. Detailed Notes on All Funds (continued)

C. Interfund Payables and Transfers (continued)

Interfund transfers during 2025 were as follows:

Transferred From:	Transferred To: General Fund	Transportation Fund	Capital Improvement Fund	Non-major Governmental Funds	Enterprise Wastewater Fund
General Fund	$ -	$ -	$ -	$ 170,350	$ -
Transportation Sub-Fund	137,995	-	-	-	-
Capital Improvement Fund	272,919	850,000	-	3,800,260	-
Affordable Housing Fund	38,000	-	-	-	-
Open Space Fund	30,000	-	-	-	-
Non-major governmental funds	48,947	-	133,940	-	-
Water Fund	458,081	-	-	-	-
Wastewater Fund	458,081	-	-	-	-
Telluride Housing Authority:					
Shandoka Fund	165,428	-	-	-	-
Virginia Placer Fund	17,830	-	-	-	-
Sunnyside Fund	17,265	-	-	-	-
	$ 1,644,546	$ 850,000	$ 133,940	$ 3,970,610	$ -

Transferred From:	Transferred To: Enterprise Funds: THA Voo Doo Fund	THA Shandoka Fund	THA Sunnyside Fund	THA Virgina Placer	Virgina Placer 2A
Capital Improvement Fund	$ 54,431	$ -	$ -	$ -	$ 320,000
Affordable Housing Fund	-	493,438	33,500	218,000	1,625,288
	$ 54,431	$ 493,438	$ 33,500	$ 218,000	$ 1,945,288

Transferred From:	Transferred To: Enterprise Health Reserve Fund	Total
General Fund	$ -	$ 170,350
Transportation Sub-Fund	-	137,995
Capital Improvement Fund	-	5,297,610
Affordable Housing Fund	-	2,408,226
Open Space Fund	-	30,000
Non-major governmental funds	-	182,887
Water Fund	-	458,081
Wastewater Fund	-	458,081
Telluride Housing Authority:		
Shandoka Fund	-	165,428
Virginia Placer Fund	-	17,830
Sunnyside Fund	-	17,265
	$ -	$ 9,343,753

III. Detailed Notes on All Funds (continued)

D. Note Receivable

In October 2023, the Town advanced $650,000 to Telluride Hospital District ("THD") under a promissory note, which provided funding for THD to continue its services and to address operating shortfalls. The note, which was non-interest bearing, was to mature October 31, 2024, but the Town and THD executed a new note in October 2024 to revise the terms of repayment and extend the maturity date to April 2028.

At December 31, 2025, THD owed the Town a principal balance of $500,000, which is to be repaid as follows:

	Governmental Activities		
Year Ending December 31,	**Principal**	**Interest**	**Total**
2026	$ 150,000	$ -	$ 150,000
2027	175,000	-	175,000
2028	175,000	-	175,000
	$ 500,000	$ -	$ 500,000

E. Lease Receivable

Business-type Activities:

The Town leases commercial retail space within the Voo Doo affordable housing project to Cowgirl Coffee, LLC (the "lessee"), pursuant to a lease agreement effective November 1, 2024. The non-cancelable term of the lease agreement, including options to extend which the Town believes will be exercised by the lessee, is 10 years. The lease agreement has a fixed annual base rental payment of $10,477 per month, which is increased annually by 2% throughout the lease term. Under the terms of the lease, the initial 6 months of rental payments (November 1, 2024, until April 30, 2025), are to be deferred, and will be paid by the lessee through equal incremental monthly payments over a repayment period of 5 years, in addition to the monthly base rent due. The Town has additionally agreed to provide the lessee with $100,000 of credits via reduction of monthly lease payments in 2026 for improvements and upgrades to the retail space.

The discount rate of the lease is 4.29%.

During 2025, the Town recognized $117,727 in lease revenue, $41,772 in interest revenue, and $0 in variable payment revenue related to the lease.

At December 31, 2025, the Town's receivable for lease payment was $964,724, and the deferred inflow of resources associated with these leases, which will be recognized as revenue over the lease term, was $839,800.

III. Detailed Notes on All Funds (continued)

E. Lease Receivable (continued)

The following is a schedule of future principal and interest lease payments due under the terms of the lease, without regard to future variable payments, at December 31, 2025:

	Business-type Activities		
Year Ending December 31,	Principal	Interest	Total
2026	$ (949)	$ 41,760	$ 40,811
2027	103,926	39,400	143,326
2028	111,037	34,803	145,840
2029	118,460	29,894	148,354
2030	123,053	24,672	147,725
2031 - 2035	509,197	44,408	553,605
	$ 964,724	$ 214,937	$ 1,179,661

The Town expects the principal balance of the lease receivable to increase in 2026. This is because total payments made under the terms of the lease are less than the calculated interest revenue for the year due to the $100,000 of credits previously discussed.

III. Detailed Notes on All Funds (continued)

F. Capital Assets

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	$ 80,556,438	$ -	$ -	$ 80,556,438
Construction in progress	1,754,337	2,770,874	(1,216,048)	3,309,163
Total capital assets, not being depreciated	82,310,775	2,770,874	(1,216,048)	83,865,601
Capital assets, being depreciated:				
Buildings	13,180,956	2,909,949	-	16,090,905
Infrastructure	37,937,485	3,108,314	-	41,045,799
Equipment and vehicles	6,725,228	1,032,504	(278,407)	7,479,325
Improvements	15,635,310	477,922	-	16,113,232
Total capital assets, being depreciated	73,478,979	7,528,689	(278,407)	80,729,261
Less accumulated depreciation for:				
Buildings	(8,205,280)	(368,463)	-	(8,573,743)
Infrastructure	(25,603,131)	(1,268,018)	-	(26,871,149)
Equipment and vehicles	(5,265,092)	(521,392)	278,407	(5,508,077)
Improvements	(7,829,800)	(1,025,759)	-	(8,855,559)
Total accumulated depreciation	(46,903,303)	(3,183,632)	278,407	(49,808,528)
Total depreciable capital assets, net	26,575,676	4,345,057	-	30,920,733
Capital Assets, Net	$ 108,886,451	$ 7,115,931	$ (1,216,048)	$ 114,786,334
Business-type Activities				
Capital assets, not being depreciated:				
Land	$ 4,721,011	$ -	$ -	$ 4,721,011
Construction in progress	3,553,846	16,264,115	(1,050,489)	18,767,472
Total capital assets, not being depreciated	8,274,857	16,264,115	(1,050,489)	23,488,483
Capital assets, being depreciated:				
Treatment plants and systems	54,928,961	1,158,348	-	56,087,309
Infrastructure	207,269	-	-	207,269
Buildings and improvements	77,950,598	1,184,920	-	79,135,518
Equipment and vehicles	1,574,538	300,953	-	1,875,491
Total capital assets, being depreciated	134,661,366	2,644,221	-	137,305,587
Less accumulated depreciation for:				
Treatment plants and systems	(25,313,435)	(2,144,672)	-	(27,458,107)
Infrastructure	(88,700)	-	-	(88,700)
Buildings and improvements	(13,109,396)	(3,083,127)	-	(16,192,523)
Equipment and vehicles	(1,240,800)	(138,316)	-	(1,379,116)
Total accumulated depreciation	(39,752,331)	(5,366,115)	-	(45,118,446)
Total depreciable capital assets, net	94,909,035	(2,721,894)	-	92,187,141
Capital Assets, Net	$ 103,183,892	$ 13,542,221	$ (1,050,489)	$ 115,675,624

III. Detailed Notes on All Funds (continued)

F. Capital Assets (continued)

The Town had capital outlay and depreciation expense for the following functions/programs:

	Capital Outlay	Depreciation Expense
Governmental Activities:		
General government	$ -	$ 103,802
Public safety	86,080	86,659
Public works	6,313,044	1,447,072
Community and economic development	194,121	4,688
Culture and recreation	2,081,964	1,427,553
Transportation	408,306	113,858
Total Governmental Activities	$ 9,083,515	$ 3,183,632
Business-type Activities:		
Water	$ 825,522	$ 1,507,077
Wastewater	7,336,895	758,809
Parking	-	602,941
Virginia Placer 2A	1,576,069	-
THA:		
Shandoka	8,119,361	600,637
Virginia Placer	-	287,567
Sunnyside	-	517,516
Voo Doo	-	1,091,568
Total Business-type Activities	$ 17,857,847	$ 5,366,115

G. Long-Term Debt

Governmental Activities:

1. 2020 Sales Tax Revenue Bonds

The Town issued Taxable Sales Tax Revenue Bonds, Series 2020 in the principal amount of $1,900,000 on December 1, 2020 to refund the Taxable Sales Tax Revenue Bonds, Series 2009. The bonds mature November 1, 2029 and are subject to mandatory sinking fund redemption, payable semi-annually on May 1 and November 1. The bonds bear an interest rate of 2.03% per annum. The bonds are subject to redemption prior to its maturity at the option of the Town, in whole but not in part, on November 1, 2025, and on any May 1 or November 1 thereafter, at a redemption price equal to the principal amount of the bonds then outstanding plus accrued interest to the redemption date without a premium. The refunding reduced total debt service payments over the next 9 years by $336,657 and resulted in an economic gain of $315,967.

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

Governmental Activities (continued):

2. 2021 Refunding Certificates of Participation

In August 2021, the Town issued $4,405,000 in Certificates of Participation to advance refund all outstanding Series 2013 Certificates of Participation, which were used to finance a municipal office building and finance the construction and additional other improvements to the Town's water treatment facility. The Certificates bear an effective interest rate not to exceed 2.85% and have a scheduled maturity of December 2033. $275,312 of the issued 2021 Refunding Certificates of Participation are included as governmental activities, with the remaining $4,129,688 reflected as business-type activities. The 2021 Refunding Certificates of Participation are serviced by the Town's Debt Service Fund and Water Fund.

3. Annual Debt Service Requirements – Governmental Activities

Debt service requirements to maturity at December 31, 2025 for bonds and certificates of participation associated with the Town's governmental activities are as follows:

	Governmental Activities					
Years Ending	2020 Sales Tax Revenue Bonds		2021 Refunding Certificates of Participation		Total Governmental Activities	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 215,000	$ 18,067	$ 20,420	$ 5,168	$ 235,420	$ 23,235
2027	220,000	13,703	21,090	4,586	241,090	18,289
2028	225,000	9,237	21,742	3,985	246,742	13,222
2029	230,000	4,669	22,374	3,365	252,374	8,034
2030	-	-	22,986	2,727	22,986	2,727
2031-2033	-	-	72,708	4,185	72,708	4,185
	$ 890,000	$ 45,676	$ 181,320	$ 24,016	$ 1,071,320	$ 69,692

Business-Type Activities:

4. 2017 Virginia Placer Revenue Bonds

The Town, when developing the Virginia Placer project (a sub fund of the THA Fund), issued the Series 2017 Housing Revenue Bonds in the principal amount of $8,602,000 with semi-annual payments of approximately $258,000 at a rate of 3.24% per annum and a final payment of $2,875,846 to be paid on November 1, 2036. Pledged revenue comprises the rent revenue on the Virginia Placer housing units. Annual principal and interest payments on the bonds are expected to require approximately 100% of pledged revenues. The Bonds are secured by the land on which the Virginia Placer affordable housing units are constructed. The bonds include a rate covenant, which requires the Town to establish rental rates to cover operating and maintenance expenses, as well as 100% of each fiscal year's debt service requirements of outstanding bonds.

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

Business-Type Activities (continued):

5. 2018 Parking Revenue Bonds

During 2018, the Town issued the Series 2018 Parking Revenue Bonds as two term bonds with an aggregate principal balance of $4,200,000 to finance the construction of a parking garage and related facilities in the Town. The Series 2018 Parking Revenue Bonds require annual debt service payments of about $410,000 including interest with interest rates of 4.21% per annum on $1,718,000 of bonds maturing December 1, 2025 and 4.53% per annum on bonds maturing on December 1, 2032. Pledged revenue comprises parking fees collected by the Town. Annual principal and interest payments on the bonds are expected to require approximately 100% of pledged revenues.

6. 2020 Wastewater Revenue Loan

On May 1, 2020, the Town executed a loan agreement with the Colorado Water Resources and Power Development Authority (“CWRPDA”) for $7,400,000 to fund the acquisition, construction and completion of certain near-term improvements to the Telluride Regional Wastewater Treatment Plant. Payments of interest and principal are due semiannually and interest rates vary from 2% to 4% per annum. The loan had a premium of $517,862 that is amortized over the term to maturity of the note in May 2040. The note is to be paid from fees collected in the Water Fund and from any other Town source as necessary. The note includes a rate covenant, which requires the Town to establish service rates to cover operating and maintenance expenses, as well as 100% of each fiscal year’s debt service requirements of outstanding Wastewater bonds.

7. 2021 Telluride Housing Authority – Shandoka Revenue Refunding Bonds

The Town issued the Telluride Housing Authority Revenue Refunding Bonds (Shandoka Housing Project) Taxable (Convertible Tax-Exempt), Series 2021, on August 3, 2021 in the principal amount of $3,990,000 to refund the Telluride Housing Authority Multifamily Housing Revenue Bonds (Shandoka Apartment Project), Series 2002. The Series 2021 Bonds are initially issued as taxable, convertible to tax-exempt, on or after January 1, 2022. The bonds initially bear interest at the Taxable rate of 2.63% per annum but, upon conversion (if any), the Bonds bear interest at 2.08% per annum if the Bonds have been designated by the Authority as Bank Qualified, or 2.19% per annum if the Bonds have not been so designated as Bank Qualified. Interest is paid semiannually on May 1 and November 1 each year commencing November 1, 2021.

The Series 2021 Bonds mature November 1, 2032 and are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount plus accrued interest to the redemption date, without premium. The Town contributed $1,056,488 to pay off bonds in the amount of $4,912,421. The refunding reduced total debt service payments over the next 10 years by $449,933; the net present value of the savings from the bond refunding was $160,448.

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

Business-Type Activities *(continued):*

8. Telluride Housing Authority – 2021 Sunnyside Revenue Bonds Series A and B

On January 21, 2021, the Town issued Telluride Housing Authority Tax-Exempt and Taxable Revenue Bonds, Series 2021A and Series 2021B, in the principal amounts of $10,000,000 and $1,965,000, respectively, to finance the Sunnyside Housing Project.

The Series 2021A Bonds are issued as a single-term bond in the maximum principal amount of $10,000,000; with principal amounts advanced as needed for construction of the affordable housing project. The bond proceeds were deposited to a Project Fund. The Series 2021A Bonds mature December 1, 2040 and bear interest at 2.85% per annum on the unpaid balance of the total maximum principal. Interest payments are made semi-annually on June 1 and December 1 each year commencing June 1, 2021. The Series 2021A Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount plus accrued interest to the redemption date, without premium beginning December 1, 2030.

The Series 2021B bonds are issued as a single-term bond in the maximum principal amount of $1,965,000; with principal amounts advanced in 2021 and 2022 per the bond documents. The 2021B Bonds mature December 1, 2030 and bear interest at 3.5% per annum on the unpaid balance of the total advanced principal advanced on the 2021B Bonds from the respective Advance Dates to maturity or prior redemption. Interest is payable semi-annually on June 1 and December 1 each year, commencing June 1, 2021. The 2021B Bonds are subject to mandatory sinking fund redemption as a redemption price equal to 100% of the principal amount plus accrued interest to the redemption date, without premium. The 2021B Bonds are to be redeemed on December 1 annually, commencing in 2023, through 2030. The bonds include a rate covenant, which requires the Town to establish rental rates to cover operating and maintenance expenses, as well as 100% of each fiscal year's debt service requirements of outstanding bonds.

9. 2020 General Obligation Bonds

The Town issued General Obligation Refunding Bonds, Series 2020 for the purpose of refunding the Town's outstanding General Obligation Bonds, Series 2010B. The total principal balance of the Series 2020 Bonds was $5,146,000 and the total amount paid to escrow, including a contribution from the Town, was $5,670,000. The interest rate on the bonds is 1.42% per annum, with principal and interest payments due semiannually on June 1 and December 1, commencing June 1, 2021 with final maturity December 1, 2030. This refunding reduced total debt service payments over the next 10 years by approximately $1,500,000. The net present value of the savings from the bond refunding was $627,986.

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

Business-Type Activities (continued):

10. Telluride Housing Authority – 2022 Voo Doo Revenue Bonds Series A and B

On December 29, 2022, the Town issued Telluride Housing Authority Tax-Exempt and Taxable Revenue Bonds, Series 2022A and Series 2022B, in the principal amounts of $6,070,000 and $2,245,000, respectively, to finance the Voo Doo Housing Project. The bonds include a rate covenant, which requires the Town to establish rental rates to cover operating and maintenance expenses, as well as 100% of each fiscal year's debt service requirements of outstanding bonds.

The Series 2022A bonds are issued as a single-term bond in the maximum principal amount of $6,070,000, or such lesser amount equal to the aggregate principal amount advanced to the Town. The bonds will mature December 1, 2032 and bear interest at 4.69% per annum on the unpaid balance of the total principal advanced on the 2022A bonds. Interest is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2023. The 2022A bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount redeemed plus accrued interest. Principal payments are due on December 1 of each year. The initial advance on the 2022A bonds was $52,361 with advances made thereafter according to the bond purchase agreement.

The Series 2022B bonds are issued as a single-term bond in the maximum principal amount of $2,245,000 or such lesser amount equal to the aggregate principal amount advanced by the purchaser to the Town in accordance with the bond purchase agreement. The 2022B bonds are to mature December 31, 2032 and bear interest equal to 5.86% per annum on the unpaid balance of the total principal advanced from the advance date to maturity. Interest is due semiannually on June 1 and December 1 each year, commencing June 1, 2023. The 2022B bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount redeemed plus accrued interest. Principal payments are due on December 1 of each year. The initial advance on the 2022A bonds was $52,361 with advances made thereafter according to the bond purchase agreement. The advance dates for the Series 2022A and 2022B bonds are as follows:

Advance Date	2022A Bonds	2022B Bonds
Closing date	$ 52,361	$ 54,280
March 1, 2023	52,140	107,734
June 1, 2023	310,938	266,392
September 1, 2023	1,236,238	316,214
December 1, 2023	1,433,619	312,833
March 1, 2024	1,221,483	309,523
June 1, 2024	1,214,237	306,282
September 1, 2024	548,984	353,627
November 30, 2024	-	218,115
	$ 6,070,000	$ 2,245,000

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

Business-Type Activities (continued):

11. Telluride Housing Authority – 2023 Voo Doo Revenue Bonds

On January 19, 2023, the Town issued Telluride Housing Authority Tax-Exempt Revenue Bonds, Series 2023A in the principal amount of $13,750,000 to finance the Voo Doo Housing Project. The bonds include a rate covenant, which requires the Town to establish rental rates to cover operating and maintenance expenses, as well as 100% of each fiscal year's debt service requirements of outstanding bonds.

The Series 2023A bonds are issued as a single-term bond in the maximum amount of $13,750,000, or such lesser amount equal to the aggregate principal amount advanced to the Town. The Series 2023A Bonds bear interest at 5.52% per annum on the unpaid balance of the total principal advanced on the 2023A bonds, mature in annual increments from December 1, 2025 through 2032, and are secured by tenant rental revenues. Interest is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2023. The 2023A Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount redeemed plus accrued interest.

At closing, the initial advance on the 2023A bonds was $55,744; thereafter, advances are to be made in the principal amount and at the times set forth in the bond purchase agreement.

In 2024, the Town received a capital housing grant from the State of Colorado's Department of Local Affairs on behalf of the Division of Housing, which awarded $2,000,000 for capital housing. The Town drew down $1,900,000 on this grant in 2024, which was utilized to pay down the principal of the 2023A bonds.

The advance dates for the 2023 bonds are as follows:

Advance Date	Amount
Closing date	$ 55,744
June 1, 2023	1,090,275
September 1, 2023	1,074,114
December 1, 2023	1,058,426
March 1, 2024	1,043,189
June 1, 2024	2,056,767
September 1, 2024	2,245,995
November 30, 2024	5,125,490
	$ 13,750,000

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

Business-Type Activities (continued):

12. 2024 Certificates of Participation

In January 2024, the Town issued $9,265,000 in Certificates of Participation to 1) finance a portion of the costs of extending, bettering, improving and equipping the Town's water system, including the acquisition, construction, installation and improvement of the Mill Creek Water Treatment Plant ($4,540,000) and 2) to plan for and remodel Building F of the Shandoka housing units under Telluride Housing Authority ($4,725,000). The Series 2024 Certificates of Participation bear interest at 5% per annum, mature in annual increments from November 2024 through 2053, and are secured by water utility and housing rental revenues.

13. 2025 Certificates of Participation

In September 2025, the Town issued $13,890,000 in Certificates of Participation to 1) plan for and acquire, construct, install, improve and remodel the southern two buildings that comprise a portion of Building F of the Shandoka Housing Project under Telluride Housing Authority ($8,425,000) and 2) to plan for, and construct additional housing units and improvements as part of the Virginia Placer Project ($5,465,000). The Series 2025 Certificates of Participation bear interest at 5% per annum, mature in annual increments from December 2028 through 2055, and are secured by housing rental revenues.

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

Business-Type Activities (continued):

14. Annual Debt Service Requirements – Business-Type Activities

Debt service requirements to maturity at December 31, 2025 for bonds, loans, and certificates of participation associated with the Town's business-type activities are as follows:

Business-Type Activities

Years Ending December 31,	2017 Housing Bonds Principal	2017 Housing Bonds Interest	2018 Parking Bonds Principal	2018 Parking Bonds Interest	2020 Wastewater Loan Principal	2020 Wastewater Loan Interest
2026	307,000	211,955	301,000	109,264	300,000	208,800
2027	316,000	201,960	314,000	95,628	310,000	196,600
2028	326,000	191,668	328,000	81,404	325,000	183,900
2029	337,000	181,046	343,000	66,546	340,000	170,600
2030	348,000	170,068	359,000	51,008	350,000	156,800
2031-2035	1,919,000	672,727	767,000	52,503	1,975,000	557,500
2036-2040	3,040,000	82,080	-	-	2,360,000	181,050
	$ 6,593,000	$ 1,711,503	$ 2,412,000	$ 456,353	$ 5,960,000	$ 1,655,250

Years Ending December 31,	2021 Housing Bonds Principal	2021 Housing Bonds Interest	2021A Sunnyside Bonds Principal	2021A Sunnyside Bonds Interest	2021B Sunnyside Bonds Principal	2021B Sunnyside Bonds Interest
2026	350,000	54,392	$ -	285,000	265,000	42,102
2027	355,000	47,112	-	285,000	290,000	32,754
2028	365,000	39,728	-	285,000	300,000	22,575
2029	375,000	32,136	-	285,000	315,000	12,031
2030	380,000	24,336	275,000	284,347	55,000	1,765
2031-2035	790,000	24,752	1,835,000	1,280,707	-	-
2036-2040	-	-	7,890,000	985,174	-	-
	$ 2,615,000	$ 222,456	$ 10,000,000	$ 3,690,228	$ 1,225,000	$ 111,227

(continued)

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

Business-Type Activities (continued):

14. Annual Debt Service Requirements – Business-Type Activities (continued)

Business-Type Activities (continued)

Years Ending December 31,	2020 General Obligation Bonds Principal	2020 General Obligation Bonds Interest	2021 Certificates of Participation Principal	2021 Certificates of Participation Interest	2022A Voo Doo Bonds Principal	2022A Voo Doo Bonds Interest
2026	517,000	37,687	306,293	77,515	5,000	284,449
2027	523,000	30,345	316,356	68,785	5,000	284,214
2028	530,000	22,919	326,131	59,769	5,000	283,980
2029	538,000	12,393	335,610	50,475	10,000	283,745
2030	546,000	7,753	344,785	40,910	30,000	283,276
2031-2033	-	-	1,090,642	62,769	6,010,000	561,159
	$ 2,654,000	$ 111,097	$ 2,719,817	$ 360,223	$ 6,065,000	$ 1,980,823

Years Ending December 31,	2022B Voo Doo Bonds Principal	2022B Voo Doo Bonds Interest	2023A Voo Doo Bonds Principal	2023A Voo Doo Bonds Interest	2024 Certificates of Participation - Water Principal	2024 Certificates of Participation - Water Interest
2026	5,000	131,264	5,000	758,724	150,000	211,250
2027	5,000	130,971	5,000	758,448	160,000	203,750
2028	5,000	130,678	5,000	758,172	165,000	195,750
2029	5,000	130,385	5,000	757,896	175,000	187,500
2030	5,000	130,092	5,000	757,620	185,000	178,750
2031-2035	2,215,000	259,305	11,720,000	1,514,412	1,055,000	747,500
2036-2040	-	-	-	-	1,350,000	455,250
2041-2043	-	-	-	-	985,000	100,250
	$ 2,240,000	$ 912,695	$ 11,745,000	$ 5,305,272	$ 4,225,000	$ 2,280,000

Years Ending December 31,	2024 Certificates of Participation - Shandoka Principal	2024 Certificates of Participation - Shandoka Interest	2025 Certificates of Participation - Shandoka Principal	2025 Certificates of Participation - Shandoka Interest	2025 Certificates of Participation - Virginia Placer 2A Principal	2025 Certificates of Participation - Virginia Placer 2A Interest
2026	-	213,569	-	399,675	-	259,225
2027	90,000	213,569	-	399,675	-	259,225
2028	95,000	209,069	145,000	399,675	95,000	259,225
2029	100,000	204,319	155,000	392,425	100,000	254,475
2030	100,000	199,319	160,000	384,675	105,000	249,475
2031-2035	595,000	915,094	935,000	1,794,125	605,000	1,163,625
2036-2040	755,000	751,094	1,190,000	1,536,375	770,000	996,625
2041-2045	970,000	543,644	1,525,000	1,207,125	985,000	783,125
2046-2050	1,185,000	320,638	1,920,000	805,950	1,250,000	523,125
2051-2055	835,000	69,919	2,395,000	332,550	1,555,000	216,225
	$ 4,725,000	$ 3,640,232	$ 8,425,000	$ 7,652,250	$ 5,465,000	$ 4,964,350

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

Business-Type Activities (continued):

14. Annual Debt Service Requirements – Business-Type Activities (continued)

Years Ending	Total Business-Type Activities	
December 31,	Principal	Interest
2026	$ 2,511,293	$ 3,284,871
2027	2,689,356	3,208,036
2028	3,015,131	3,123,511
2029	3,133,610	3,020,972
2030	3,247,785	2,920,193
2031-2035	31,511,642	9,606,177
2036-2040	17,355,000	4,987,648
2041-2045	4,465,000	2,634,144
2046-2050	4,355,000	1,649,713
2051-2055	4,785,000	618,694
	$ 77,068,817	$ 35,053,958

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

15. Changes in Long-Term Debt

Changes in the Town's long-term obligations for the year ended December 31, 2025 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
Governmental Activities:					
Bonds payable:					
2020 Sales Tax Revenue Bonds	$ 1,100,000	$ -	$ (210,000)	$ 890,000	$ 215,000
Certificates of participation:					
2021 Refunding Certificates of Participation	201,050	-	(19,730)	181,320	20,420
Certificates of participation, net	201,050	-	(19,730)	181,320	20,420
Compensated absences*	730,304	27,940	-	758,244	189,561
Total - Governmental Activities	$ 2,031,354	$ 27,940	$ (229,730)	$ 1,829,564	$ 424,981
Business-type Activities:					
Bonds and notes payable:					
2017 Virginia Placer Housing Revenue Bonds	$ 6,891,000	$ -	$ (298,000)	$ 6,593,000	$ 307,000
2018 Parking Revenue Bonds	2,701,000	-	(289,000)	2,412,000	301,000
2020 Wastewater Revenue Loan	6,260,000	-	(300,000)	5,960,000	300,000
2020 General Obligation Bonds	3,167,000	-	(513,000)	2,654,000	517,000
2021 Shandoka Housing Revenue Bonds	2,955,000	-	(340,000)	2,615,000	350,000
2021A Sunnyside Tax-Exempt Revenue Bonds	10,000,000	-	-	10,000,000	-
2021B Sunnyside Tax-Exempt Revenue Bonds	1,480,000	-	(255,000)	1,225,000	265,000
2022A Voo Doo Tax-Exempt Revenue Bonds	6,070,000	-	(5,000)	6,065,000	5,000
2022B Voo Doo Tax-Exempt Revenue Bonds	2,245,000	-	(5,000)	2,240,000	5,000
2023A Voo Doo Tax-Exempt Revenue Bonds	11,750,000	-	(5,000)	11,745,000	5,000
Deferred amounts:					
2020 Revenue Loan issuance premium	311,995	-	(35,918)	276,077	-
Bonds and notes payable, net	53,830,995	-	(2,045,918)	51,785,077	2,055,000
Certificates of participation:					
2021 Refunding Certificates of Participation	3,015,770	-	(295,953)	2,719,817	306,293
2024 Certificates of Participation:					
Water treatment plant	4,370,000	-	(145,000)	4,225,000	150,000
Shandoka Building G	4,725,000	-	-	4,725,000	-
2025 Certificates of Participation:					
Shandoka Building F	-	8,425,000	-	8,425,000	-
Virginia Placer Phase 2	-	5,465,000	-	5,465,000	-
Deferred amounts:					
Issuance premium - Water treatment plant	517,850	-	(45,287)	472,563	-
Issuance premium - Shandoka Building G	214,341	-	(11,475)	202,866	-
Issuance premium - Shandoka Building F	-	213,017	(10,928)	202,089	-
Issuance premium - Virginia Placer Phase 2	-	137,702	(7,065)	130,637	-
Compensated absences*	70,247	-	(1,014)	69,233	-
Total - Business-type Activities	$ 66,744,203	$ 14,240,719	$ (2,562,640)	$ 78,422,282	$ 2,511,293

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

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

15. Changes in Long-Term Debt (continued)

The Town's compensated absences liability will be paid from the funds from which employees' salaries are paid, as follows: General Fund, Open Space Fund, Transportation Fund, Affordable Housing Fund, Water Fund, Wastewater Fund, and Shandoka Fund.

16. Debt Requirements

The Town is compliant in its ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

17. Advance Refunding

The Town has advance-refunded several general obligation and revenue bonds. Sufficient U.S. government, state and local government securities were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has not been recorded on the financial statements. The amount of defeased bonds outstanding at December 31, 2025 cannot be readily determined.

H. Fund Balance Disclosures

The Town classifies governmental fund balances as follows:

Non-spendable fund balance – includes fund balance amounts inherently non-spendable since they represent inventories, prepaid items, and long-term portions of loans receivable.

Spendable fund balances:

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's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Town's platform to review and/or make changes to each department's budget. The budget is formally presented to the Town Council via an advertised public process for the review, revisions and final approval by year-end. All subsequent budget requests made during the year, after Town Council approval, must be presented via a public process and again approved by the Town Council. The Town must take formal action through resolution to establish, modify, or rescind committed fund balance amounts.

III. Detailed Notes on All Funds (continued)

H. Fund Balance Disclosures (continued)

Spendable fund balances (continued):

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the 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 the Town's 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 specific purposes.

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.

Minimum fund balance policy: Town Council has adopted a financial policy to maintain a minimum of 35% of annual expenditures in the General Fund.

IV. Other Information

A. Retirement Plans

The Town's full-time marshals are required to participate in the Town of Telluride Marshal's Plan, created in accordance with Internal Revenue Code section 401. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investments earnings.

Both employees and the Town contribute 11% of qualifying annual compensation for the first five years of employment following hire and 12.5% of qualifying annual compensation thereafter. In 2025, the Town contributed $146,944 to the plan.

For employees other than marshals, the Town has adopted the Town of Telluride Retirement Plan, created in accordance with the Internal Revenue Code section 401. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All full-time employees, excluding elected officials, are required to participate in the plan. The Town and employees each contribute 3% of qualifying annual compensation for the first five years of employment following hire, 5% of qualifying annual compensation for the next five years of employment, and 6% of qualifying annual compensation after the 10-year anniversary. In 2025, the Town contributed $297,240 to the plan.

IV. Other Information (continued)

A. Retirement Plans (continued)

The Town has adopted the Town of Telluride Executive Plan for the manager and attorney, in accordance with Internal Revenue Code section 401. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Town contributes 10% of qualifying annual compensation for the manager and the manager contributes 6%. The Town contributes 8% of qualifying annual compensation for the town attorney and the town attorney contributes 6%. During 2025, the Town contributed $36,183 to the plan.

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. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held for the exclusive benefit of the participants or their beneficiaries. The Town has no ownership interest in the plan; nor is the Town liable for any losses under the plan.

B. Risk Management

1. Town Workers' Compensation Pool

The Town is exposed to various risks of loss related to injuries of employees while on the job. Pinnacol Assurance (“Pinnacol”) was established as a political subdivision of the State of Colorado under provisions of the Workers’ Compensation Act of Colorado (Title 8, Article 45 of the Colorado Revised Statutes, as amended) to operate as a domestic mutual insurance company for the benefit of injured employees and dependents of deceased employees in Colorado. As required under state law, Pinnacol provides an assured source of workers’ compensation insurance to Colorado employers. Pinnacol shall not refuse to insure any Colorado employer or cancel any insurance policy due to the risk of loss or amount of premium, except as otherwise provided in Title 8, Article 45, C.R.S., as amended. Pinnacol sets rates annually for the Town based on industry standards and organizational performance.

2. Health Insurance

The Town has established two health insurance plans to provide medical benefits to eligible employees. Both plans are self-funded, and the potential claims liability is determined annually based on the previous year actual expenditures. The Town is responsible for the payment of these premiums as well as the claims submitted for payment to the self-funded plans. A third party stop-loss provider has been contracted to provide coverage of any claims against the self-funded plan in excess of claims incurred individually of $50,000, or $1,663,483 in the aggregate.

The Health Reserve Fund has been established to account for the health insurance plans provided by the Town to its employees. The premiums charged are allocated to the Town funds that employ those covered by the health insurance plans. Settlements have not exceeded coverage for each of the past three fiscal years.

IV. Other Information (continued)

B. Risk Management (continued)

2. Health Insurance (continued)

Incurred but not reported claims are recorded as a liability of the Health Reserve Fund. At December 31, 2025 these claims were estimated by the administrator at $131,179.

	2025	2024
Unpaid claims, beginning	$ 115,430	$ 198,733
Incurred claims, including IBNRs	1,688,129	1,394,599
Claims paid	(1,672,380)	(1,477,902)
Unpaid claims, ending	$ 131,179	$ 115,430

3. 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 $250,000 per claim or occurrence for property, $1,000,000 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.

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.

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.

C. Servitas-Telluride I, LLC Project

Under the terms of the Partnership Agreement, the Town provided two parcels to Servitas LLC ("Servitas") under a ground lease. Servitas then issued debt to fund the construction of the Canyonlands and Towerhouse projects. The Town, via resolution 2024-34, has provided a non-binding moral obligation to secure this debt and intends to fund debt payments during construction as needed to support the projects, but Servitas is legally responsible for all repayment. The projects will have units available for sale, as well as units that will be rented. Once the projects are completed, the ground lease will terminate, Servitas will manage day-to-day rental activity and will broker the sale of housing units. Once Servitas' debt on the project is paid off, the rental units will revert back to the Town. The Town can purchase the rental units prior to this through first right of refusal. Annually, Servitas provides the Town with financial information about the projects.

IV. Other Information (continued)

D. Pending Litigation

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Town attorney that the resolution of these matters will not have a material adverse effect on the financial condition of the government.

E. Construction Commitments

The Town has active construction projects ongoing at year-end.

At December 31, 2025, the Town's commitments with contractors are as follows:

Project	Contractor	Spent to Date	Remaining Commitment
West Pacific Ave ROW Improvements	United Companies	$ 2,439,724	$ 775,740
CIPP Lining Improvements	C&L	1,304,382	1,084,106
WWTP Dewatering Redundancy Project	Uliman Schutte	2,288,419	152,668
WWTP Lab Remodel	FCI Constructors	346,562	262,938
Tomboy Sewer Realignment	Telluride Gravel	669,899	253,190
Virginia Placer 2A Construction	Shaw Builders LLC	1,526,123	5,337,932
		$ 8,575,109	$ 7,866,574

F. Restatement of Beginning Net Position

During the year ended December 31, 2025, the Town restated certain prior year balances to correct errors in the reporting of certain revenues and receivables.

The Town restated the beginning net position of the Health Reserve Internal Service Fund to recognize an additional $248,539 of stop loss reimbursement revenue received in prior years but not recognized.

The Town restated the beginning net position of the Wastewater Fund to recognize an additional $125,058 of reimbursement revenues received from the Town of Mountain Village in 2024 but not recognized.

The effect of these restatements on beginning net position are as follows:

Description	Wastewater Fund	Health Reserve ISF
Beginning net position, previously reported	$ 20,601,395	$ 350,209
Correction of prior year receivables	125,058	248,539
Beginning net position, as restated	$ 20,726,453	$ 598,748

G. Related Party Transactions

In 2025, The Town paid Pure Peak Property Management, LLC ("Pure Peak"), a total of $112,028 for property management services provided to the various Telluride Housing Authority ("THA") properties. Pure Peak is owned and managed by the spouse of a THA employee. All payments were made in accordance with the Town's Municipal Code and were appropriate for services provided.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF TELLURIDE
EST.1878

Town of Telluride, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund (including Transportation Sub-Fund)
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Property tax	1,120,390	1,120,390	935,361	(185,029)	870,467
Sales tax	9,900,219	10,540,000	8,204,408	(2,335,592)	8,207,705
Use tax	750,000	1,650,000	1,321,542	(328,458)	1,350,025
Motor vehicle use tax	330,000	330,000	267,537	(62,463)	248,545
Franchise tax	280,000	280,000	264,668	(15,332)	275,431
Occupation tax	525	525	177	(348)	208
Ownership tax	40,000	40,000	35,671	(4,329)	30,076
Festival attendance taxes	260,000	260,000	269,911	9,911	212,970
Other	109,500	109,500	60,002	(49,498)	83,759
Total - Taxes	12,790,634	14,330,415	11,359,277	(2,971,138)	11,279,186
Licenses and permits:					
Business licenses	543,800	543,800	421,695	(122,105)	413,931
Other licenses	29,175	29,175	30,903	1,728	32,105
Short-term rental licenses	410,000	410,000	372,195	(37,805)	346,006
Building permits	410,992	600,992	589,644	(11,348)	579,403
Miscellaneous	75,000	142,000	141,514	(486)	152,696
Total - Licenses and permits	1,468,967	1,725,967	1,555,951	(170,016)	1,524,141
Intergovernmental:					
Grants	212,800	212,800	60,391	(152,409)	2,165
Other	158,350	158,350	165,159	6,809	153,740
Total - Intergovernmental	371,150	371,150	225,550	(145,600)	155,905
Charges for services and fees:					
Historic and architectural review fees	60,000	60,000	73,090	13,090	71,385
Zoning and subdivision fees	20,000	20,000	20,410	410	17,312
Plan check fees	450,000	450,000	395,656	(54,344)	408,409
Resource recovery fees	574,120	574,120	567,830	(6,290)	560,456
Park and recreational fees	562,219	562,219	587,261	25,042	590,028
Fines and forfeitures	42,600	107,600	124,659	17,059	70,309
Other	114,200	122,200	79,297	(42,903)	119,196
Total - Charges for services and fees	1,823,139	1,896,139	1,848,203	(47,936)	1,837,095
Investment earnings:					
Investment earnings:	1,225,000	1,475,000	1,490,754	15,754	1,103,892
Miscellaneous:					
Miscellaneous:	43,341	74,421	109,761	35,340	13,859
Total Revenues	17,722,231	19,873,092	16,589,496	(3,283,596)	15,914,078

(Continued)

Town of Telluride, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund (including Transportation Sub-Fund)
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for December 31, 2024)
(Continued)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:					
General government:					
Council and commissions	358,299	358,299	296,452	61,847	331,996
Municipal court	75,137	75,137	72,435	2,702	61,713
Manager	662,470	666,115	656,031	10,084	586,099
Finance	906,074	943,074	889,502	53,572	848,631
Attorney	649,693	696,693	701,039	(4,346)	522,073
Clerk	606,550	617,550	618,214	(664)	524,556
Planning	285,491	285,491	207,182	78,309	303,548
Human resources	425,248	466,497	428,204	38,293	391,507
General services	1,028,345	1,028,345	991,582	36,763	1,191,837
Community support	399,460	399,460	399,460	-	414,305
Building	378,975	387,975	393,435	(5,460)	294,579
Contract services	838,727	838,727	750,243	88,484	768,334
Information technology	727,054	754,054	759,209	(5,155)	764,773
Miscellaneous operations and maintenance	593,673	593,673	386,900	206,773	250,854
Total - General government	7,935,196	8,111,090	7,549,888	561,202	7,254,805
Public safety:					
Law enforcement	2,901,760	2,991,760	2,965,199	26,561	2,581,053
Total - Public safety	2,901,760	2,991,760	2,965,199	26,561	2,581,053
Public works:					
Road and utility	1,901,286	1,905,286	1,767,051	138,235	1,543,074
Administration and engineering	925,095	925,795	978,788	(52,993)	852,048
Total - Public works	2,826,381	2,831,081	2,745,839	85,242	2,395,122
Transportation:					
Transportation	1,023,827	1,023,827	990,409	33,418	962,093
Total - Transportation	1,023,827	1,023,827	990,409	33,418	962,093
Culture and recreation:					
Park maintenance	1,115,584	1,115,584	1,044,927	70,657	878,088
Recreation service	1,537,912	1,541,719	1,514,326	27,393	1,497,752
Special events	164,006	159,555	155,436	4,119	-
Historic preservation	398,355	399,855	290,516	109,339	384,415
CASE	271,975	271,975	271,975	-	271,975
Total - Culture and recreation	3,487,832	3,488,688	3,277,180	211,508	3,032,230
Economic development:					
Community services	286,385	286,385	245,705	40,680	184,860
Total - Economic development	286,385	286,385	245,705	40,680	184,860
Total Expenditures	18,461,381	18,732,831	17,774,220	958,611	16,410,163
Excess (Deficiency) of Revenues Over Expenditures	(739,150)	1,140,261	(1,184,724)	(2,324,985)	(496,085)
Other Financing Sources (Uses):					
Insurance proceeds	-	2,800	2,777	(23)	6,402
Transfers in	2,527,409	2,496,219	2,494,546	(1,673)	2,440,684
Transfers (out)	(2,740,388)	(3,023,388)	(308,345)	2,715,043	(367,331)
Total Other Financing Sources (Uses)	(212,979)	(524,369)	2,188,978	2,713,347	2,079,755
Net Change in Fund Balance	(952,129)	615,892	1,004,254	388,362	1,583,670
Fund Balance - Beginning of Year	11,385,278	12,610,030	12,610,030	-	11,026,360
Fund Balance - End of Year	10,433,149	13,225,922	13,614,284	388,362	12,610,030

Town of Telluride, 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 December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Property tax	47,451	47,451	47,776	325	43,756
Sales and use tax	545,761	592,500	604,972	12,472	602,096
Real estate transfer tax	330,924	400,924	399,862	(1,062)	481,976
Total - Taxes	924,136	1,040,875	1,052,610	11,735	1,127,828
Licenses and permits:					
Business licenses	33,549	34,959	32,724	(2,235)	31,832
Intergovernmental:					
Grants	-	250,000	-	(250,000)	34,046
Investment earnings	180	180	-	(180)	-
Miscellaneous	1,100	3,100	2,000	(1,100)	1,000
Total Revenues	958,965	1,329,114	1,087,334	(241,780)	1,194,706
Expenditures:					
Culture and recreation:					
Administrative	175,360	175,360	220,949	(45,589)	176,373
Stewardship	4,940,618	4,997,448	1,265,105	3,732,343	574,836
Total Expenditures	5,115,978	5,172,808	1,486,054	3,686,754	751,209
Excess (Deficiency) of Revenues Over Expenditures	(4,157,013)	(3,843,694)	(398,720)	3,444,974	443,497
Other Financing Sources (Uses):					
Transfers (out)	(30,000)	(30,000)	(30,000)	-	(30,000)
Total Other Financing Sources (Uses)	(30,000)	(30,000)	(30,000)	-	(30,000)
Net Change in Fund Balance	(4,187,013)	(3,873,694)	(428,720)	3,444,974	413,497
Fund Balance - Beginning of Year	4,187,013	4,273,843	4,273,843	-	3,860,346
Fund Balance - End of Year	-	400,149	3,845,123	3,444,974	4,273,843

Town of Telluride, 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 December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Property tax	1,011,930	1,011,930	1,009,745	(2,185)	1,005,276
Sales tax	1,229,402	1,331,370	1,260,751	(70,619)	1,256,011
Use tax	97,500	207,500	206,537	(963)	211,321
Ownership tax	41,748	41,748	32,276	(9,472)	34,579
Short-term rental excise taxes and regulatory fee	2,286,829	2,511,907	2,388,529	(123,378)	2,338,532
Total - Taxes	4,667,409	5,104,455	4,897,838	(206,617)	4,845,719
Intergovernmental:					
Grants	50,000	50,000	4,214	(45,786)	10,026
Charges for services:					
Housing mitigation and THA fees	1,010,000	2,474,000	2,492,078	18,078	1,583,909
Rent income	22,000	22,000	12,405	(9,595)	15,366
Total - Charges for services	1,032,000	2,496,000	2,504,483	8,483	1,599,275
Investment earnings	68,200	68,200	75,241	7,041	88,509
Miscellaneous	-	-	614	614	150
Total Revenues	5,817,609	7,718,655	7,482,390	(236,265)	6,543,679
Expenditures:					
Economic development:					
Housing set aside	7,621,385	7,983,790	330,036	7,653,754	1,626,995
Personnel	280,534	280,534	297,294	(16,760)	273,940
Administration	134,775	134,775	140,470	(5,695)	129,423
Operating support	19,500	64,500	64,559	(59)	55,734
Total - Economic development	8,056,194	8,463,599	832,359	7,631,240	2,086,092
Debt service:					
Principal	210,000	210,000	210,000	-	205,000
Interest	22,330	22,330	22,330	-	26,492
Total Expenditures	8,288,524	8,695,929	1,064,689	7,631,240	2,317,584
Excess (Deficiency) of Revenues Over Expenditures	(2,470,915)	(977,274)	6,417,701	7,394,975	4,226,095
Other Financing Sources (Uses):					
Sale of assets	-	-	-	-	50,886
Purchase of housing units	-	(3,708,000)	(1,940,607)	1,767,393	(1,039,897)
Sale of housing units	413,333	1,981,333	1,981,961	628	1,023,687
Transfers (out)	(154,000)	(2,408,226)	(2,408,226)	-	(1,523,888)
Total Other Financing Sources (Uses)	259,333	(4,134,893)	(2,366,872)	1,768,021	(1,489,212)
Net Change in Fund Balance	(2,211,582)	(5,112,167)	4,050,829	9,162,996	2,736,883
Fund Balance - Beginning of Year	2,211,582	3,065,561	3,065,561	-	328,678
Fund Balance - End of Year	-	(2,046,606)	7,116,390	9,162,996	3,065,561

SUPPLEMENTARY INFORMATION

TOWN OF TELLURIDE
EST.1878

Town of Telluride, Colorado
Combining Balance Sheet
General Fund and Related Sub-Fund
December 31, 2025

	General Fund	Transportation Fund	Total
Assets:			
Cash and investments - Unrestricted	14,039,593	153,520	14,193,113
Accounts receivable, net:			
Property taxes	1,199,954	-	1,199,954
Trade accounts	68,604	-	68,604
Intergovernmental	1,442,232	6,504	1,448,736
Due from other funds	622,154	-	622,154
Total Assets	17,372,537	160,024	17,532,561
Liabilities:			
Accounts payable	835,016	13,804	848,820
Accrued payroll and related liabilities	404,590	-	404,590
Unearned revenue	677,570	-	677,570
Deposits payable	787,343	-	787,343
Total Liabilities	2,704,519	13,804	2,718,323
Deferred Inflows of Resources:			
Unavailable property taxes	1,199,954	-	1,199,954
Total Deferred Inflows of Resources	1,199,954	-	1,199,954
Fund Balances:			
Restricted:			
Emergencies	990,000	-	990,000
Assigned:			
Transportation	-	146,220	146,220
Unassigned	12,478,064	-	12,478,064
Total Fund Balances	13,468,064	146,220	13,614,284
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	17,372,537	160,024	17,532,561

Town of Telluride, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund and Related Sub-Fund
For the Year Ended December 31, 2025

	General Fund	Transportation Fund	Total
Revenues:			
Taxes:			
Property tax	935,361	-	935,361
Sales tax	8,204,408	-	8,204,408
Use tax	1,321,542	-	1,321,542
Motor vehicle use tax	267,537	-	267,537
Franchise tax	264,668	-	264,668
Occupation tax	177	-	177
Ownership tax	35,671	-	35,671
Festival attendance taxes	269,911	-	269,911
Other	60,002	-	60,002
Total - Taxes	11,359,277	-	11,359,277
Licenses and permits:			
Business licenses	421,695	-	421,695
Other licenses	30,903	-	30,903
Short-term rental licenses	372,195	-	372,195
Building permits	589,644	-	589,644
Miscellaneous	141,514	-	141,514
Total - Licenses and permits	1,555,951	-	1,555,951
Intergovernmental:			
Grants	60,391	-	60,391
Other	-	165,159	165,159
Total - Intergovernmental	60,391	165,159	225,550
Charges for services and fees:			
Historic and architectural review fees	73,090	-	73,090
Zoning and subdivision fees	20,410	-	20,410
Plan check fees	395,656	-	395,656
Resource recovery fees	567,830	-	567,830
Park and recreational fees	587,261	-	587,261
Fines and forfeitures	124,659	-	124,659
Other	77,500	1,797	79,297
Total - Charges for services and fees	1,846,406	1,797	1,848,203
Investment earnings:			
Investment earnings	1,490,754	-	1,490,754
Miscellaneous:			
Miscellaneous	109,761	-	109,761
Total Revenues	16,422,540	166,956	16,589,496

(Continued)

Town of Telluride, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund and Related Sub-Fund
For the Year Ended December 31, 2025
(Continued)

	General Fund	Transportation Fund	Total
Expenditures:			
General government:			
Council and commissions	296,452	-	296,452
Municipal court	72,435	-	72,435
Manager	656,031	-	656,031
Finance	889,502	-	889,502
Attorney	701,039	-	701,039
Clerk	618,214	-	618,214
Planning	207,182	-	207,182
Human resources	428,204	-	428,204
General services	991,582	-	991,582
Community support	399,460	-	399,460
Building	393,435	-	393,435
Contract services	750,243	-	750,243
Information technology	759,209	-	759,209
Miscellaneous operations and maintenance	386,900	-	386,900
Total - General government	7,549,888	-	7,549,888
Public safety:			
Law enforcement	2,965,199	-	2,965,199
Public works:			
Road and utility	1,767,051	-	1,767,051
Administration and engineering	978,788	-	978,788
Total - Public works	2,745,839	-	2,745,839
Transportation:			
Transportation	-	990,409	990,409
Culture and recreation:			
Park maintenance	1,044,927	-	1,044,927
Recreation service	1,514,326	-	1,514,326
Special events	155,436	-	155,436
Historic preservation	290,516	-	290,516
CASE	271,975	-	271,975
Total - Culture and recreation	3,277,180	-	3,277,180
Economic development:			
Community services	245,705	-	245,705
Total Expenditures	16,783,811	990,409	17,774,220
Excess (Deficiency) of Revenues Over Expenditures	(361,271)	(823,453)	(1,184,724)
Other Financing Sources (Uses):			
Insurance proceeds	2,777	-	2,777
Transfers in	1,644,546	850,000	2,494,546
Transfers (out)	(170,350)	(137,995)	(308,345)
Total Other Financing Sources (Uses)	1,476,973	712,005	2,188,978
Net Change in Fund Balances	1,115,702	(111,448)	1,004,254
Fund Balances - Beginning of Year	12,352,362	257,668	12,610,030
Fund Balance - End of Year	13,468,064	146,220	13,614,284

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

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Real estate transfer tax	6,618,470	8,000,000	6,397,786	(1,602,214)	7,711,612
Intergovernmental:					
Grants	2,594,715	3,117,715	358,484	(2,759,231)	438,789
Miscellaneous:					
Other	-	180,680	180,675	(5)	-
Total Revenues	9,213,185	11,298,395	6,936,945	(4,361,450)	8,150,401
Expenditures:					
Capital outlay:					
Equipment and other	2,669,037	3,733,157	1,750,921	1,982,236	1,738,163
Capital construction	5,680,870	5,972,909	2,200,237	3,772,672	1,561,505
Municipal building maintenance	147,500	147,500	43,667	103,833	47,233
Street improvements	1,500,000	3,500,000	2,561,367	938,633	115,376
Total Expenditures	9,997,407	13,353,566	6,556,192	6,797,374	3,462,277
Excess (Deficiency) of Revenues Over Expenditures	(784,222)	(2,055,171)	380,753	2,435,924	4,688,124
Other Financing Sources (Uses):					
Sale of assets	12,000	48,000	48,044	44	-
Transfers in	133,940	133,940	133,940	-	-
Transfers (out)	(8,657,908)	(6,901,305)	(5,297,610)	1,603,695	(3,837,679)
Total Other Financing Sources (Uses)	(8,511,968)	(6,719,365)	(5,115,626)	1,603,739	(3,837,679)
Net Change in Fund Balance	(9,296,190)	(8,774,536)	(4,734,873)	4,039,663	850,445
Fund Balance - Beginning of Year	10,723,377	12,151,098	12,151,098	-	11,300,653
Fund Balance - End of Year	1,427,187	3,376,562	7,416,225	4,039,663	12,151,098

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

	Debt Service Fund	Capital Projects Fund	Special Revenue Funds								
	Debt Service Fund	Reserve Capital Improvement Fund	Restricted Fund	Energy Mitigation Fund	Child Development Fund	Street Alley and Bridge Fund	Conservation Trust Fund	Airline Guarantee Fund	Town Lodgers' Tax Fund	Block 23 Housing Corporation	Totals
Assets:											
Cash and investments - Unrestricted	4	4,614,364	155,602	665,609	1,286	3,410,380	154,453	326,836	560,616	218,436	10,107,586
Accounts receivable, net:											
Trade accounts	-	-	-	-	6,252	-	-	-	-	-	6,252
Notes	-	-	-	-	-	-	-	-	500,000	-	500,000
Other	-	-	89	-	-	56,289	-	-	-	-	56,378
Total Assets	4	4,614,364	155,691	665,609	7,538	3,466,669	154,453	326,836	1,060,616	218,436	10,670,216
Liabilities and Fund Balances:											
Liabilities:											
Accounts payable	-	36,567	4,888	108,758	2,472	1,184,596	-	326,836	86,773	-	1,750,890
Total Liabilities	-	36,567	4,888	108,758	2,472	1,184,596	-	326,836	86,773	-	1,750,890
Fund Balances:											
Nonspendable for:											
Restricted for:											
Parks and open space	-	-	-	-	-	-	154,453	-	-	-	154,453
Debt service	4	-	-	-	-	-	-	-	-	-	4
Committed for:											
Capital projects	-	-	-	-	-	2,282,073	-	-	-	-	2,282,073
Culture and recreation	-	4,577,797	150,803	-	-	-	-	-	-	-	4,728,600
Energy mitigation	-	-	-	556,851	-	-	-	-	-	-	556,851
Assigned for:											
Marketing	-	-	-	-	-	-	-	-	973,843	-	973,843
Affordable housing	-	-	-	-	-	-	-	-	-	218,436	218,436
Community services	-	-	-	-	5,066	-	-	-	-	-	5,066
Total Fund Balances	4	4,577,797	150,803	556,851	5,066	2,282,073	154,453	-	973,843	218,436	8,919,326
Total Liabilities and Fund Balances	4	4,614,364	155,691	665,609	7,538	3,466,669	154,453	326,836	1,060,616	218,436	10,670,216

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

	Debt Service Fund	Capital Projects Fund	Special Revenue Funds								
	Debt Service Fund	**Reserve Capital Improvement Fund**	**Restricted Fund**	**Energy Mitigation Fund**	**Child Development Fund**	**Street Alley and Bridge Fund**	**Conservation Trust Fund**	**Airline Guarantee Fund**	**Town Lodgers' Tax Fund**	**Block 23 Housing Corporation**	**Totals**
Revenues:											
Taxes	-	3,157,830	-	-	-	484,400	-	2,447,400	1,132,141	-	7,221,771
Licenses and permits	-	98,171	-	-	-	-	-	-	-	-	98,171
Intergovernmental	-	-	-	-	37,467	346,976	30,394	-	-	-	414,837
Charges for services and fees	-	-	16,540	504,009	170,953	-	-	-	-	-	691,502
Investment earnings	-	-	-	-	-	-	95	-	-	503	598
Miscellaneous	-	-	7,280	8,549	-	-	-	-	-	40	15,869
Total Revenues	-	3,256,001	23,820	512,558	208,420	831,376	30,489	2,447,400	1,132,141	543	8,442,748
Expenditures:											
General government	-	-	-	232,336	379,644	-	-	-	-	-	611,980
Public safety	-	-	4,500	-	-	-	-	-	-	-	4,500
Public works	-	-	-	-	-	3,873,127	-	-	-	-	3,873,127
Culture and recreation	-	548,053	47,780	-	-	-	78,735	-	-	-	674,568
Economic development	-	-	-	-	-	-	-	2,398,453	1,193,968	218	3,592,639
Debt service:											
Principal	19,730	-	-	-	-	-	-	-	-	-	19,730
Interest	5,730	-	-	-	-	-	-	-	-	-	5,730
Total Expenditures	25,460	548,053	52,280	232,336	379,644	3,873,127	78,735	2,398,453	1,193,968	218	8,782,274
Excess (Deficiency) of Revenues Over Expenditures	(25,460)	2,707,948	(28,460)	280,222	(171,224)	(3,041,751)	(48,246)	48,947	(61,827)	325	(339,526)
Other Financing Sources (Uses):											
Transfers in	5,350	-	-	-	165,000	3,800,260	-	-	-	-	3,970,610
Transfers (out)	-	-	-	(133,940)	-	-	-	(48,947)	-	-	(182,887)
Total Other Financing Sources (Uses)	5,350	-	-	(133,940)	165,000	3,800,260	-	(48,947)	-	-	3,787,723
Net Change in Fund Balance	(20,110)	2,707,948	(28,460)	146,282	(6,224)	758,509	(48,246)	-	(61,827)	325	3,448,197
Fund Balances - Beginning of Year	20,114	1,869,849	179,263	410,569	11,290	1,523,564	202,699	-	1,035,670	218,111	5,471,129
Fund Balances - End of Year	4	4,577,797	150,803	556,851	5,066	2,282,073	154,453	-	973,843	218,436	8,919,326

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

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Total Revenues	-	-	-	-	-
Expenditures:					
Debt service:					
Principal	19,730	19,730	19,730	-	19,320
Interest	5,730	5,730	5,730	-	6,280
Total Expenditures	25,460	25,460	25,460	-	25,600
Excess (Deficiency) of Revenues Over Expenditures	(25,460)	(25,460)	(25,460)	-	(25,600)
Other Financing Sources (Uses):					
Transfers in	5,350	5,350	5,350	-	25,601
Total Other Financing Sources (Uses)	5,350	5,350	5,350	-	25,601
Net Change in Fund Balance	(20,110)	(20,110)	(20,110)	-	1
Fund Balance - Beginning of Year	20,112	20,114	20,114	-	20,113
Fund Balance - End of Year	2	4	4	-	20,114

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

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Property tax	142,353	142,353	143,328	975	131,268
Sales tax	1,637,283	1,777,500	1,814,917	37,417	1,806,289
Real estate transfer tax	992,771	1,202,771	1,199,585	(3,186)	1,445,927
Total - Taxes	2,772,407	3,122,624	3,157,830	35,206	3,383,484
Licenses and permits	100,646	100,646	98,171	(2,475)	95,496
Total Revenues	2,873,053	3,223,270	3,256,001	32,731	3,478,980
Expenditures:					
Culture and recreation	-	872,880	548,053	324,827	-
Total Expenditures	-	872,880	548,053	324,827	-
Excess (Deficiency) of Revenues Over Expenditures	2,873,053	2,350,390	2,707,948	357,558	3,478,980
Other Financing Sources (Uses):					
Transfers (out)	-	-	-	-	(2,100,000)
Total Other Financing Sources (Uses)	-	-	-	-	(2,100,000)
Net Change in Fund Balance	2,873,053	2,350,390	2,707,948	357,558	1,378,980
Fund Balance - Beginning of Year	1,622,432	1,869,849	1,869,849	-	490,869
Fund Balance - End of Year	4,495,485	4,220,239	4,577,797	357,558	1,869,849

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

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Charges for services	6,100	17,100	16,540	(560)	20,153
Miscellaneous:					
Donations	3,000	3,000	7,280	4,280	4,542
Total Revenues	9,100	20,100	23,820	3,720	24,695
Expenditures:					
Public safety	2,500	6,363	4,500	1,863	2,500
Culture and recreation	58,100	58,100	47,780	10,320	64,251
Total Expenditures	60,600	64,463	52,280	12,183	66,751
Excess (Deficiency) of Revenues Over Expenditures	(51,500)	(44,363)	(28,460)	15,903	(42,056)
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	32,255
Total Other Financing Sources (Uses)	-	-	-	-	32,255
Net Change in Fund Balance	(51,500)	(44,363)	(28,460)	15,903	(9,801)
Fund Balance - Beginning of Year	164,482	179,263	179,263	-	189,064
Fund Balance - End of Year	112,982	134,900	150,803	15,903	179,263

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

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Charges for services	250,000	502,400	504,009	1,609	425,471
Intergovernmental	-	10,000	-	(10,000)	-
Miscellaneous	7,200	7,200	8,549	1,349	9,504
Total Revenues	257,200	519,600	512,558	(7,042)	434,975
Expenditures:					
General government:					
Energy projects	167,025	246,175	232,336	13,839	141,754
Total Expenditures	167,025	246,175	232,336	13,839	141,754
Excess (Deficiency) of Revenues Over Expenditures	90,175	273,425	280,222	6,797	293,221
Other Financing Sources (Uses):					
Transfers (out)	(133,940)	(133,940)	(133,940)	-	-
Total Other Financing Sources (Uses)	(133,940)	(133,940)	(133,940)	-	-
Net Change in Fund Balance	(43,765)	139,485	146,282	6,797	293,221
Fund Balance - Beginning of Year	334,786	410,569	410,569	-	117,348
Fund Balance - End of Year	291,021	550,054	556,851	6,797	410,569

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

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental	62,500	62,500	37,467	(25,033)	45,723
Charges for services	221,790	221,790	170,953	(50,837)	181,270
Total Revenues	284,290	284,290	208,420	(75,870)	226,993
Expenditures:					
General government:					
Personnel	399,256	399,256	367,434	31,822	313,541
Purchased services	7,755	7,755	3,298	4,457	1,969
Materials and equipment	4,800	4,800	4,721	79	6,302
Utilities	2,653	3,183	4,191	(1,008)	3,891
Total Expenditures	414,464	414,994	379,644	35,350	325,703
Excess (Deficiency) of Revenues Over Expenditures	(130,174)	(130,704)	(171,224)	(40,520)	(98,710)
Other Financing Sources (Uses):					
Transfers in	90,000	180,000	165,000	(15,000)	110,000
Total Other Financing Sources (Uses)	90,000	180,000	165,000	(15,000)	110,000
Net Change in Fund Balance	(40,174)	49,296	(6,224)	(55,520)	11,290
Fund Balance - Beginning of Year	41,380	11,290	11,290	-	-
Fund Balance - End of Year	1,206	60,586	5,066	(55,520)	11,290

Town of Telluride, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Street Alley and Bridge Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
County road and bridge	350,000	350,000	484,400	134,400	186,039
Intergovernmental:					
Highway users tax	70,535	70,535	86,213	15,678	91,847
Grants	250,000	250,000	260,763	10,763	-
Total Revenues	670,535	670,535	831,376	160,841	277,886
Expenditures:					
Public works:					
Parking lot and sidewalk maintenance	200,000	200,000	44,366	155,634	41,349
Street mill and overlay	400,000	400,000	426,790	(26,790)	466,233
Asphalt mill and overlay	900,000	900,000	925,598	(25,598)	784,922
Bridge replacement	3,000,000	1,000,000	209,507	790,493	47,242
ADA accessibility improvements	2,200,000	2,340,000	2,090,990	249,010	53,754
Miscellaneous projects	650,000	650,000	175,876	474,124	464,311
Total Expenditures	7,350,000	5,490,000	3,873,127	1,616,873	1,857,811
Excess (Deficiency) of Revenues Over Expenditures	(6,679,465)	(4,819,465)	(3,041,751)	1,777,714	(1,579,925)
Other Financing Sources (Uses):					
Transfers in	5,800,260	3,800,260	3,800,260	-	2,332,171
Total Other Financing Sources (Uses)	5,800,260	3,800,260	3,800,260	-	2,332,171
Net Change in Fund Balance	(879,205)	(1,019,205)	758,509	1,777,714	752,246
Fund Balance - Beginning of Year	879,205	1,523,564	1,523,564	-	771,318
Fund Balance - End of Year	-	504,359	2,282,073	1,777,714	1,523,564

Town of Telluride, 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 December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental:					
State of Colorado lottery	35,000	35,000	30,394	(4,606)	31,808
Investment earnings	80	80	95	15	-
Total Revenues	35,080	35,080	30,489	(4,591)	31,808
Expenditures:					
Culture and recreation:					
Parks improvements	85,000	85,000	78,735	6,265	4,649
Total Expenditures	85,000	85,000	78,735	6,265	4,649
Net Change in Fund Balance	(49,920)	(49,920)	(48,246)	1,674	27,159
Fund Balance - Beginning of Year	162,620	202,699	202,699	-	175,540
Fund Balance - End of Year	112,700	152,779	154,453	1,674	202,699

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

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Excise taxes	2,260,340	2,531,000	2,447,400	(83,600)	2,531,406
Total Revenues	2,260,340	2,531,000	2,447,400	(83,600)	2,531,406
Expenditures:					
Economic development	2,215,133	2,480,380	2,398,453	81,927	2,480,720
Total Expenditures	2,215,133	2,480,380	2,398,453	81,927	2,480,720
Excess (Deficiency) of Revenues Over Expenditures	45,207	50,620	48,947	(1,673)	50,686
Other Financing Sources (Uses):					
Transfers (out)	(45,207)	(50,620)	(48,947)	1,673	(50,686)
Total Other Financing Sources (Uses)	(45,207)	(50,620)	(48,947)	1,673	(50,686)
Net Change in Fund Balance	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-
Fund Balance - End of Year	-	-	-	-	-

Town of Telluride, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Special Revenue Fund - Town Lodgers' Tax Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Lodging tax	1,082,120	1,316,400	1,132,141	(184,259)	1,196,742
Total Revenues	1,082,120	1,316,400	1,132,141	(184,259)	1,196,742
Expenditures:					
Economic development:					
Marketing	1,289,928	1,311,782	1,193,968	117,814	1,201,983
Total Expenditures	1,289,928	1,311,782	1,193,968	117,814	1,201,983
Net Change in Fund Balance	(207,808)	4,618	(61,827)	(66,445)	(5,241)
Fund Balance - Beginning of Year	842,743	1,035,670	1,035,670	-	1,040,911
Fund Balance - End of Year	634,935	1,040,288	973,843	(66,445)	1,035,670

Town of Telluride, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Special Revenue Fund - Block 23 Housing Corporation
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for December 31, 2024)

	2025			2024
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Charges for services:				
Rent income	-	-	-	12,350
Investment earnings	-	503	503	601
Miscellaneous	-	40	40	209
Total Revenues	-	543	543	13,160
Expenditures:				
Economic development:				
Administration	-	218	(218)	4,813
Operating support	-	-	-	1,822
Total Expenditures	-	218	(218)	6,635
Excess (Deficiency) of Revenues Over Expenditures	-	325	325	6,525
Fund Balance - Beginning of Year	-	218,111	218,111	211,586
Fund Balance - End of Year	-	218,436	218,436	218,111

Town of Telluride, Colorado
Combining Balance Sheets
Telluride Housing Authority
December 31, 2025

	Shandoka Fund	Virginia Placer Fund	Sunnyside Fund	Voo Doo Fund	Total
Assets:					
Current assets:					
Cash and investments - Unrestricted	399,171	194,433	378,452	-	972,056
Accounts receivable, net:					
Trade accounts	10,488	6,569	105	-	17,162
Leases	-	-	-	964,724	964,724
Total - Current assets	409,659	201,002	378,557	964,724	1,953,942
Noncurrent assets:					
Cash and investments - Restricted	2,951,319	284,023	-	-	3,235,342
Investment in partnership	1	-	-	-	1
Capital assets, not being depreciated	12,397,931	-	-	-	12,397,931
Capital assets, net of depreciation	10,765,172	6,438,053	14,317,944	26,197,632	57,718,801
Total - Noncurrent assets	26,114,423	6,722,076	14,317,944	26,197,632	73,352,075
Total Assets	26,524,082	6,923,078	14,696,501	27,162,356	75,306,017
Liabilities:					
Current liabilities:					
Accounts payable	1,223,313	10,831	13,110	5,824	1,253,078
Accrued interest payable	59,467	35,326	54,517	172,035	321,345
Security deposits payable	151,963	47,486	51,825	93,869	345,143
Due to other funds	-	-	-	622,154	622,154
Current portion of long-term debt	350,000	307,000	265,000	15,000	937,000
Total - Current liabilities	1,784,743	400,643	384,452	908,882	3,478,720
Noncurrent liabilities:					
Accrued compensated absences	24,368	-	-	-	24,368
Certificates of participation payable	13,554,955	-	-	-	13,554,955
Bonds and notes payable	2,265,000	6,286,000	10,960,000	20,035,000	39,546,000
Total - Noncurrent liabilities	15,844,323	6,286,000	10,960,000	20,035,000	53,125,323
Total Liabilities	17,629,066	6,686,643	11,344,452	20,943,882	56,604,043
Deferred Inflows of Resources:					
Leases	-	-	-	839,800	839,800
Total Deferred Inflows of Resources	-	-	-	839,800	839,800
Net Position:					
Net investment in capital assets	8,830,245	129,076	3,092,944	6,147,632	18,199,897
Restricted for emergencies	79,000	23,000	-	-	102,000
Unrestricted	(14,229)	84,359	259,105	(768,958)	(439,723)
Total Net Position	8,895,016	236,435	3,352,049	5,378,674	17,862,174

Town of Telluride, Colorado
Combining Statement of Revenues, Expenses, and Changes in Net Position
Telluride Housing Authority
For the Year Ended December 31, 2025

	Shandoka Fund	Virginia Placer Fund	Sunnyside Fund	Voo Doo Fund	Total
Operating Revenues:					
Charges for services:					
Rent, net of vacancies	1,811,957	523,442	612,289	909,008	3,856,696
Tenant charges	36,011	2,058	34,223	9,156	81,448
Laundry and vending	25,228	2,584	-	-	27,812
Miscellaneous	8,516	-	-	-	8,516
Total Operating Revenues	1,881,712	528,084	646,512	918,164	3,974,472
Operating Expenses:					
Personnel	372,048	24,376	34,778	17,852	449,054
Operating supplies and equipment	189,616	17,388	15,605	4,894	227,503
Purchased services	427,327	142,138	111,900	77,697	759,062
Utilities	271,434	76,204	113,770	63,401	524,809
Depreciation expense	600,637	287,567	517,516	1,091,568	2,497,288
Other	-	578	500	1,300	2,378
Total Operating Expenses	1,861,062	548,251	794,069	1,256,712	4,460,094
Operating Income (Loss)	20,650	(20,167)	(147,557)	(338,548)	(485,622)
Non-Operating Revenues (Expenses):					
Investment income	231,620	8,511	-	41,772	281,903
Interest expense	(352,022)	(219,254)	(335,308)	(1,193,535)	(2,100,119)
Issuance costs	(164,017)	-	-	-	(164,017)
Total Non-Operating Revenues (Expenses)	(284,419)	(210,743)	(335,308)	(1,151,763)	(1,982,233)
Income (Loss) before Contributions and Transfers	(263,769)	(230,910)	(482,865)	(1,490,311)	(2,467,855)
Transfers in	493,438	218,000	33,500	54,431	799,369
Transfers (out)	(165,428)	(17,830)	(17,265)	-	(200,523)
Change in Net Position	64,241	(30,740)	(466,630)	(1,435,880)	(1,869,009)
Net Position - Beginning of Year	8,830,775	267,175	3,818,679	6,814,554	19,731,183
Net Position - End of Year	8,895,016	236,435	3,352,049	5,378,674	17,862,174

Town of Telluride, Colorado
Combining Statement of Cash Flows
Telluride Housing Authority
For the Year Ended December 31, 2025

	Shandoka Fund	Virginia Placer Fund	Sunnyside Fund	Voo Doo Fund	Total
Cash Flows From Operating Activities:					
Cash received from customers	1,905,538	528,085	646,512	643,976	3,724,111
Cash payments to suppliers	(228,688)	(236,685)	(249,061)	(608,903)	(1,323,337)
Cash payments to employees	(372,307)	(24,376)	(34,778)	(17,852)	(449,313)
Net receipt (return) of customer deposits	(27,338)	(11,291)	(21,180)	21,129	(38,680)
Other cash receipts	8,516	-	-	-	8,516
Net Cash Provided (Used) by Operating Activities	1,285,721	255,733	341,493	38,350	1,921,297
Cash Flows From Non-Capital Financing Activities:					
Transfers (to) from other funds	328,010	200,170	16,235	(944,939)	(400,524)
Net Cash (Used) by Non-Capital Financing Activities	328,010	200,170	16,235	(944,939)	(400,524)
Cash Flows From Capital and Related Financing Activities:					
Capital grants	-	-	-	1,900,000	1,900,000
Proceeds from issuance of debt	8,474,000	-	-	-	8,474,000
Interest paid on bonds	(342,756)	(220,870)	(336,800)	(1,175,240)	(2,075,666)
Principal repaid on bonds	(340,000)	(298,000)	(255,000)	(15,000)	(908,000)
Acquisition and construction of capital assets	(8,119,361)	-	-	-	(8,119,361)
Net Cash Provided (Used) by Capital and Related Financing Activities	(328,117)	(518,870)	(591,800)	709,760	(729,027)
Cash Flows From Investing Activities:					
Interest income received	231,620	8,511	-	41,772	281,903
Lease principal received	-	-	-	149,264	149,264
Investment in partnership	(1)	-	-	-	(1)
Net Cash Provided by Investing Activities	231,619	8,511	-	191,036	431,166
Net Change in Cash and Cash Equivalents	1,517,233	(54,456)	(234,072)	(5,793)	1,222,912
Cash and Cash Equivalents - Beginning of Year	1,833,257	532,912	612,524	5,793	2,984,486
Cash and Cash Equivalents - End of Year	3,350,490	478,456	378,452	-	4,207,398
Cash and Cash Equivalents - End of Year comprises:					
Cash and investments - Unrestricted	399,171	194,433	378,452	-	972,056
Cash and investments - Restricted	2,951,319	284,023	-	-	3,235,342
Total	3,350,490	478,456	378,452	-	4,207,398
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	20,650	(20,167)	(147,557)	(338,548)	(485,622)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization expense	600,637	287,567	517,516	1,091,568	2,497,288
Amortization of deferred inflows	-	-	-	(274,188)	(274,188)
(Increase) decrease in accounts receivable	32,342	-	-	-	32,342
Increase (decrease) in accounts payable and accruals	659,430	(376)	(7,286)	(461,611)	190,157
Increase (decrease) in customer deposits	(27,338)	(11,291)	(21,180)	21,129	(38,680)
Total Adjustments	1,265,071	275,900	489,050	376,898	2,406,919
Net Cash Provided (Used) by Operating Activities	1,285,721	255,733	341,493	38,350	1,921,297

Town of Telluride, Colorado
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Enterprise Fund - Water Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for services:					
Water user fees	2,468,067	2,468,067	2,149,208	(318,859)	2,089,804
Meter sales	21,130	21,130	30,523	9,393	19,816
Out of town surcharges	24,885	24,885	23,057	(1,828)	24,583
Miscellaneous	30,000	30,000	22,490	(7,510)	41,159
Total Operating Revenues	2,544,082	2,544,082	2,225,278	(318,804)	2,175,362
Operating Expenses:					
Water plant:					
Personnel	465,352	465,352	390,871	74,481	451,220
Operating supplies and equipment	214,918	287,960	178,085	109,875	104,431
Purchased services	427,402	427,402	429,375	(1,973)	223,477
Utilities	69,443	71,983	80,504	(8,521)	68,961
Miscellaneous	3,030	3,030	927	2,103	-
Water system:					
Operating supplies and equipment	170,836	170,836	281,687	(110,851)	148,337
Purchased services	23,000	23,000	9,113	13,887	5,626
Utilities	20,591	20,591	10,954	9,637	18,039
Capital outlay	3,880,600	3,780,600	825,522	2,955,078	1,477,317
Total Operating Expenses	5,275,172	5,250,754	2,207,038	3,043,716	2,497,408
Operating Income (Loss) - Budget Basis	(2,731,090)	(2,706,672)	18,240	2,724,912	(322,046)
Non-Operating Revenues (Expenses):					
Property taxes	557,971	557,971	556,890	(1,081)	540,732
Specific ownership taxes	25,200	25,200	17,798	(7,402)	18,655
Penalties and interest on property taxes	1,200	1,200	-	(1,200)	1,263
Treasurer's fees	(16,170)	(16,170)	(11,138)	5,032	(10,842)
Investment income	106,000	176,000	176,627	627	220,615
Grants and contributions awarded	-	-	-	-	8,500
Interest expense	(355,150)	(355,150)	(302,227)	52,923	(305,760)
Paying agent fees	(500)	(500)	(575)	(75)	(275)
Issuance costs	-	-	-	-	(104,900)
Proceeds from issuance of debt	-	-	-	-	5,104,900
Bond and certificates of participation principal payments	(953,953)	(953,953)	(953,953)	-	(963,802)
Total Non-Operating Revenues (Expenses)	(635,402)	(565,402)	(516,578)	48,824	4,509,086
Income (Loss) before Contributions and Transfers	(3,366,492)	(3,272,074)	(498,338)	2,773,736	4,187,040
Capital contributions - Tap fees	300,000	487,000	487,463	463	567,218
Transfers (out)	(458,081)	(458,081)	(458,081)	-	(447,749)
Change in Net Position - Budget Basis	(3,524,573)	(3,243,155)	(468,956)	2,774,199	4,306,509
Reconciliation to GAAP Basis:					
Bond and certificates of participation principal payments			953,953		963,802
Capitalized assets			825,522		1,477,317
Proceeds from issuance of debt			-		(5,104,900)
Depreciation expense			(1,507,077)		(1,468,500)
Total Adjustments			272,398		(4,132,281)
Change in Net Position - GAAP Basis			(196,558)		174,228
Net Position - Beginning of Year			19,540,215		19,365,987
Net Position - End of Year			19,343,657		19,540,215

Town of Telluride, Colorado
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Enterprise Fund - Wastewater Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for services:					
Wastewater user fees	3,997,530	3,997,530	3,875,756	(121,774)	3,290,556
Miscellaneous	30,000	87,000	87,159	159	64,378
Total Operating Revenues	4,027,530	4,084,530	3,962,915	(121,615)	3,354,934
Operating Expenses:					
Treatment facility:					
Personnel	781,930	781,930	799,909	(17,979)	569,345
Operating supplies and equipment	269,967	269,967	178,933	91,034	229,130
Purchased services	543,977	611,727	438,362	173,365	372,298
Utilities	260,724	260,724	151,987	108,737	164,318
Other	129,162	129,162	36,576	92,586	98,174
Wastewater system:					
Personnel	89,822	89,822	-	89,822	-
Operating supplies and equipment	841,000	841,000	706,733	134,267	471,222
Purchased services	114,000	114,000	58,666	55,334	28,979
Utilities	4,000	4,000	3,626	374	3,162
Other	10,000	10,000	-	10,000	-
Capital outlay	9,713,125	11,429,747	7,336,895	4,092,852	2,873,225
Total Operating Expenses	12,757,707	14,542,079	9,711,687	4,830,392	4,809,853
Operating Income (Loss) - Budget Basis	(8,730,177)	(10,457,549)	(5,748,772)	4,708,777	(1,454,919)
Non-Operating Revenues (Expenses):					
Investment income	220,000	220,000	59,594	(160,406)	442,036
Contributions and grants - Mountain Village	4,416,058	4,416,058	2,849,959	(1,566,099)	989,972
Interest expense	(217,800)	(217,800)	(177,308)	40,492	(180,632)
Bond principal payment	(300,000)	(300,000)	(300,000)	-	(290,000)
Total Non-Operating Revenues (Expenses)	4,118,258	4,118,258	2,432,245	(1,686,013)	961,376
Income (Loss) before Contributions and Transfers	(4,611,919)	(6,339,291)	(3,316,527)	3,022,764	(493,543)
Capital contributions	400,000	460,000	460,913	913	755,885
Transfers in	-	-	-	-	2,100,000
Transfers (out)	(458,081)	(458,081)	(458,081)	-	(447,749)
Change in Net Position - Budget Basis	(4,670,000)	(6,337,372)	(3,313,695)	3,023,677	1,914,593
Reconciliation to GAAP Basis:					
Bond principal payment			300,000		290,000
Capitalized assets			7,336,895		2,873,225
Depreciation expense			(758,809)		(470,516)
Total Adjustments			6,878,086		2,692,709
Change in Net Position - GAAP Basis			3,564,391		4,607,302
Net Position - Beginning of Year, As Previously Presented			20,601,395		16,119,151
Error correction			125,058		-
Net Position - Beginning of Year, As Restated			20,726,453		16,119,151
Net Position - End of Year			24,290,844		20,726,453

Town of Telluride, Colorado
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Enterprise Fund - Parking Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for services:					
Parking permits	184,000	184,000	118,915	(65,085)	97,327
Meter sales	570,058	570,058	353,429	(216,629)	312,836
Fees and fines	261,890	261,890	347,108	85,218	224,973
Total Operating Revenues	1,015,948	1,015,948	819,452	(196,496)	635,136
Operating Expenses:					
Zones:					
Purchased services	633,500	633,500	466,204	167,296	122,543
Parking Facility:					
Purchased services	143,192	148,317	118,665	29,652	71,341
Utilities	15,450	15,450	11,760	3,690	14,509
Capital outlay	-	-	-	-	67,249
Total Operating Expenses	792,142	797,267	596,629	200,638	275,642
Operating Income (Loss) - Budget Basis	223,806	218,681	222,823	4,142	359,494
Non-Operating Revenues (Expenses):					
Interest expense	(121,463)	(121,463)	(120,054)	1,409	(132,224)
Bond principal payment	(289,000)	(289,000)	(289,000)	-	(276,000)
Total Non-Operating Revenues (Expenses)	(410,463)	(410,463)	(409,054)	1,409	(408,224)
Change in Net Position - Budget Basis	(186,657)	(191,782)	(186,231)	5,551	(48,730)
Reconciliation to GAAP Basis:					
Bond principal payment			289,000		276,000
Capitalized assets			-		67,249
Depreciation expense			(602,941)		(589,490)
Total Adjustments			(313,941)		(246,241)
Change in Net Position - GAAP Basis			(500,172)		(294,971)
Net Position - Beginning of Year			3,113,486		3,408,457
Net Position - End of Year			2,613,314		3,113,486

Town of Telluride, Colorado
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Enterprise Fund - Telluride Housing Authority
Shandoka Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for services:					
Rent, net of vacancies	1,962,665	1,962,665	1,811,957	(150,708)	1,886,614
Tenant charges	34,200	34,200	36,011	1,811	30,388
Laundry and vending	18,000	18,000	25,228	7,228	17,845
Miscellaneous	8,500	8,500	8,516	16	7,930
Total Operating Revenues	2,023,365	2,023,365	1,881,712	(141,653)	1,942,777
Operating Expenses:					
Personnel	392,941	392,941	372,048	20,893	341,301
Operating supplies and equipment	58,408	64,408	62,015	2,393	42,105
Purchased services	229,693	397,193	427,327	(30,134)	239,165
Utilities	376,882	376,882	271,434	105,448	261,650
Other	1,550	1,550	-	1,550	14,894
Capital outlay	8,706,000	8,739,000	8,246,962	492,038	6,238,014
Total Operating Expenses	9,765,474	9,971,974	9,379,786	592,188	7,137,129
Operating Income (Loss) - Budget Basis	(7,742,109)	(7,948,609)	(7,498,074)	450,535	(5,194,352)
Non-Operating Revenues (Expenses):					
Investment income	182,050	202,050	231,620	29,570	377,578
Interest expense	(624,030)	(624,030)	(352,022)	272,008	(251,103)
Insurance recoveries	-	-	-	-	51,000
Issuance costs	(201,617)	(201,617)	(164,017)	37,600	-
Proceeds from issuance of debt	8,474,000	8,474,000	8,425,000	(49,000)	4,950,816
Bond principal payment	(340,000)	(340,000)	(340,000)	-	(383,929)
Total Non-Operating Revenues (Expenses)	7,490,403	7,510,403	7,800,581	290,178	4,744,362
Income (Loss) before Contributions and Transfers	(251,706)	(438,206)	302,507	740,713	(449,990)
Transfers in	-	493,438	493,438	-	1,096,087
Transfers (out)	(165,428)	(165,428)	(165,428)	-	(133,206)
Change in Net Position - Budget Basis	(417,134)	(110,196)	630,517	740,713	512,891
Reconciliation to GAAP Basis:					
Bond principal payment			340,000		383,929
Capitalized assets			8,119,361		6,096,528
Proceeds from issuance of debt			(8,425,000)		(4,950,816)
Depreciation expense			(600,637)		(330,857)
Total Adjustments			(566,276)		1,198,784
Change in Net Position - GAAP Basis			64,241		1,711,675
Net Position - Beginning of Year			8,830,775		7,119,100
Net Position - End of Year			8,895,016		8,830,775

Town of Telluride, Colorado
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Enterprise Fund - Telluride Housing Authority
Virginia Placer Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for services:					
Rent, net of vacancies	646,709	646,709	523,442	(123,267)	558,416
Tenant charges	3,150	3,150	2,058	(1,092)	1,530
Laundry and vending	2,200	2,200	2,584	384	3,617
Total Operating Revenues	652,059	652,059	528,084	(123,975)	563,563
Operating Expenses:					
Personnel	27,258	27,258	24,376	2,882	23,567
Operating supplies and equipment	18,150	20,950	17,388	3,562	5,578
Purchased services	75,932	136,932	142,138	(5,206)	73,584
Utilities	90,565	90,565	76,204	14,361	78,441
Other	10,638	10,638	578	10,060	578
Total Operating Expenses	222,543	286,343	260,684	25,659	181,748
Operating Income (Loss) - Budget Basis	429,516	365,716	267,400	(98,316)	381,815
Non-Operating Revenues (Expenses):					
Investment income	7,000	7,000	8,511	1,511	10,357
Interest expense	(220,871)	(220,871)	(219,254)	1,617	(228,719)
Bond principal payment	(298,000)	(298,000)	(298,000)	-	(288,000)
Total Non-Operating Revenues (Expenses)	(511,871)	(511,871)	(508,743)	3,128	(506,362)
Income (Loss) before Contributions and Transfers	(82,355)	(146,155)	(241,343)	(95,188)	(124,547)
Transfers in	116,000	218,000	218,000	-	97,000
Transfers (out)	(17,830)	(17,830)	(17,830)	-	-
Change in Net Position - Budget Basis	15,815	54,015	(41,173)	(95,188)	(27,547)
Reconciliation to GAAP Basis:					
Bond principal payment			298,000		288,000
Depreciation expense			(287,567)		(287,567)
Total Adjustments			10,433		433
Change in Net Position - GAAP Basis			(30,740)		(27,114)
Net Position - Beginning of Year			267,175		294,289
Net Position - End of Year			236,435		267,175

Town of Telluride, Colorado
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Enterprise Fund - Virginia Placer 2A Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Total Operating Revenues	-	-	-	-	-
Operating Expenses:					
Capital outlay	-	1,625,288	1,576,069	49,219	-
Total Operating Expenses	-	1,625,288	1,576,069	49,219	-
Operating Income (Loss) - Budget Basis	-	(1,625,288)	(1,576,069)	49,219	-
Non-Operating Revenues (Expenses):					
Investment income	-	346,000	55,603	(290,397)	-
Interest expense	-	(43,925)	(58,167)	(14,242)	-
Issuance costs	-	(103,777)	(103,778)	(1)	-
Proceeds from issuance of debt	-	-	5,465,000	5,465,000	-
Total Non-Operating Revenues (Expenses)	-	198,298	5,358,658	5,160,360	-
Income (Loss) before Contributions and Transfers	-	(1,426,990)	3,782,589	5,209,579	-
Transfers in	-	1,625,288	1,945,288	320,000	-
Change in Net Position - Budget Basis	-	198,298	5,727,877	5,529,579	-
Reconciliation to GAAP Basis:					
Capitalized assets			1,576,069		-
Proceeds from issuance of debt			(5,465,000)		-
Total Adjustments			(3,888,931)		-
Change in Net Position - GAAP Basis			1,838,946		-
Net Position - Beginning of Year			-		-
Net Position - End of Year			1,838,946		-

Town of Telluride, Colorado
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Enterprise Fund - Telluride Housing Authority
Sunnyside Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for services:					
Rent, net of vacancies	714,954	670,121	612,289	(57,832)	637,751
Tenant charges	47,917	47,917	34,223	(13,694)	33,706
Total Operating Revenues	762,871	718,038	646,512	(71,526)	671,457
Operating Expenses:					
Personnel	36,222	36,222	34,778	1,444	27,841
Operating supplies and equipment	12,356	12,356	15,605	(3,249)	6,096
Purchased services	79,105	105,605	111,900	(6,295)	12,252
Utilities	83,439	113,439	113,770	(331)	121,467
Other	1,500	1,500	500	1,000	12,096
Total Operating Expenses	212,622	269,122	276,553	(7,431)	179,752
Operating Income (Loss) - Budget Basis	550,249	448,916	369,959	(78,957)	491,705
Non-Operating Revenues (Expenses):					
Investment income	-	-	-	-	347,586
Grants and contributions awarded	-	-	-	-	15,000
Interest expense	(336,800)	(336,800)	(335,308)	1,492	(343,941)
Bond principal payment	(255,000)	(255,000)	(255,000)	-	(245,000)
Total Non-Operating Revenues (Expenses)	(591,800)	(591,800)	(590,308)	1,492	(226,355)
Income (Loss) before Contributions and Transfers	(41,551)	(142,884)	(220,349)	(77,465)	265,350
Transfers in	-	33,500	33,500	-	20,000
Transfers (out)	(17,265)	(17,265)	(17,265)	-	-
Change in Net Position - Budget Basis	(58,816)	(126,649)	(204,114)	(77,465)	285,350
Reconciliation to GAAP Basis:					
Bond principal payment			255,000		245,000
Depreciation expense			(517,516)		(517,516)
Total Adjustments			(262,516)		(272,516)
Change in Net Position - GAAP Basis			(466,630)		12,834
Net Position - Beginning of Year			3,818,679		3,805,845
Net Position - End of Year			3,352,049		3,818,679

Town of Telluride, Colorado
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Enterprise Fund - Telluride Housing Authority
Voo Doo Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for services:					
Rent, net of vacancies	970,082	899,056	909,008	9,952	121,034
Tenant charges	180,427	180,427	9,156	(171,271)	163,897
Total Operating Revenues	1,150,509	1,079,483	918,164	(161,319)	284,931
Operating Expenses:					
Personnel	27,018	27,878	17,852	10,026	206
Operating supplies and equipment	7,050	7,050	3,273	3,777	-
Purchased services	68,800	100,560	77,697	22,863	12,675
Utilities	29,030	44,030	63,401	(19,371)	9,165
Other	1,200	13,115	1,300	11,815	-
Capital outlay	1,000	1,000	1,621	(621)	13,489,057
Total Operating Expenses	134,098	193,633	165,144	28,489	13,511,103
Operating Income (Loss) - Budget Basis	1,016,411	885,850	753,020	(132,830)	(13,226,172)
Non-Operating Revenues (Expenses):					
Investment income	-	-	41,772	41,772	160,819
Grants and contributions awarded	-	-	-	-	1,900,000
Interest expense	(1,064,840)	(1,175,240)	(1,193,535)	(18,295)	(715,453)
Bond advances of principal	-	-	-	-	14,643,692
Bond principal payment	(15,000)	(15,000)	(15,000)	-	(2,000,000)
Total Non-Operating Revenues (Expenses)	(1,064,840)	(1,190,240)	(1,166,763)	23,477	13,989,058
Income (Loss) before Contributions and Transfers	(48,429)	(304,390)	(413,743)	(109,353)	762,886
Transfers in	54,431	54,431	54,431	-	632,490
Change in Net Position - Budget Basis	6,002	(249,959)	(359,312)	(109,353)	1,395,376
Reconciliation to GAAP Basis:					
Debt service - Principal			15,000		2,000,000
Capitalized assets			-		13,489,057
Bond advances of principal			-		(14,643,692)
Depreciation expense			(1,091,568)		-
Total Adjustments			(1,076,568)		845,365
Change in Net Position - GAAP Basis			(1,435,880)		2,240,741
Net Position - Beginning of Year			6,814,554		4,573,813
Net Position - End of Year			5,378,674		6,814,554

Town of Telluride, Colorado
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (GAAP Basis) and Actual
Internal Service Fund - Health Reserve Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual (restated)
Operating Revenues:					
Charges for services	2,066,500	2,270,105	2,271,165	1,060	2,158,914
Reinsurance	63,000	133,000	328,850	195,850	493,283
Miscellaneous	85,000	85,000	77,473	(7,527)	106,173
Total Operating Revenues	2,214,500	2,488,105	2,677,488	189,383	2,758,370
Operating Expenses:					
Claims	1,500,000	1,550,000	1,688,129	(138,129)	1,394,599
Premiums	-	-	680,061	(680,061)	578,011
Administrative costs	700,000	718,000	37,833	680,167	172,987
Total Operating Expenses	2,200,000	2,268,000	2,406,023	(138,023)	2,145,597
Income (Loss) before Contributions and Transfers	14,500	220,105	271,465	51,360	612,773
Transfers in	-	-	-	-	52,000
Change in Net Position - Budget Basis	14,500	220,105	271,465	51,360	664,773
Change in Net Position - GAAP Basis			271,465		664,773
Net Position (Deficit) - Beginning of Year, As Previously Presented			350,209		(66,025)
Error correction			248,539		-
Net Position (Deficit) - Beginning of Year, As Restated			598,748		(66,025)
Net Position - End of Year			870,213		598,748

LOCAL HIGHWAY FINANCE REPORT

TOWN OF
TELLURIDE
EST.1878

Financial Planning 02/01
Form # 350-050-36

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING : December 2025
This Information From The Records Of Town of Telluride:	Prepared By: Kailey Ranta Phone: (970) 728-2163

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. Remainder 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.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	2,563,301
3. Other local imposts (from page 2)	520,072
4. Miscellaneous local receipts (from page 2)	9,155
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.)	0
7. Total (1 through 6)	3,092,528
B. Private Contributions	
C. Receipts from State government (from page 2)	92,312
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	3,184,840

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	97,524
2. Maintenance:	1,771,006
3. Road and street services:	
a. Traffic control operations	256,478
b. Snow and ice removal	444,598
c. Other	
d. Total (a. through c.)	701,076
4. General administration & miscellaneous	362,624
5. Highway law enforcement and safety	252,610
6. Total (1 through 5)	3,184,840
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	3,184,840

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0		0	0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
0	3,184,840	3,184,840	0	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2025

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
This Information From The Records Of		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	0	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	9,155
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	484,400	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	35,671	g. Other Misc. Receipts	
6. Total (1. through 5.)	520,072	h. Other	
c. Total (a. + b.)	520,072	i. Total (a. through h.)	9,155
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	86,213	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	6,098	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	6,098	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	92,311	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		97,524	97,524
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	97,524	97,524
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	97,524	97,524
			(Carry forward to page 1)

Notes and Comments: