

ANNUAL COMPREHENSIVE FINANCIAL REPORT



CITY OF DURANGO, COLORADO

FOR FISCAL YEAR ENDED DECEMBER 31, 2025



CITY OF DURANGO, COLORADO

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended December 31, 2025

Prepared by the Finance Department



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INTRODUCTORY SECTION



June 17, 2026

To the Mayor, Members of Council, and Citizens of the City of Durango:

In accordance with the Charter of the City of Durango and State law, we are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the fiscal year ending December 31, 2025. This report provides a comprehensive presentation of the City's financial position and includes audited financial statements prepared in conformance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

This report reflects management's assertions about the financial status of the City. We take full responsibility for the accuracy and completeness of the information contained within the report. In preparing the City's financial statements, we have maintained a comprehensive internal control system designed to safeguard the City's assets and ensure the accuracy of financial data in line with GAAP. While internal controls provide reasonable assurance, they do not guarantee that all errors are entirely prevented. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The independent audit conducted by Eide Bailly LLP affirms that the City's financial statements for the fiscal year ended December 31, 2025, are free of material misstatements and in compliance with GAAP. The auditors provided an unmodified opinion on the financial statements, offering confidence in the reliability and completeness of the information presented.

Profile of the City of Durango

The City of Durango, incorporated in 1881, is in southwest Colorado in the area known as the Four Corners, where the states of Colorado, Arizona, Utah, and New Mexico converge. As the county seat for La Plata County, Durango is a regional hub for commerce. It is also home to Fort Lewis College, a four-year state college with approximately 3,392 students. The City has a population of 19,733 residents and encompasses 17.01 square miles. Durango is surrounded by two million acres of the San Juan National Forest. Public lands occupy over 41% of La Plata County's total acreage. Durango has a rich history, with its roots in the mining industry and a vibrant culture that is reflected in its numerous art galleries, theaters, and music festivals.

The City operates under the provisions of the Colorado Constitution as a home-rule city. The City Charter, first adopted in 1912, establishes the council-manager form of local government. The governing council, comprising five members elected at large on a non-partisan basis to staggered four-year terms, holds the authority for policymaking and legislation. The City Council's responsibilities include passing ordinances, adopting the budget, and appointing key city officials such as the city manager, city attorney, and municipal judge. The city manager, in turn, is responsible for implementing the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and appointing department directors and other staff members.

The City is dedicated to providing its residents with comprehensive services, ensuring their well-being and quality of life. These services include general government, public safety, street maintenance, culture and recreation, transportation, planning and community development, economic development and public works. The City's recreation facilities and programs, which are heavily utilized by the residents of La Plata County, are the largest in the area. The

City's public works encompasses water treatment, wastewater treatment, and solid waste disposal and recycling. The City also operates a transportation services enterprise, including a parking program covering metered spaces, several parking lots, and public transportation within city limits.

Management includes component units in the reporting entity in conformance with GAAP. The financial statements include all funds that make up the legal entity of the "primary government," namely the City, and organizations for which the City is financially accountable. The City's reporting entity includes the Durango Conference Center Business Improvement District. The district is shown separately in the financial statements from the primary government on the government-wide statements. On May 5, 2020, the City Council established an Urban Renewal Authority: the Durango Renewal Partnership (the Partnership). The Partnership has two urban renewal plan areas: the MidTown URA Plan Area and the North Main Gateway URA Plan Area. The City also participates in a joint venture with La Plata County. The Durango La Plata County Airport is jointly owned by the City of Durango and La Plata County and operates under an intergovernmental agreement signed by both parties. Separate financial statements are issued for the airport, and they are reported as investments in a joint venture in these financial statements.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are regularly evaluated to ensure they adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The annual budget is the foundation for the City's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation budget adopted by the City Council. Pursuant to the City Charter, the City Council shall adopt the final budget in a timely manner prior to the start of the ensuing budget year. Annual appropriation ordinances must also be adopted. If necessary, the City Manager may transfer appropriations within a department. Transfers of appropriations between departments and funds and additional appropriations require the additional approval of City Council. The City also maintains an encumbrance accounting system as one technique to help prevent the overspending of authorized appropriations. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. This comparison is presented as part of the Required Supplementary Information for the General Fund. These comparisons are presented in the Supplementary Information subsection for all other budgeted funds.

Information regarding general accounting policies can be found in the notes to the basic financial statements.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when considered from the broader perspective of the environment within which the City of Durango operates.

Local economy: According to the Colorado Results of the American Community Survey in La Plata County there was a 100%-150% increase in work from home workers from 2019-2023. The Staff believes there is a direct correlation in sales tax trends related to the shift in work demographics. With an increase in remote workers, there is likely a correlation for the housing stock and cost of living in Durango. Despite the challenges, the latest community survey revealed that people still desire to live in the area, indicating a strong attachment to the unique quality of life that Durango offers.

With a population of over 56,000 in La Plata County, Durango serves as a significant shopping hub in the county. It boasts a diverse retail landscape, with major national retailers such as Wal-Mart, Office Depot, Home Depot, Ross, and Tractor Supply alongside a thriving community of locally owned businesses. The presence of Fort Lewis College, a vital community asset, further enhances the area's economic stability, health, and cultural richness.

Downtown Durango is a regional attraction and a gathering place for community events such as Snowdown, Taste of Durango, Four Corners Bike Rally, Fiesta Days, Animas River Days, Noel Night, and 4th of July events and fireworks. The Durango-La Plata County Airport experienced a record year in 2025 with the greatest amount of enplanements to date.

According to the Colorado State Demography Office, the estimated population has stayed relatively the same as the prior year. School enrollment in Durango 9-R schools, decreased due to declining birth rates. Historically, the City of Durango has shown strong population growth. The population has grown more than 11% in the last ten years. The area's climate, variety of terrain and outdoor recreational opportunities, proximity to the Purgatory resort ski area, the

presence of Fort Lewis College, and the “small town” appeal of Durango have all contributed to the historic sustained growth, as well as the ability for remote workers to now live and work in Durango.

Other Financial Items of Note: The City's voters in April of 2025 approved the reauthorization of the half cent 2005 sales tax to fund capital improvements, parks, open space, and trails and the issuance of \$61,000,000 of Sales and Use Tax Revenue bonds for the construction of a new City Hall and police facility. The City achieved a AA+ bond rating from S&P for this bond issuance due to the stable economic outlook of the City. Credit highlights included strong protected coverage with stable pledged revenues including growth over the last three years, resulting in stable financial performance and healthy reserves. The City also shows stable population trends and year-round tourism due to the surrounding amenities and attractions. In November of 2025, the City's voters approved an increase to the mill rate to fund fire protection and emergency services provided within the City by the Durango Fire Protection District.

Long-term financial planning: In April of 2024, the City adopted its revised strategic plan. The City of Durango 2024 Strategic Plan is our compass, guiding our efforts and aspirations for the next five years. It embodies our collective vision for a vibrant, inclusive, and sustainable community that we can all be proud to call home. At the heart of this strategic plan are our shared values and aspirations.

Vision: A multigenerational community which is authentic, diverse, engaged, thriving and environmentally responsible.

Mission: We provide outstanding services and experiences for the entire community.

Values: Teamwork | Dependability | Professionalism | Service | Respect | Innovation | Well-Being.

The plan's objectives are “Operational Stewardship, Innovative Housing & Economic Development, Safety & Quality of Life, Reliable Infrastructure & Community Connectivity, Engaged & Informed Community, Strategic Workforce Development.”

The Proposed Budget for 2026 is built on a foundation of cautious financial planning. Since 2019, Durango has experienced strong revenue growth, particularly in sales tax. As we move forward, we are projecting a modest increase in General Fund Revenues, reflecting our careful consideration of both current and historical data.

In 2026, our operations will prioritize investment in existing services while focusing on enhancing efficiency and effectiveness. We will continue to advance initiatives outlined in our Strategic Plan and leverage insights gained from our performance excellence journey which utilizes the best practices of both the public and private sector.

Organizational Stewardship: This budget reinforces our commitment to performance excellence. We are implementing improvements in our budgeting practices, including the allocation of design and capital project construction budgets separately, and providing clearer project scope definitions. Five-year projections are prepared for all of the City's major funds with the focus on maintaining year end fund balances that meet or exceed their requirements. In addition, the City continues to prepare five-year capital improvement plans (CIP) for streets and drainage, parks, and water and wastewater projects. The five-year projections and five-year CIPs are presented to Council through the budget process and provide a great opportunity for feedback and direction. Many community engagement focused meetings provided for community feedback on proposed projects. Incorporating financial projections and the CIP into the budget process is essential for achieving the City's strategic focus and ensuring long-term fiscal sustainability

Innovative Housing and Economic Development: Our approach to housing, economic development, and tourism will be restructured into a balanced framework. This "three-legged stool" strategy aims to address the needs of our most vulnerable residents while also considering the impacts of tourism and economic growth.

Safety and Quality of Life: A significant investment in Durango Mesa Park continues in this budget and it is becoming a hub for biking, events, and outdoor activities. The City continues to prioritize public safety enhancements.

Engaged and Collaborative Community: We are continuing to implement software innovations, focus groups, and community surveys that will enhance community engagement and foster collaboration on capital projects requiring public input.

Reliable Infrastructure and Community Connectivity: A \$26 million multi-year project is underway at the Airport, including terminal expansion. Additionally, this budget allocates funding for critical road projects, such as County Road 250/251 and the completion of N. College Drive.

Strategic Workforce Development: Working closely with our Executive Leadership and Finance teams, we have managed to provide a 3% cost of living adjustment for all employees, with an optional 2% salary adjustment available for high performers. Additionally, a compensation market study was completed and implemented to bring positions up to market level.

Major Initiatives: In 2025 the City achieved significant strides towards performance excellence, and it plans to continue its progress in 2026 by continued utilization of the Baldrige framework. The City submitted the second Baldrige application in October of 2025 and received a Sterling Best Practices Award for Visionary Leadership Drives Customer Excellence. This work entails several major initiatives that were set forth as a result of the feedback from the 2024 application. The City recognizes that its greatest assets are its employees and continues to support retention as a priority. Additionally, the City prioritizes customer service and citizen engagement as essential elements in operations. Infrastructure maintenance, continues to be a strong focus and included in the 2026 budget are rate increases for water and wastewater to support rising operational costs and necessary capital improvements. The City strives towards progress in achieving these goals and initiatives as reflected in the 2026 budget.

Awards and Acknowledgments:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Durango for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2024. To be awarded a Certificate of Achievement, a government unit must public an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

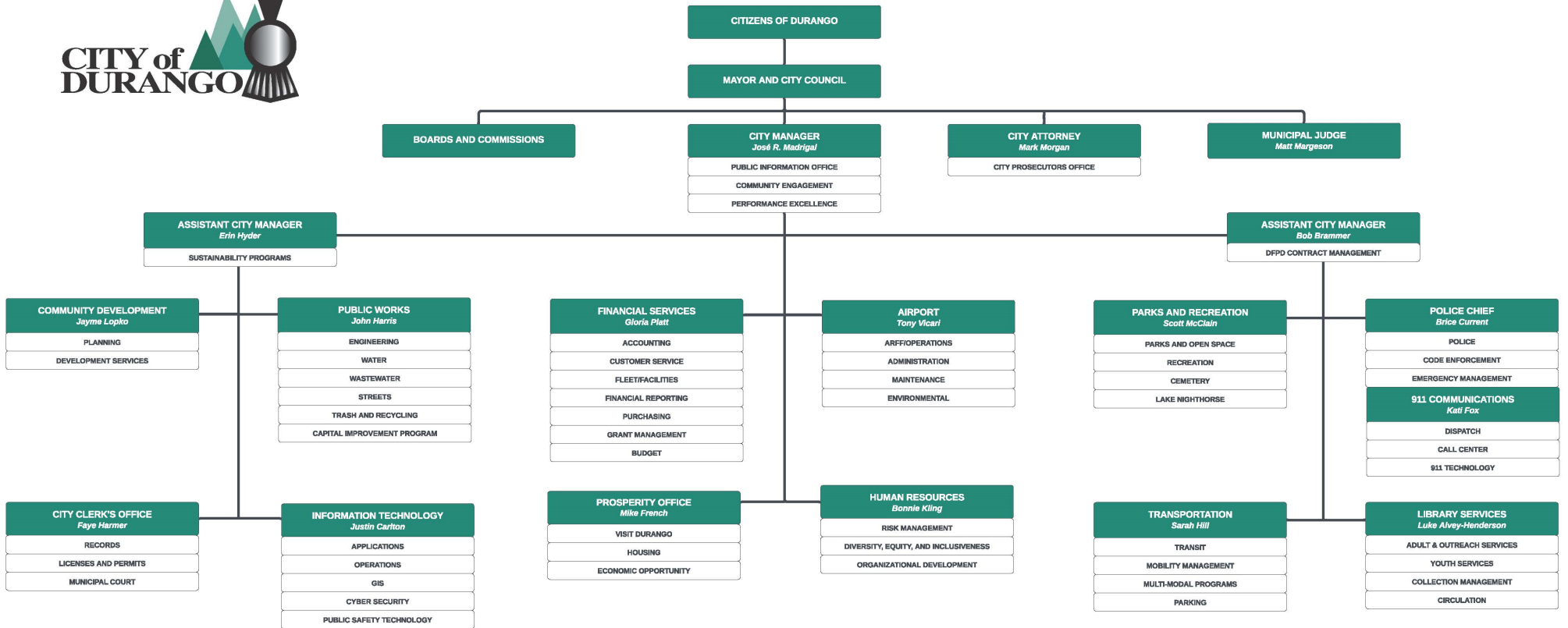
A Certificate of Achievement is valid for one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we plan to submit it to the GFOA to determine its eligibility for another certificate.

The preparation and completion of this report could not have been accomplished without the commitment and efficiency of the dedicated service of the employees of the Finance Department. Additionally, it is important to recognize department directors and staff for their cooperative effort and support of the City. Credit must also be given to the City Council for their unfailing support for maintaining the highest standards of professionalism in managing the City of Durango's finances.

Respectfully submitted,


José Madrigal
City Manager


Gloria Platt
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Durango
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO

City of Durango, Colorado
List of Elected and Appointed Officials
As of December 31, 2025

Elected Officials - City Council

Gilda Yazzie	Mayor
Dave Woodruff	Mayor Pro Tem
Jessika Buell	Councilor
Kip Koso	Councilor
Shirley Gonzales	Councilor

Council Appointed Officials

José Madrigal	City Manager
Mark Morgan	City Attorney
Matthew Margeson	Municipal Judge

Department Directors

John Harris	Public Works Director
Bob Brammer	Assistant City Manager
Justin Carlton	Information Services Director
Brice Current	Police Chief
Kati Fox	911 Director
Faye Harmer	City Clerk
Luke Alvey-Henderson	Library Director
Sarah Hill	Transportation Director
Erin Hyder	Assistant City Manager
Bonnie Kling	Human Resources Director
Scott McClain	Parks and Recreation Director
Jayme Lopko	Director of Community Development
Gloria Platt	Chief Financial Officer
Tony Vicari	Aviation Director



FINANCIAL SECTION





Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Durango, Colorado

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liability (asset) and related ratios-old hire fire plan, schedule of changes in net pension liability (asset) and related ratios-old hire police plan, schedule of pension contributions-old hire fire plan, schedule of pension contributions-old hire police plan, and the schedule of revenues, expenditures and changes in fund balances – budget and actual general fund as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section, and local highway finance report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eric Bailly LLP".

Denver, Colorado
June 10, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Durango, Colorado (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended December 31, 2025. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$453,411,802 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
 - (1) Investment in capital assets of \$338,776,929 include property, plant, and equipment, net of accumulated depreciation and amortization, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$76,058,459 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$38,576,414 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of \$103,892,244 this year. This compares to the prior year ending fund balance of \$47,939,027 showing an increase of \$55,953,217 during the current year.
- At the end of the current fiscal year, the assigned fund balance for the General Fund was \$7,566,269, or 13.2% of total General Fund expenditures and other financing uses.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented where available.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers. Both government-wide financial statements distinguish governmental activities of the City that are principally supported by sales taxes and separate from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general

government, public safety, public works, parks and recreation, library, community services and economic development. Business-type activities include the water and sewer systems, solid waste, parking and transit.

The government-wide financial statements are presented on pages 29 through 30 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 34 through 36 of this report. Individual fund information for nonmajor governmental funds is found in combining statements in the supplementary section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City 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 City uses enterprise funds for its water and sewer systems, sustainable services, and parking and transit. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Durango's various functions. The City of Durango uses internal service funds to account for its warehouse, fleet, risk management, health insurance, technology replacement and building maintenance functions. Because these six services benefit mostly governmental activities, they are included only within governmental activities.

The basic enterprise fund financial statements are presented on pages 31 through 34 of this report. Individual fund information for nonmajor enterprise funds are found in the combining statements in the supplementary section of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 38 of this report.

Required Supplementary Information

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) on the City's schedule of employer net pension liability and related ratios, changes in net pension liability, the employer contributions and investment returns for the Old Hire Police and Fire Plans. Included in RSI is a budgetary comparison schedule for the general fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget. Required supplementary information is on pages 75 to 81 of this report.

Supplementary Information

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for nonmajor funds can be found in the supplementary section of this report beginning on page 85 and ending on 162.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources at fiscal year-end exceeded liabilities and deferred inflows of resources by \$453,411,802. The following table provides a summary of the City's net position:

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 180,552,040	\$ 111,845,025	\$ 26,594,828	\$ 25,782,163	\$ 207,146,868	\$ 137,627,188
Capital assets	247,102,793	217,371,579	137,838,928	140,489,369	384,941,721	357,860,948
Total assets	427,654,833	329,216,604	164,433,756	166,271,532	592,088,589	495,488,136
Deferred Outflows of Resources						
Loss on refunding	-	146,154	-	-	-	146,154
Related to pensions,net	947,082	792,501	-	-	947,082	792,501
Total Deferred Outflow of Resources	947,082	938,655	-	-	947,082	938,655
Liabilities:						
Other liabilities	11,267,840	8,250,625	5,095,710	4,873,702	16,363,550	13,124,327
Long-term liabilities	78,576,621	17,342,656	36,705,842	39,571,990	115,282,463	56,914,646
Total liabilities	89,844,461	25,593,281	41,801,552	44,445,692	131,646,013	70,038,973
Deferred inflows of resources						
Property taxes	6,755,127	3,478,805	-	-	6,755,127	3,478,805
Deferred inflows of resources	1,222,729	1,054,531	-	-	1,222,729	1,054,531
Total deferred inflows of resources	7,977,856	4,533,336	-	-	7,977,856	4,533,336
Net position:						
Net investments						
in capital assets	240,278,070	204,963,181	98,498,859	98,219,945	338,776,929	303,183,126
Restricted	75,973,301	14,601,668	85,158	66,660	76,058,459	14,668,328
Unrestricted	14,528,227	80,463,793	24,048,186	23,539,235	38,576,413	104,003,028
Total net position	\$ 330,779,598	\$ 300,028,642	\$ 122,632,203	\$ 121,825,840	\$ 453,411,801	\$ 421,854,482

By far the largest portion of the City's net position 74.7% reflects its investment in capital assets, including infrastructure, less any related debt used to acquire those assets that is still outstanding. The City of Durango uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Durango's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to pay the annual debt service must be provided from other sources, since the capital assets themselves cannot be used to pay the debt.

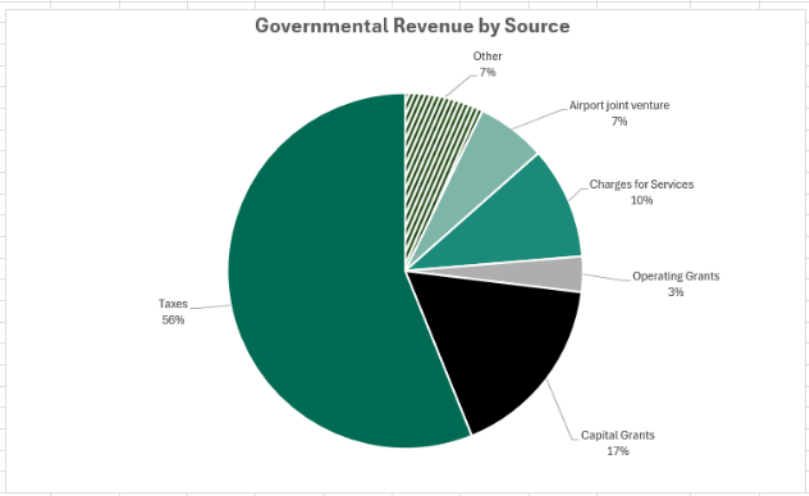
At the end of the current fiscal year, the City of Durango reports positive balances in the government as a whole, as well as for both its governmental activities and business-type activities. Activities showed positive growth. The City's overall financial position improved during fiscal year 2025 with an increase in net position of \$31,557,320

The following table provides a summary of the City's changes in net position:

Summary of Changes In Net Position						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program:						
Charges for services	\$ 11,065,986	\$ 9,551,487	\$ 19,628,474	\$ 19,545,657	\$ 30,694,460	\$ 29,097,144
Joint venture airport	6,847,954	2,518,932	-	-	6,847,954	2,518,932
Operating grants	3,500,241	6,047,633	442,186	1,029,874	3,942,427	7,077,507
Capital grants	18,396,875	238,900	1,716,419	1,931,103	20,113,294	2,170,003
General:						
Taxes	61,925,872	60,309,230	-	-	61,925,872	60,309,230
Other	6,688,990	7,218,901	5,206,180	1,969,705	11,895,170	9,188,606
Total revenues	108,425,918	85,885,083	26,993,259	24,476,339	135,419,177	110,361,422
Program Expenses:						
General government	23,123,687	24,929,146	-	-	23,123,687	24,929,146
Public safety	19,200,402	16,303,987	-	-	19,200,402	16,303,987
Public works	9,100,442	8,253,722	-	-	9,100,442	8,253,722
Parks and recreation	16,980,124	14,900,875	-	-	16,980,124	14,900,875
Library	3,610,294	3,519,607	-	-	3,610,294	3,519,607
Community services	1,584,964	1,548,162	-	-	1,584,964	1,548,162
Economic development	3,590	184,426	-	-	3,590	184,426
Non-departmental	2,002,636	2,394,786	-	-	2,002,636	2,394,786
Interest	542,388	454,271	-	-	542,388	454,271
Water	-	-	8,285,030	7,788,747	8,285,030	7,788,747
Sewer	-	-	8,591,479	7,875,191	8,591,479	7,875,191
Sustainable services	-	-	4,335,496	3,964,113	4,335,496	3,964,113
Parking and transit	-	-	6,501,324	5,852,318	6,501,324	5,852,318
Total expenses	76,148,527	72,488,982	27,713,329	25,480,369	103,861,856	97,969,351
Excess	32,277,391	13,396,101	(720,070)	(1,004,030)	31,557,321	12,392,071
Transfers	(1,526,434)	(2,210,779)	1,526,434	2,210,779	-	-
Change in net position	30,750,957	11,185,322	806,364	1,206,749	31,557,321	12,392,071
Beginning net position	300,028,642	288,843,320	121,825,840	120,619,091	421,854,482	409,462,411
Ending net position	<u>\$ 330,779,599</u>	<u>\$ 300,028,642</u>	<u>\$ 122,632,204</u>	<u>\$ 121,825,840</u>	<u>\$ 453,411,803</u>	<u>\$ 421,854,482</u>

GOVERNMENTAL REVENUES

The City is heavily reliant on sales and use taxes to support governmental operations. City sales and use taxes account for 47.5% of the revenues for governmental activities. This shows continued stability since the end of the COVID-19 pandemic. Sales and use taxes increased by \$1,026,007 from the taxes collected in 2024. The City increased the sales and use tax rate from 3.0% to 3.5% effective April 2, 2019. The increased revenue from the additional tax is restricted by voter authorization. In 2025, the voters elected to re-authorize the half cent tax originally authorized in 2005. This tax is restricted by voter authorization. Since it was a re-authorization, there was no tax increase that resulted. Because of the City’s healthy financial position, there has been \$2,772,718 in interest earnings to support governmental activities. This was related to the continued heightened interest rates through 2024 and 2025. Program revenues covered 52.3% of governmental operating expenses in 2025. This means that the government’s taxpayers and the City’s other general revenues funded the balance of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City’s revenue streams. The graph below shows governmental revenues by source:



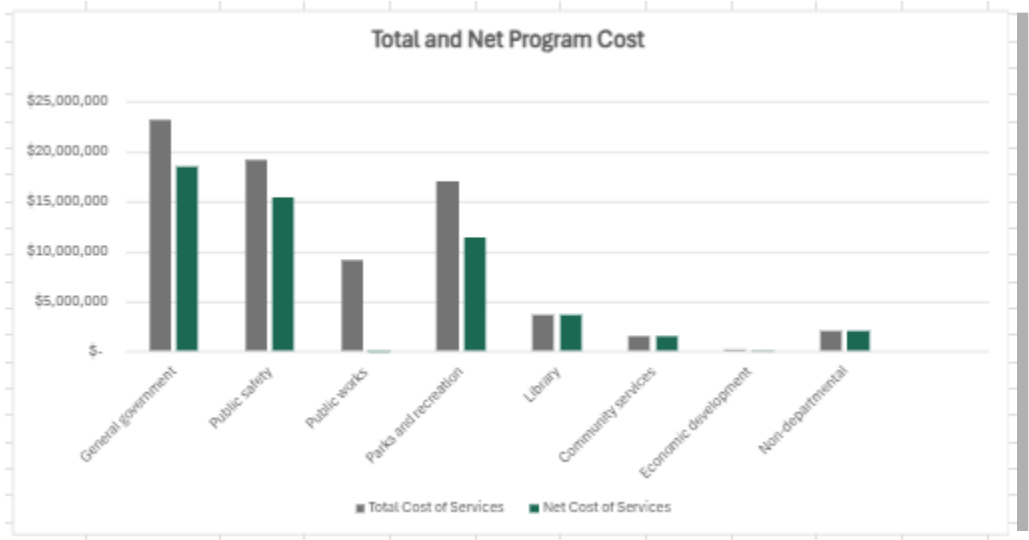
GOVERNMENTAL FUNCTIONAL EXPENSES

Public safety comprises 18.5% of the City’s total expenses and 25.2% of the total governmental expenses. Parks and recreation makes up 16.3% of the total expenses and 22.3% of the total governmental expenses. The overall change in governmental expenses was a 5.0 % increase over the prior fiscal year.

The following table presents the cost of each of the City’s programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City’s taxpayers by each of these functions.

	Governmental Activities			
	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	\$ 23,123,687	30.4%	\$ 18,483,061	42.8%
Public safety	19,200,402	25.2%	15,460,727	35.8%
Public works	9,100,442	12.0%	(9,945,760)	(23.0)%
Parks and recreation	16,980,124	22.3%	11,461,618	26.5%
Library	3,610,294	4.7%	3,607,758	8.4%
Community services	1,584,964	2.1%	1,584,964	3.7%
Economic development	3,590	-%	(11,966)	-%
Non-departmental	2,002,636	2.6%	2,002,636	4.6%
Interest on long-term debt	542,388	0.7%	542,388	1.3%
Total	\$ 76,148,527	100.0%	\$ 43,185,426	100.0%

The public works function has the best cost recovery at 209% as shown in the graph below. The majority of the cost recovery is due to capital project contributions and developer contributed capital. While these program revenues can vary in any given year, the corresponding acquisition of assets does not appear as a program expense. For that reason, program revenues can fluctuate dramatically from year to year depending on the amount of grants and contributions received.

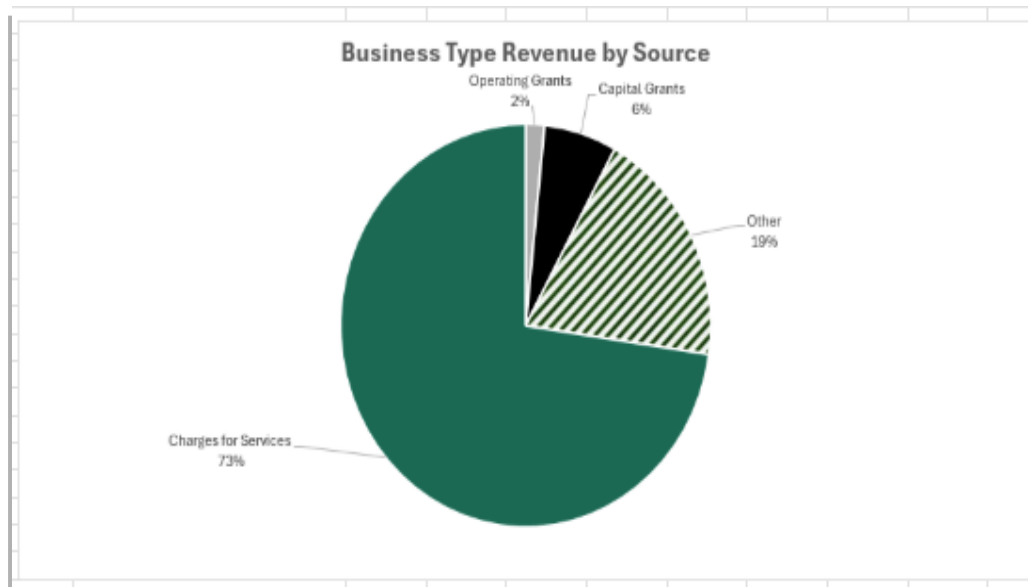


BUSINESS -TYPE ACTIVITIES

For the year ending December 31, 2025 the City reported the Water Fund, Sewer Fund and Transportation fund as major enterprise funds. Business-type activities increased the City’s net position by \$806,364. Key elements of business-type activities net position are as follows:

There was little change in operating revenues for all of the enterprise funds when compared to 2024. Overall they remained flat from the prior year. At the same time the operating expenses increased by \$2,282,241 or 9% accross all business-type-funds. The most significant increases were in the Sewer Utility Fund increasing 11% mostly due to increases in collection costs and the Transportation Fund expenses also increasing at 11% and mostly due to increases to multimodal costs and increases to loop system costs. Within the total business type activities of the City, these activities reported an operating loss of \$7,191,386 compared to an operating loss of \$4,908,439 for the prior year. Non-operating revenue increased by \$799,470 over 2024. Capital contributions for 2025 were \$3,212,358. This is an increase of \$2,131,338 from 2024. Capital contributions include developer contributions of capital assets, capital grants, and plant investment fees.

As the graph on the next page displays, the business-type activities rely on fees to pay operating costs. This is in stark contrast to the governmental activities.



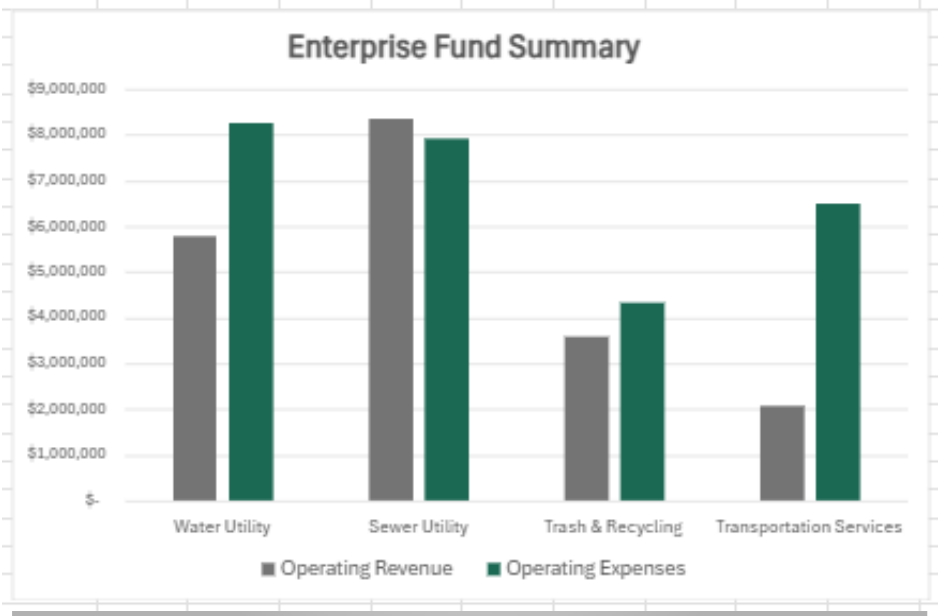
The water utility accounts for approximately 29.2% of operating revenues and 30.6% of operating expenses. This utility reported a net increase in net position of \$838,275. The water utility had operating loss of \$2,471,119 and capital contributions of \$2,696,533.

For the sewer utility fund, operating expenses decreased 9.6% over the prior year. Operating revenues saw an increase of 0.6% over the prior year. Net operating income for 2025 was \$451,718 in comparison to \$1,162,717 in 2024.

Trash and recycling made up 18.1% of operating revenues compared to 16.1% of operating expenses. The fund produced operating loss of \$748,079 and showed a decreased net position by \$(478,367). The trash and recycling fund had reserves at the end of 2025 in the amount of \$85,158 from bag fees collected by retailers and passed on to the City to be used for sustainability programs.

Transportation comes in at 10.5% of operating revenues of all funds with 24.1% of combined operating expenses. This operation had an operating loss of \$4,423,906 which was offset by non-operating revenue of \$3,329,968 and transfers in of \$1,112,533 . The resulting change in net position for Transportation Services is an increase of \$18,595.

The next graph shows the relative size of the funds that make up the Enterprise Funds:



Financial Analysis of the City’s Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$103,892,244. Of this year-end total, \$103,512,846 is restricted, committed or assigned fund balance, \$9,666,054 of that amount in the general fund with the remainder of \$ 93,846,792 in the other governmental funds.

The total ending fund balances of governmental funds show an increase of \$55,953,217 over the prior year. This is mostly due to an issuance of debt in the governmental Capital Improvements Fund causing an increase to fund balance in this fund of \$65,233,041.

Major Governmental Funds

The General Fund:

The General Fund is the City’s primary operating fund and the largest source of day-to-day service delivery. The General Fund’s fund balance decreased by \$3,791,722. Total revenues for 2025 were \$50,865,103, an increase of \$1,184,418 or 2.3% over 2024. The City's sale and use taxes together increased 2.8 % compared to the prior year. Use tax building permits were increased by 17%. The number of building permits issued in 2025 was 368, an increase of 20% over the prior year. Property taxes were up 2.4% over 2024 with rising real estate assessed values.

Total expenditures for 2025 were \$57,318,032, an increase of 6.0% over fiscal 2024. General government expenditures increased approximately 4.4% overall when compared to the previous year. Governmental public safety actual expenditures saw a change in expenditures over the previous year of 4.1%. However, there was a break out of the General Fund in 2024 of the 911 Communication Center into it's own fund. The public safety function in the General fund now includes only police services and the city’s contract for fire and rescue services. Police services increased expenditures by 2.7% over the prior year due mainly to becoming fully staffed late in 2024. Fire services increased by 6.5 % over the previous year.

Public works expenditures increased 6.4% as compared to 2024. Parks and Recreation expenditures increased 6.6% over last year.

Non-departmental expenditures increased 6% in 2025 due mainly to increased insurance costs. Buildings and plant account for over 29.2% of the expenditures in this division. Maintenance costs and utility charges for all general city buildings continue to affect expenditures. However, the implementation of the Energy Performance Contract is expected to bring significant utility cost savings to the City in this area.

The general fund transferred \$ 0 to other funds. This amount fluctuates based on available resources in any given year and staff's ability to administer additional projects.

The Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Budgetary Highlights

The General Fund – Budget amendments decreased the original revenue budget by less than 1% during 2025. General Fund revenue came in \$2,591,260, or -4% lower, than what was budgeted for 2025. Approximately 1.4% of this amount was due to transfers from other funds and construction management fees that were delayed and will be carried forward to 2026. More detailed budgetary information can be found in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances with budget to actual comparative data which can be found in the Required Supplementary Information section.

Budget amendments increased the original expenditure budget by 1.4% during 2025. Total amendments to the expenditures budget were \$2.4 million.

Capital Assets and Debt Administration

Capital Assets

The City's net investments in capital assets, for governmental and business-type activities as of December 31, 2025, was \$240,278,070 and \$98,498,859. The net capital assets for the internal service funds are reported with the governmental activities on the statement of net position. The total change in the net investment was 17.2% for governmental activities and a (1.9)% change for business-type activities. See Note 3-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets						
	Governmental Activities		Business Activities		Total	
	2025	2024	2025	2024	2025	2024
Non-depreciable assets:						
Land	\$ 43,104,452	\$ 38,868,962	\$ 2,975,872	\$ 5,476,387	\$ 46,080,324	\$ 44,345,349
Water rights	-	-	5,870,233	5,870,232	5,870,233	5,870,232
Construction in progress	23,578,763	11,989,657	1,301,001	2,798,692	24,879,764	14,788,349
Total non-depreciable	66,683,216	50,858,619	10,147,106	14,145,312	76,830,322	65,003,931
Depreciable assets:						
Buildings	53,913,533	53,913,533	87,537,795	87,537,795	141,451,328	141,451,328
Improvements	25,646,983	24,333,931	-	-	25,646,983	24,333,931
Equipment	40,920,388	37,370,074	12,452,121	11,905,230	53,372,509	49,275,304
Infrastructure	276,596,972	257,789,987	94,291,795	87,914,512	370,888,767	345,704,499
Total depreciable assets	397,077,876	373,407,525	194,281,710	187,357,537	591,359,586	560,765,062
Less accumulated depreciation	217,587,156	207,269,643	66,589,889	61,013,480	284,177,045	268,283,123
Book value - depreciable assets	179,490,720	166,137,882	127,691,821	126,344,057	307,182,541	292,481,939
Percentage depreciated	55%	56%	34%	33%	48%	48%
Total book value	\$ 246,173,936	\$ 216,996,501	\$ 137,838,928	\$ 140,489,369	\$ 384,012,864	\$ 357,485,870
Total right to use leased assets being amortized	1,433,515	773,904	-	-	2,207,419	2,981,323
Total accumulated amortization	504,660	398,826	-	-	903,486	1,302,312
Net right to use leased assets	928,855	375,078	-	-	1,303,933	1,679,011
Total capital assets, net	\$ 247,102,791	\$ 217,371,579	\$ -	\$ -	\$ 385,316,797	\$ 359,164,881

At December 31, 2025, the depreciable capital assets for governmental activities were 55% depreciated. This is comparable to the December 31, 2024 percentage of 56%. This comparison indicates that the City is replacing its assets at a comparable rate as they are depreciating which is a positive indicator.

With the City's business type activities, 34% of the depreciable capital assets were depreciated at December 31, 2025 comparable to 33% at December 31, 2024. Overall, the City's capital assets are depreciated at approximately 48%, which demonstrates the City's continuing investment in capital.

Long-term Debt

At the end of the fiscal year, the City had total certificates of participation and notes outstanding of \$ 1,445,000. This debt is for Wilson Gulch Road.

After a successful election 2012, the City obtained a long term loan from Colorado Water Resources and Power Development Authority in the amount of \$4,000,000 to purchase water storage and rights for the Water Fund. The term of the loan is 20 years with an interest rate of 1.95%. Loan payments in the amount of \$246,266 are due annually.

After a successful election, the City received two loans from the Colorado Water Resources and Power Development in 2016 in the amount of \$60,904,764 to fund the construction of the Wastewater Treatment Facility. Of this debt \$2,565,548 was retired in 2025.

After a successful election, the City issued \$61,000,000 of Sales and Use Tax Revenue Bonds to fund the construction of a new City Hall and police facility. The total \$61,000,000 issued is outstanding at December 31, 2025.

The following table provides a summary of long-term debt activity.

	Outstanding Borrowings						
	Governmental Activities		Business-type Activities		Totals		% Change
	2025	2024	2025	2024	2025	2024	
2014 Certificates of Participation	\$ 1,445,000	\$ 1,580,000	\$ -	\$ -	\$ 1,445,000	\$ 1,580,000	-9%
2016 Sales and Use Refunding Note	-	1,160,000	-	-	-	1,160,000	-100%
2017 Sales and Use Refunding Note	-	4,745,000	-	-	-	4,745,000	-100%
2025 Sales Tax Bonds	61,000,000	-	-	-	61,000,000	-	100%
2025 Sales Tax Bonds Premium	5,925,040	-	-	-	5,925,040	-	100%
CWRPDA Loan-Water	-	-	1,710,548	1,920,383	1,710,548	1,920,383	-11%
CWRPDA Loan-Sewer	-	-	36,858,074	39,423,622	36,858,074	39,423,622	-7%
Energy Performance Contract Lease/Purchase Agreement	4,013,644	4,086,140	-	-	4,013,644	4,086,140	-2%
Sewer Bond Premium Amortization	-	-	765,368	824,242	765,368	824,242	-7%
Compensated absences	2,319,314	2,062,423	493,598	476,002	2,812,912	2,538,425	11%
Lease Liability	940,307	380,541	-	-	940,307	380,541	147%
Total	\$ 75,643,305	\$ 14,014,104	\$ 39,827,588	\$ 42,644,249	\$ 115,470,893	\$ 56,658,353	

See Note 3-H for additional information about the City's long-term debt.

Economic Conditions and Next Year's Budget

In a testament to Durango's resilience, 2025 saw a 3% increase in sales tax financial performance compared to the previous year. The lodgers' tax, a key economic indicator for tourism, increased by 1%.

The City, being a major shopping destination in the county as well as a regional tourism destination, has reaped the benefits of population growth and visitation in the form of increased sales tax collections over the past ten years. The area's climate, variety of terrain and outdoor recreational opportunities, proximity to the Purgatory ski area, the presence of Fort Lewis College, and the "small town" appearance of Durango have all contributed to the sustained growth. Downtown Durango continues to be a regional draw and gathering place for community events. An issue that many residents of Durango face is the high cost of housing. The unemployment rate was 3.1% on December 31, 2025. This was lower than at the state and national levels at that time. Assessed property valuations for City of Durango from the La Plata County Assessor showed an increase of 15% for the total taxable assessed valuation from 2024. One of the citywide strategic goals of the City included in the strategic plan is Innovative Housing and Economic Development. Under this strategic goal, the City Council has encouraged and supported housing plans. In 2025, Durango opened its largest-ever affordable housing project, the 120-home Residences at Durango, reached critical milestones toward its first 100% workforce home-ownership projects, totaling 79 homes. The City also began implementing a revised mixed income housing policy citywide.

Economically, the City and La Plata County have a higher median household income of \$79,545, which is slightly lower than the national average of \$83,730 and lower than the State of Colorado at \$92,470. Continued growth and balancing the needs of our existing residents and visitors are critical to the continued success of our community. In 2022, inflation reached a 40-year high, and in 2023 declined from 6 percent to 3 percent. 2025 indicators show the local region at 2.34% inflation and lower than the rest of the United States. The 2026 budget reflects a cautious financial projection. The City of Durango has experienced higher revenue growth since 2019, especially in sales tax. However, The City recognizes that many of these revenues have been slowing in recent years. Additionally, the City is not immune to broader economic conditions, including inflationary pressures and supply chain shortages. In 2025, the focus for city operations will be investment in existing organizational services with a focus on efficiency and effectiveness. This includes evaluating expenses for potential reductions and required reserves.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Chief Financial Officer at: 949 E. Second Avenue, Durango, CO 81301.

City of Durango, Colorado
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash and cash equivalents (Note 3-A)	\$ 46,183,248	\$ 23,734,404	\$ 69,917,652	\$ 228,744
Restricted assets (Note 3-A)	66,586,342	-	66,586,342	-
Receivables:				
Accounts	2,706,344	2,289,979	4,996,323	-
Leases	1,232,158	-	1,232,158	-
Sales taxes	4,438,757	-	4,438,757	-
Property taxes	6,755,127	-	6,755,127	304,465
Franchise taxes	84,010	-	84,010	-
Lodgers taxes	238,462	-	238,462	-
Intergovernmental	3,098,234	266,282	3,364,516	-
Interest	490,014	-	490,014	-
Notes	363,519	49,339	412,858	-
Internal	330,106	-	330,106	-
Inventory	523,590	254,824	778,414	-
Prepaid items	32,482	-	32,482	500
Investment in joint venture (Note 4-C)	47,489,647	-	47,489,647	-
Capital Assets (Note 3-D)				
Nondepreciable capital assets	66,683,216	10,147,106	76,830,322	-
Depreciable capital assets, net	179,490,722	127,691,822	307,182,544	-
Right to use leased assets, net	928,855	-	928,855	-
Total Assets	427,654,833	164,433,756	592,088,589	533,709
Deferred Outflows of Resources				
Deferred outflows-pensions, net	947,082	-	947,082	-
Total Deferred Outflows of Resources	947,082	-	947,082	-
Liabilities				
Accounts payable	8,692,823	1,484,738	10,177,561	945
Debt due within one year	2,276,247	3,121,747	5,397,994	-
Leases due within one year	210,195	-	210,195	-
Accrued expenses	920,452	217,082	1,137,534	-
Interfund payable	330,106	-	330,106	-
Accrued interest payable	681,682	272,143	953,825	-
Deposits payable	457,785	-	457,785	-
Unearned revenue	184,991	-	184,991	-
Long-Term Liabilities: (Note 3-G and 3-H)				
Net pension liability due in more than one year	2,933,317	-	2,933,317	-
Debt due in more than one year	72,426,751	36,705,842	109,132,593	-
Leases due in more than one year	730,112	-	730,112	-
Total Liabilities	89,844,461	41,801,552	131,646,013	945
Deferred Inflows of Resources				
Property taxes	6,755,127	-	6,755,127	304,465
Deferred inflows of resources-lease related	1,222,729	-	1,222,729	-
Total Deferred Inflows of Resources	7,977,856	-	7,977,856	304,465
Net Position				
Net investment in capital assets (Note 3-J)	240,278,070	98,498,859	338,776,929	-
Restricted for:				
Debt service	61,183,003	-	61,183,003	-
Emergencies	14,051,888	-	14,051,888	-
Program purposes	738,410	85,158	823,568	-
Unrestricted	14,528,227	24,048,187	38,576,414	228,299
Total Net Position	\$ 330,779,598	\$ 122,632,204	\$ 453,411,802	\$ 228,299

See accompanying notes to the basic financial statements

City of Durango, Colorado
Statement of Activities
For the Year Ended December 31, 2025

Function/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit
Primary Government:								
Governmental Activities:								
General government	\$ 23,123,687	\$ 3,927,022	\$ 713,604	\$ -	\$ (18,483,061)	\$ -	\$ (18,483,061)	\$ -
Public safety	19,200,402	2,614,965	1,124,710	-	(15,460,727)	-	(15,460,727)	-
Public works	9,100,442	750	882,050	18,163,402	9,945,760	-	9,945,760	-
Parks and recreation	16,980,124	4,505,156	779,877	233,473	(11,461,618)	-	(11,461,618)	-
Library	3,610,294	2,536	-	-	(3,607,758)	-	(3,607,758)	-
Community services	1,584,964	-	-	-	(1,584,964)	-	(1,584,964)	-
Economic development	3,590	15,556	-	-	11,966	-	11,966	-
Non-departmental	2,002,636	-	-	-	(2,002,636)	-	(2,002,636)	-
Interest	542,388	-	-	-	(542,388)	-	(542,388)	-
Joint venture airport	-	6,847,954	-	-	6,847,954	-	6,847,954	-
Total Governmental Activities	76,148,527	17,913,939	3,500,241	18,396,875	(36,337,472)	-	(36,337,472)	-
Business-type Activities:								
Water utility	8,285,030	5,761,393	-	736,070	-	(1,787,567)	(1,787,567)	-
Sewer utility	8,591,479	8,291,484	-	93,875	-	(206,120)	(206,120)	-
Sustainable services	4,335,496	3,511,377	101,650	-	-	(722,469)	(722,469)	-
Transportation Services	6,501,324	2,064,220	340,536	886,474	-	(3,210,094)	(3,210,094)	-
Total Business-type Activities	27,713,329	19,628,474	442,186	1,716,419	-	(5,926,250)	(5,926,250)	-
Total - Primary Government	\$ 103,861,856	\$ 37,542,413	\$ 3,942,427	\$ 20,113,294	(36,337,472)	(5,926,250)	(42,263,722)	-
Component Unit								
Durango Conference Center Business Improvement District	\$ 359,373	\$ -	\$ -	\$ -	-	-	-	(359,373)
General Revenues								
Property taxes levied for:								
General government purposes					3,507,007	-	3,507,007	348,573
Specific ownership tax					315,027	-	315,027	-
Sales tax					38,999,220	-	38,999,220	-
Use tax					2,170,558	-	2,170,558	-
Sales and use tax audit					317,351	-	317,351	-
La Plata County shared sales tax					6,716,169	-	6,716,169	-
La Plata County joint sales tax					3,218,013	-	3,218,013	-
Other taxes					1,145,874	-	1,145,874	-
Franchise fees and occupational taxes					1,513,956	-	1,513,956	-
Lodgers taxes					4,022,697	-	4,022,697	-
Gain (Loss) on Disposal of Capital Assets					348,012	1,881,862	2,229,874	-
Investment earnings					2,772,718	1,133,406	3,906,124	-
Lease revenue					454,250	-	454,250	-
Miscellaneous					3,114,010	2,190,912	5,304,922	-
Total General Revenues					68,614,862	5,206,180	73,821,042	348,573
Transfers					(1,526,434)	1,526,434	-	-
Total General Revenues and Transfers					67,088,428	6,732,614	73,821,042	348,573
Change in Net Position					30,750,956	806,364	31,557,320	(10,800)
Net Position Beginning of Year					300,028,642	121,825,840	421,854,482	239,099
Net Position End of Year					<u>\$ 330,779,598</u>	<u>\$ 122,632,204</u>	<u>\$ 453,411,802</u>	<u>\$ 228,299</u>

See accompanying notes to the basic financial statements

City of Durango, Colorado
Balance Sheet
Governmental Funds
December 31, 2025

	General	Streets Improvement	Recreation Complex / Trails	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash on hand	\$ 5,475	\$ -	\$ -	\$ -	\$ -	\$ 5,475
Equity in cash and cash equivalents	6,285,871	6,569,062	4,902,222	66,083,538	18,605,635	102,446,328
Cash held in escrow	330,077	-	-	-	-	330,077
Receivables:						
Accounts receivable	423,218	-	-	60,250	1,796,885	2,280,353
Lease receivables	1,232,158	-	-	-	-	1,232,158
Property taxes	6,576,737	-	-	-	178,390	6,755,127
Sales taxes	2,585,903	617,762	617,762	308,665	308,665	4,438,757
Franchise taxes	84,010	-	-	-	-	84,010
Lodger's taxes	-	-	-	-	238,462	238,462
Intergovernmental	1,429,361	-	1,480,249	-	130,418	3,040,028
Interest	145,081	-	-	-	344,933	490,014
Prepaid items	11,754	-	-	-	-	11,754
Interfund receivables	330,106	-	-	-	-	330,106
Inventory	33,475	-	-	-	-	33,475
Total Assets	\$ 19,473,226	\$ 7,186,824	\$ 7,000,233	\$ 66,452,453	\$ 21,603,388	\$ 121,716,124
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	\$ 174,939	\$ 1,655,834	\$ 2,221,491	\$ 145,596	\$ 2,957,401	\$ 7,155,261
Accrued expenditures	815,582	-	-	-	81,806	897,388
Interfund payable	-	-	-	-	295,666	295,666
Deposits	457,785	-	-	-	-	457,785
Unearned revenue	180,002	-	-	-	4,989	184,991
Total Liabilities	1,628,308	1,655,834	2,221,491	145,596	3,339,862	8,991,091
Deferred Inflows of Resources						
Deferred inflows resources - leases	1,222,729	-	-	-	-	1,222,729
Deferred inflows resources - property taxes	6,576,737	-	-	-	178,390	6,755,127
Deferred inflows - unearned revenue	-	-	-	-	854,933	854,933
Total Deferred Inflows of Resources	7,799,466	-	-	-	1,033,323	8,832,789
Fund Balances						
Nonspendable	379,398	-	-	-	-	379,398
Restricted	2,099,785	-	-	61,000,000	1,393,793	64,493,578
Committed	-	5,530,990	4,778,742	5,306,857	14,784,810	30,401,399
Assigned	7,566,269	-	-	-	1,051,600	8,617,869
Total Fund Balances	10,045,452	5,530,990	4,778,742	66,306,857	17,230,203	103,892,244
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 19,473,226	\$ 7,186,824	\$ 7,000,233	\$ 66,452,453	\$ 21,603,388	\$ 121,716,124

See accompanying notes to the basic financial statements

*Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2025*

Total Governmental Fund Balances		\$ 103,892,244
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and right to use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation and amortization expense		
Cost of capital assets	\$ 463,761,092	
Less: accumulated depreciation	(217,587,156)	
Right to use leased assets	1,433,515	
Less: accumulated amortization	<u>(504,660)</u>	
		247,102,791
City's joint venture equity interest in Durango-LaPlata County Airport		47,489,647
Other receivables are not available to pay for current-period expenditures and, therefore are reported as a deferred inflow of resources in the funds		854,933
Net pension liabilities are not recognized at the fund level but are reported at the government-wide level		(2,933,317)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Deferred costs on debt issuance	363,519	
Amounts related to pensions	<u>967,041</u>	
		1,330,560
Deferred inflows of resources in governmental activities are not financial resources and, therefore, are not reported in the funds		
Amounts related to pensions	\$ (19,959)	
Amount related to bond premium liability	<u>(5,925,040)</u>	
		(5,944,999)
Internal service fund is used by management to charge the costs of general administrative services, equipment replacement and self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		9,387,686
Liabilities, including bonds, accrued interest and compensated absences are not due and payable in the current period and therefore are not reported in funds:		
Bonds and certificates of participation payable	\$ (66,458,644)	
Accrued interest on long term debt	(681,682)	
Lease payables	(940,307)	
Compensated absences	<u>(2,319,314)</u>	
		(70,399,947)
Net Position Of Governmental Activities		<u><u>\$ 330,779,598</u></u>
See accompanying notes to the basic financial statements		

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

	General	Streets Improvement	Recreation Complex / Trails	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 3,360,282	\$ -	\$ -	\$ -	\$ 146,725	\$ 3,507,007
Specific Ownership Taxes	315,027	-	-	-	-	315,027
Sales taxes	22,294,228	5,569,630	5,569,630	2,782,866	2,782,866	38,999,220
Use taxes	1,283,444	295,774	295,774	147,783	147,783	2,170,558
Sales and use tax audit	317,351	-	-	-	-	317,351
La Plata County shared sales tax	6,716,169	-	-	-	-	6,716,169
La Plata County joint sales tax	3,218,013	-	-	-	-	3,218,013
Lodgers taxes	-	-	-	-	4,022,697	4,022,697
Cigarette tax	60,960	-	-	-	-	60,960
Franchise fees and occupational taxes	1,513,956	-	-	-	-	1,513,956
Intergovernmental	1,255,851	-	-	-	5,458,292	6,714,143
Intergovernmental Grants	-	-	1,661,927	-	877,735	2,539,662
Licenses and permits	735,778	-	-	-	7,400	743,178
Charges for services	7,709,102	-	-	-	1,253,049	8,962,151
Lease revenue	251,334	-	-	-	-	251,334
Fines and forfeitures	134,193	-	-	-	-	134,193
Investment earnings	402,624	404,520	-	483,007	876,823	2,166,974
Miscellaneous	1,296,791	-	-	-	3,012,806	4,309,597
Total Revenues	50,865,103	6,269,924	7,527,331	3,413,656	18,586,176	86,662,190
Expenditures						
Current:						
General government	15,073,812	-	-	-	5,968,345	21,042,157
Public safety	18,183,534	-	-	-	1,915,909	20,099,443
Public works	4,763,097	10,062,494	-	-	239,381	15,064,972
Parks and recreation	10,363,028	-	11,056,716	-	-	21,419,744
Library	3,222,882	-	-	-	-	3,222,882
Community services	1,568,128	-	-	-	16,836	1,584,964
Economic development	-	-	-	-	3,590	3,590
Non-departmental	3,651,890	-	-	-	-	3,651,890
General capital outlay	301,361	-	-	1,080,694	3,817,901	5,199,956
Debt Service:						
Principal retirement	135,000	-	-	-	5,905,000	6,040,000
Interest and fiscal charges	55,300	-	-	-	79,891	135,191
Total Expenditures	57,318,032	10,062,494	11,056,716	1,080,694	17,946,853	97,464,789
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,452,929)	(3,792,570)	(3,529,385)	2,332,962	639,323	(10,802,599)
Other Financing Sources (Uses)						
Issuance of debt	-	-	-	66,958,142	-	66,958,142
Other finance source- leases	960,207	-	-	-	-	960,207
Transfers in	1,701,000	-	500,000	-	6,416,691	8,617,691
Transfers out	-	(206,000)	(1,230,000)	(4,058,063)	(4,286,161)	(9,780,224)
Total Other Financing Sources (Uses)	2,661,207	(206,000)	(730,000)	62,900,079	2,130,530	66,755,816
Net Change in Fund Balances	(3,791,722)	(3,998,570)	(4,259,385)	65,233,041	2,769,853	55,953,217
Fund Balances Beginning of Year, as Previously Reported	13,837,174	-	-	-	34,101,853	47,939,027
Change from nonmajor fund to major fund	-	9,529,560	9,038,127	1,073,816	(19,641,503)	-
Fund Balances Beginning, as Adjusted or Restated	13,837,174	9,529,560	9,038,127	1,073,816	14,460,350	47,939,027
Fund Balances End of Year	\$ 10,045,452	\$ 5,530,990	\$ 4,778,742	\$ 66,306,857	\$ 17,230,203	\$ 103,892,244

See accompanying notes to the basic financial statements

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

Net Changes In Fund Balances - Total Governmental Funds	\$	55,953,217
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 as depreciation and amortization expense. This is an amount by which depreciation and amortization expense exceeded capital outlay and loss on disposal of assets in the current period		
Depreciation and amortization expense	\$ (12,739,233)	
Gain/Loss on disposal of assets	348,012	
Capital outlay	<u>24,509,254</u>	12,118,033
Governmental funds do not report contributed capital assets but they are reported on statement of activities		13,100,029
Long term notes receivable and the accrued interest which do not provide current financial resources are not reported in the funds		15,300
Government funds do not report the change in the investment in the joint venture but the change is reported on the statement of activity		6,847,954
The internal service funds used by management to charge the costs of the general services, equipment reserve, risk manager and self-insurance to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated		4,537,811
Elimination of transfers between governmental funds		
Transfers in	8,617,691	
Transfers out	<u>(8,617,691)</u>	-
Net Pension expense does not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds		379,096
The issuance of long-term debt requires the use of current financial resources to governmental funds and are not reported		
expenditures in the statement of activities		363,519
Interest expense reported in the statement of activities does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		<u>(580,710)</u>
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		6,112,496
Deferred Loss on Refunding for loan paid in full		(146,154)
The issuance of long-term debt provides current financial resources to governmental funds, but are not reported as revenues in the statement of activities		
Bond proceeds and premium	(66,925,040)	
Lease proceeds	<u>(757,290)</u>	(67,682,330)
Compensated absences 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		<u>(267,305)</u>
Change In Net Position of Governmental Activities	\$	<u>30,750,956</u>

See accompanying notes to the basic financial statements

City of Durango, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility Fund	Sewer Utility Fund	Transportation Services Fund	Nonmajor Fund Trash and Recycling Fund	Total	
Assets						
Current Assets						
Equity in cash and cash equivalents	\$ 14,196,139	\$ 1,884,046	\$ 5,143,989	\$ 2,510,230	\$ 23,734,404	\$ 9,987,710
Prepaid items	-	-	-	-	-	20,728
Receivables						
Accounts	631,773	1,159,121	40,017	459,068	2,289,979	425,990
Intergovernmental	-	-	240,293	25,989	266,282	58,206
Inventory	242,862	11,962	-	-	254,824	490,115
Total Current Assets	15,070,774	3,055,129	5,424,299	2,995,287	26,545,489	10,982,749
Noncurrent Assets						
Note receivable	42,386	6,953	-	-	49,339	-
Capital Assets						
Land, easements and water rights	7,048,853	321,309	1,386,320	89,622	8,846,104	67,889
Construction in progress	988,368	265,228	-	47,406	1,301,002	829,151
Depreciable capital assets, net	46,948,248	74,109,188	4,999,698	1,634,688	127,691,822	15,651,846
Total Noncurrent Assets	55,027,855	74,702,678	6,386,018	1,771,716	137,888,267	16,548,886
Total Assets	70,098,629	77,757,807	11,810,317	4,767,003	164,433,756	27,531,635
Liabilities						
Current Liabilities						
Accounts payable	698,953	452,015	212,203	121,567	1,484,738	1,537,560
Accrued payroll	53,423	49,637	82,610	31,412	217,082	23,064
Compensated Absences - due in one year	89,088	32,218	86,601	38,892	246,799	27,147
Loan payable EPC short term	-	-	-	-	-	84,089
Interest Payable	-	272,143	-	-	272,143	-
Interest payable EPC loan	-	-	-	-	-	135,499
Interfund payable	-	-	-	-	-	34,440
Loan payable	213,949	2,660,999	-	-	2,874,948	-
Total Current Liabilities	1,055,413	3,467,012	381,414	191,871	5,095,710	1,841,799
Long Term Liabilities						
Loan payable net of current portion	1,496,599	34,962,444	-	-	36,459,043	3,929,555
Compensated absences net of current portion	89,088	32,218	86,601	38,892	246,799	27,147
Total Long Term Liabilities	1,585,687	34,994,662	86,601	38,892	36,705,842	3,956,702
Total Liabilities	2,641,100	38,461,674	468,015	230,763	41,801,552	5,798,501
Net position						
Net investment in capital assets	53,274,921	37,066,204	6,386,018	1,771,716	98,498,859	12,496,182
Restricted						
Restricted for program purposes	-	-	-	85,158	85,158	-
Unrestricted	14,182,608	2,229,929	4,956,284	2,679,366	24,048,187	9,236,952
Total Net Position - Fund Level	\$ 67,457,529	\$ 39,296,133	\$ 11,342,302	\$ 4,536,240	\$ 122,632,204	\$ 21,733,134

See accompanying notes to the basic financial statements

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

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility Fund	Sewer Utility Fund	Transportation Services Fund	Nonmajor Fund Trash and Recycling Fund	Total	
Operating Revenues						
Charges for sales and services	\$ 5,761,393	\$ 8,291,484	\$ 2,064,220	\$ 3,511,377	\$ 19,628,474	\$ 6,238,663
Services provided	-	-	-	-	-	10,855,080
Miscellaneous	16,089	67,073	13,198	76,040	172,400	1,311,634
Total Operating Revenues	5,777,482	8,358,557	2,077,418	3,587,417	19,800,874	18,405,377
Operating Expenses						
Administration	520,407	450,672	331,740	2,664	1,305,483	500,716
Source of supply	156,372	-	-	-	156,372	-
Pumping	152,166	-	-	-	152,166	-
Transmission and distribution	2,137,600	-	-	-	2,137,600	-
Treatment	1,389,697	2,013,323	-	-	3,403,020	-
Meter reading and repairs	633,176	-	-	-	633,176	-
Parking operations	-	-	920,223	-	920,223	-
Collections	-	1,772,129	-	1,525,354	3,297,483	-
Recycling	-	-	-	1,258,060	1,258,060	-
Recycling center	-	-	-	554,268	554,268	-
Sustainability	-	-	-	446,553	446,553	-
Loop system	-	-	3,551,402	-	3,551,402	-
Multi-modal	-	-	604,960	-	604,960	-
Building maintenance	80,542	6,643	-	-	87,185	168,861
Equipment maintenance	-	-	-	45,145	45,145	2,437,468
Insurance claims and premiums	-	-	-	-	-	1,980,468
Medical claims and premiums	-	-	-	-	-	9,557,680
Non-departmental	184,538	255,103	225,398	118,783	783,822	11,654
Payment for services	819,272	593,632	286,760	213,664	1,913,328	24,921
Depreciation	2,174,831	2,815,337	580,841	171,005	5,742,014	1,976,328
Total Operating Expenses	8,248,601	7,906,839	6,501,324	4,335,496	26,992,260	16,658,096
Operating Income (Loss)	(2,471,119)	451,718	(4,423,906)	(748,079)	(7,191,386)	1,747,281
Non-Operating Revenues (Expenses)						
Gain (loss) on the sale of capital assets	-	-	1,881,862	-	1,881,862	348,012
Intergovernmental grants	-	-	1,227,010	101,650	1,328,660	69,342
Investment earnings	649,290	144,958	221,096	118,062	1,133,406	557,343
Interest expense	(36,429)	(684,640)	-	-	(721,069)	(163,182)
Total Nonoperating Revenues (Expenses)	612,861	(539,682)	3,329,968	219,712	3,622,859	811,515
Income (Loss) Before Capital Contributions and Transfers	(1,858,258)	(87,964)	(1,093,938)	(528,367)	(3,568,527)	2,558,796
Capital contributions	2,696,533	515,825	-	-	3,212,358	(55,021)
Transfers in	-	-	1,112,533	50,000	1,162,533	-
Change in Net Position	838,275	427,861	18,595	(478,367)	806,364	2,503,775
Net Position Beginning of Year	66,619,254	38,868,272	11,323,707	5,014,607	121,825,840	19,229,359
Net Position End of Year	\$ 67,457,529	\$ 39,296,133	\$ 11,342,302	\$ 4,536,240	\$ 122,632,204	\$ 21,733,134

See accompanying notes to the basic financial statements.

City of Durango, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water Utility Fund	Sewer Utility Fund	Transportation Services Fund	Nonmajor Trash and Recycling Fund	Total	Internal Service Funds
<u>Cash flows from operating activities</u>						
Cash received from customers and users	\$ 5,764,248	\$ 8,306,792	\$ 2,055,780	\$ 3,506,608	\$ 19,633,428	\$ 18,158,323
Other receipts	16,089	67,073	13,198	76,040	172,400	1,311,634
Cash payments to suppliers and employees	(6,154,984)	(4,875,633)	(5,885,781)	(4,194,891)	(21,111,289)	(15,566,422)
Net Cash Provided by (Used in) Operating Activities	(374,647)	3,498,232	(3,816,803)	(612,243)	(1,305,461)	3,903,535
<u>Cash Flows from Noncapital Financing Activities</u>						
Transfers from other funds	-	-	1,112,533	50,000	1,162,533	(55,021)
Net cash provided by (used for) noncapital financing activities	-	-	1,112,533	50,000	1,162,533	(55,021)
<u>Cash flows from capital and related financing activities</u>						
Principal paid on capital debt	(209,836)	(2,624,422)	-	-	(2,834,258)	-
Interest paid on capital debt	(36,429)	(707,138)	-	-	(743,567)	-
Sale of capital assets	-	-	1,881,862	-	1,881,862	348,012
Contributed capital	736,070	93,875	-	-	829,945	-
Intergovernmental capital grants	-	-	1,319,188	101,842	1,421,030	-
Purchase of capital assets	(1,599,318)	(1,437,896)	(127,315)	(45,145)	(3,209,674)	(4,820,267)
Net cash used for capital and related financing	(1,109,513)	(4,675,581)	3,073,735	56,697	(2,654,662)	(4,472,255)
<u>Cash flows from investing activities</u>						
Investment earnings	649,290	144,958	2,721,611	118,062	3,633,921	557,343
Payments of loan receivables	12,197	3,230	-	-	15,427	-
Net cash provided by investing activities	661,487	148,188	2,721,611	118,062	3,649,348	557,343
Net change in cash and equivalents	(822,673)	(1,029,161)	3,091,076	(387,484)	851,758	(66,398)
Cash and equivalents, beginning of year	15,018,812	2,913,207	2,052,913	2,897,714	22,882,646	9,406,951
Cash and equivalents, end of year	\$ 14,196,139	\$ 1,884,046	\$ 5,143,989	\$ 2,510,230	\$ 23,734,404	\$ 9,340,553
Operating income (loss)	\$ (2,471,119)	\$ 451,718	\$ (4,423,906)	\$ (748,079)	\$ (7,191,386)	\$ 1,747,281
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation	2,174,831	2,815,337	580,841	171,005	5,742,014	1,976,328
Decrease (increase) in accounts receivable	2,855	15,308	(8,440)	(4,769)	4,954	1,064,580
Decrease (increase) in inventory	(99,136)	25,478	-	-	(73,658)	19,670
Decrease (increase) in accounts payable	(18,752)	177,068	13,471	(28,594)	143,193	(873,231)
Decrease (increase) in accrued liabilities	16,183	8,459	21,606	5,577	51,825	50
Decrease (increase) in compensated absences	20,491	4,864	(375)	(7,383)	17,597	(10,415)
Total adjustments	2,096,472	3,046,514	607,103	135,836	5,885,925	2,176,982
Net cash provided by (Used in) operating activities	\$ (374,647)	\$ 3,498,232	\$ (3,816,803)	\$ (612,243)	\$ (1,305,461)	\$ 3,924,263
<u>Noncash flow from capital and related financing activities</u>						
Donation of capital assets	\$ 471,435	\$ 139,375	\$ -	\$ -	\$ 610,810	\$ -
	\$ 471,435	\$ 139,375	\$ -	\$ -	\$ 610,810	\$ -

See accompanying notes to the basic financial statements.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

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City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 1 - Summary of Significant Accounting Policies

The City of Durango is a municipal corporation governed by an elected five-member council. The City operates under a Council-Manager form of government and provides the following services: public safety, highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government and a component unit that is included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the City's discretely presented component unit. It is reported separately due to its legal designation. A description of the discretely presented component unit follows:

Durango Conference Center Business Improvement District (the District) – the District was formed for the purpose of developing a conference center in the City. The District encompasses commercial properties in a defined area. The members of the District's governing board are appointed by the City Council. The District is fiscally dependent on the City because the City Council must approve the operating plan and budget on an annual basis pursuant to the state statutes authorizing the formation of the District. The District is reported on the government-wide statements as a governmental fund. The District reports only a general fund, with property taxes being the primary source of revenue. Separate financial statements are not issued by the District.

On May 5, 2020, the City Council established an Urban Renewal Authority also known as the Durango Renewal Partnership (the "Partnership" or "DRP"), a legally separate entity organized under Colorado Revised Statutes Title 31, Article 25, Part 1. While legally distinct, the DRP is considered a blended component unit of the City of Durango and is reported accordingly in the City's financial statements. This treatment is based on the following factors:

- Substantively the same governing body: The City Council of Durango also serves as the Board of Commissioners for the Durango Renewal Partnership. As such, the governing bodies are substantively the same. The URA Board is composed of 9 commissioners: 5 Durango City Councilors, 1 La Plata County Community Development Director, 1 La Plata County Assessor, 1 Representative from the Business Improvement District, 1 Durango 9-R Board of Education Member.
- Oversight and financial relationship: The City exercises oversight authority over the DRP through budgetary approval, appointment of leadership, and control of tax increment financing (TIF) agreements. The City also provides administrative support and may be financially impacted by DRP activities, particularly through contributions, reimbursements, or shared infrastructure investments.
- Exclusive benefit to the primary government: DRP activities are focused on economic revitalization within designated plan areas inside city limits, and all TIF revenue is generated from within the City of Durango. Projects funded by the DRP, such as infrastructure improvements, public amenities, and redevelopment incentives, provide direct and exclusive benefit to the City and its residents.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole.

The primary government and the component unit is presented separately within these financial statements with the focus on the primary government. The statements distinguish governmental activities, generally supported by taxes and grants and City's general revenues, from business-type activities, generally financed in whole or in part with user fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City and its discretely presented component unit at year-end. Neither fiduciary funds nor component units which are fiduciary in nature are included.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities. The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*. Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds. In the fund financial statements major individual governmental and enterprise funds are reported in separate columns.

Change in Major Governmental Fund Reporting - During 2025, the Streets Improvement and Recreation Complex/Trails funds previously reported as Nonmajor Governmental Special Revenue funds became major funds due to significant expenditures in these funds. The Capital Improvements fund reported as a Nonmajor Governmental Capital Projects fund became a major fund due to significant assets and other financing sources related to the bond issuance.

GASB 100 requires the aggregate amount of adjustments and restatements of beginning net position, fund balance or fund net position be displayed by reporting unit in the financial statements. These Funds are now included in the *Governmental Funds*.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation (Continued)

Fund Accounting - The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

Governmental Funds- Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities and deferred inflows of resources as fund balance. The following are the City's major governmental funds:

General Fund— The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Colorado.

Streets Improvement Special Revenue Fund - to account for sales and use tax revenues. These funds can be used for streets improvements and street maintenance.

Recreation Complex/Trails Special Revenue Fund – to account for the one-half cent sales and use tax revenues originally voted on and adopted by the electorate in April 1999 and reauthorized in April of 2015. The revenues may only be used to pay the debt service on the Sales and Use Tax Revenue Bonds, series 2008, for Parks and Recreation and Multi Modal projects and operations.

Capital Improvements Fund - to account for fifty percent of the one-half cent sales and use tax revenues voted on and adopted by the electorate in April 2005. These revenues may only be used to finance capital improvements. The tax sunsets in 2026.

Proprietary Funds- Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The following are the City's major enterprise funds:

Water Utility Fund –This fund accounts for revenues and expenses associated with providing water services to the City's residents and some county residents.

Sewer Utility Fund -This fund accounts for revenues and expenses associated with providing waste-water treatment services to residents of the City and some county residents.

Transportation Services Fund – This fund accounts for revenues and expenses associated with the operations of the City's parking program, including enforcement and facilities maintenance and to account for revenues and expenses associated with providing mass transportation within the City.

Additionally, the City reports *internal service funds*. The internal service funds provide support services to other City departments including vehicle and equipment maintenance, warehousing, building and plant supervision and maintenance, equipment replacement, risk management and self-insurance. The six internal service funds are General Services Fund, Capital Equipment Replacement Fund, Risk Management Fund, Technology Replacement Fund, Building Maintenance Fund, and Self Insurance Fund. The internal service funds are eliminated in the process of consolidation into the government-wide activities.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

1-C. Measurement Focus (Continued)

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund

financial statements therefore include a reconciliation with brief explanations to better identify the relationship ***Note*** between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting on both financial reporting levels. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statements of net position.

The statements of changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting.

Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available.

Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 3-C). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used, or the year when use is first

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

1-D. Basis of Accounting (Continued)

permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available before it can be recognized. The City defines availability for intergovernmental revenues as those anticipated to be collected in one year and all others as 60 days of year end.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest, and federal and state grants.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On the governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred inflows of resources (i.e., they are measurable but not available) rather than as revenue. Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows of resources.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Balance/Net Position

1-E-1 Cash, Cash Equivalents, and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on statements of net position or balance sheets as "equity in cash and equivalents" and "cash held in escrow." Cash equivalents include the City's investments in short term investment pools where the maturities fall within the GASB definition of cash equivalents.

Equity in Cash and Equivalents - The City maintains a centralized bank account to maximize investment yields. Cash balances are pooled and invested. Investment income earned is allocated to the funds based on each fund's percentage ownership. Cash with fiscal agent is held separately and not pooled with other cash.

For the purposes of cash flow statements, cash and cash equivalents include "equity in treasurer's cash and investments" and "cash held in escrow," as held by enterprise funds. Each fund has an interest in the pool that is available upon demand. Interest in the pool has been recorded consistent with any other demand deposits or investments with a maturity of three months or less.

Investments are reported at fair value based on valuation techniques discussed in Note 3-A with disclosures on the level of the fair value hierarchy based on inputs from the valuation technique. Investments in governmental external investment pools are reported at amortized cost or net asset value and are not subject to the fair value hierarchy. The City Charter authorizes the City to invest in any manner that is then permitted by the statutes of Colorado.

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, where applicable. Unbilled water and sewer charges are accrued as receivables and revenue at December 31, 2025.

The City was awarded a Community Development Block Grant in 1983. The grant proceeds were distributed as loans to qualifying businesses and residents. The loan receivable is recorded in the Revolving Loan Fund, a special revenue fund, net of the allowance for estimated loan losses. The allowance is management's best estimate based on past collection experience.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

1-E-3 Interfund Balances

On the fund financial statements, receivables and payable resulting from short-term interfund loans are classified as "interfund receivables/interfund payable." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as "internal balances."

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are also expensed when consumed.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2025, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reflected as nonspendable as this amount is not available for general appropriation.

1-E-6 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the City fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities columns of the government-wide statement of net position and in the enterprise funds' statements of net position.

All capital assets are capitalized at acquisition value and updated for additions and retirements during the year.

Donated capital assets are recorded at their estimated acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of roads, bridges and water and sewer lines. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land, easements, water rights and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	20-75 years
Equipment	3-20 years
Utility System Infrastructure and Improvements	30-100 years
Public Domain Infrastructure	10-50 years

Right to use leased assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 1 to 9 years.

1-E-7 Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify as deferred outflow of resources. A deferred outflow of resources related to the City Old Hire Fire and Police Pension Plans have been recorded as of December 31, 2024, which consists of two components: 1) contributions subsequent to measurement date; and 2) a change in investment earnings.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items which are considered deferred inflows of resources. The City has lease agreements where the City is the lessor and activity is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue), such as on the straight-line basis over the term of the lease. There is also a deferred inflow of resources related to the Old Hire Police and Fire Pension Plan (netted with deferred outflows).

1-E-8 Compensated Absences

Governmental Funds – As of January 1, 2006 the City implemented a “paid time off” (PTO) policy. Benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. All compensated absence liabilities include salary-related payments such as 401a, FMLA and Medicare, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only “*when due*.”

Proprietary Funds – Accumulated paid time off at December 31, 2025, for employees of the proprietary funds have been accrued. These compensated absences are recognized as current salary costs when earned in the proprietary funds.

1-E-9 Accrued Liabilities and Long-term Obligations

All payable, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payable and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Bonds and loans payable are recognized as a liability in the governmental activities on the government wide financial statements.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the City.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

1-E-10 Bond Premiums, Discounts, and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

At the governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure/expense.

1-E-11 Fund Balance/Net Position

Fund Balance – Generally, fund balance represents assets and deferred outflows of resources minus liabilities and deferred inflows of resources and is shown only in governmental fund statements. Financial reporting standards establish criteria for classifying fund balance amounts into specifically defined categories to make the nature and extent of constraints on those amounts more useful and understandable. The categories comprise a hierarchy based on the extent to which constraints must be honored for a specified purpose and for which amounts can be spent. Fund balances may be categorized as nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable Fund Balance– cannot be spent because it is either in nonspendable form or is legally or contractually required to be maintained intact. Examples include items not expected to be converted to cash such as inventories and prepaid items.

Restricted Fund Balance– is restricted for specific purposes based on constraints externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance– is constrained for a specific purposes by resolution or ordinance adopted by the City Council and can be rescinded only through the same type of formal action used to establish the original commitment. Resolutions and ordinances are equally binding.

Assigned Fund Balance– is constrained for specified purposes by the City Manager or his designee as authorized by the City Council.

Unassigned Fund Balance– is unconstrained and comprised of residual uncategorized fund balance amounts. The General Fund is the only fund that reports a positive unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, restricted amounts are deemed to be used first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are considered to be reduced first, followed by assigned amounts and then by unassigned amounts.

Net Position - Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

1-E-11 Fund Balance/Net Position (Continued)

imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

1-E-12 Operating Revenues and Expenses

Operating revenues and expenses are generated directly from the primary ongoing operations of the proprietary funds. Operating revenues are charges for services to external customers for water, sewer, sustainable services, transit, and parking. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets necessarily incurred to provide the good or service that is the primary activity of each fund. Revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. Revenues from internal customers for services are for vehicle and equipment maintenance, warehousing, building and plant supervision, equipment replacement and self-insurance. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of each fund.

1-E-13 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets and plant investment fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-14 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted). Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. The interfund services provided and used are not eliminated in the process of consolidation. Transfers between funds reported in the business-type activities column are eliminated.

1-E-15 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-16 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide information about the changes in the financial activities of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

1-E-17 Implementation of GASB Statement No. 102

As of January 1, 2025, the City of Durango adopted GASB Statement No. 102, Certain Risk Disclosures. The standard requires disclosure of information about vulnerabilities due to certain concentrations or constraints that could affect the City's financial condition. Currently there are no known risks to report.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 2 – Stewardship, Compliance and Accountability

Budgetary Information – The governmental fund budgets are adopted on a basis consistent with GAAP except for the revolving loan fund, which has no adopted budget. In addition, the Durango Conference Center Business Improvement District, a discretely presented component unit, approves a budget each fiscal year, however, it is not presented as a budget and is not required. Adopted budgets for enterprise and internal service funds are presented on a non-GAAP basis.

Formal budgetary integration is employed as a management control device during the year for the general fund, all special revenue funds, the capital projects fund and all proprietary fund types. Budgetary control for funds not formally budgeted is alternatively achieved through financial management plans or as the result of established ordinances. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires City Council approval.

The City Council may authorize additional appropriations during the budget year for expenditures required, but not in excess of the amount that actual revenues exceed budgeted revenues and unappropriated surplus for that fund. The City Manager may transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same department, office, or agency. At the request of the City Manager, the City Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department, office, or agency to another. The City Council made additional appropriations during the year.

Unencumbered amounts for the operating portion of the budget lapse at year-end.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Statutes require that any public depository which accepts and holds public funds maintain, as security for public deposits accepted and held by it, not insured by federal depository insurance, eligible collateral having a market value, at all times, equal to at least one hundred and two percent of the amount of public deposits. Banking institutions are monitored by the State of Colorado Banking Commission and must report monthly on all public deposits held. Pledged collateral must be held in joint custody of the bank and the State of Colorado Banking Commission in accordance with the Public Deposit Protection Act in a safekeeping account held by a third party, usually the Federal Reserve Bank. The pledged collateral cannot be released unless approval is obtained by the banking commission. At December 31, 2025, the City's cash deposits had a bank balance of \$9,765,042 and a carrying balance of \$8,225,141. At December 31, 2025, of the City's deposits \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC), and \$9,515,042 was covered by the PDPA.

At December 31, 2025 the bank and carrying balance of the Durango Conference Center Business Improvement District was \$232,372 and \$223,776 respectively. The amount of coverage by the Federal Deposit Insurance Corporation (FDIC) was \$228,744.

Investments – Colorado revised statutes and the City's investment policy specifies investment instruments meeting defined rating and risk criteria in which the City may invest:

- United States Treasury Obligations
- United States Government Agency and Instrumentality Obligations
- Certificates of Deposits
- Commercial Paper
- Investment-grade Obligations of State
- Repurchase Agreements
- Money Market Mutual Funds
- Local Government Investment Pools

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from prevailing market interest rates, the City's investment policy states that the City will minimize the interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City investment policy states that the weighted average maturity of the portfolio shall be no greater than 3 years, and all investments shall have a final maturity not exceeding five years from the date of purchase.

Credit Risk - The City's investment policy is to apply the prudent person rule where investments are made as a prudent person would be expected to act. The City's investment policy limits investments in fixed income securities to U.S. Treasury Bills; U.S. Government Agencies; Certificates of Deposit; Commercial Paper; Investment-grade Obligations of State; Repurchase Agreements; Money Market Mutual Funds; and Local Government Investment Pools. The investment policy limits investments in commercial paper to be rated A-1 by Standard & Poor's, P-1 by

Moody's, or F-1 by Fitch at the time of purchase. COLOTRUST records investments at fair value and the City records at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (Continued)

As of December 31, 2025, the City had \$3,591,542 invested in the Colorado Local Governments Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements creating and operating COLOTRUST. Purchases and redemption's are available daily at a net asset value (NAV) of \$1.00. The City is invested in the Plus+ and PRIME portfolios. COLOTRUST is rated AAA by Standards and Poor's. At December 31, 2025 COLOTRUST had a weighted average maturity of 60 days or less. Investments of COLOTRUST are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments.

As of December 31, 2025, the City had \$4,899,533 invested in the Colorado Surplus Asset Fund Trust (CSAFE) General, \$54,658,829 invested in CSAFE Core, and \$67,017,328 invested in CSAFE Core 2025 Sales Tax Bonds. CSAFE is an investment vehicle established for local government entities in Colorado to pool surplus funds. At December 31, 2025 CSAFE had a weighted average maturity of 60 days or less. Investments in CSAFE are shown at amortized cost for financial reporting purposes.

CSAFE is rated AAmmf by Fitch. CSAFE Core is rated AAAF/S1 by Fitch. Investments of CSAFE are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments. As of December 31, 2025 the City had the following investments and maturities:

Investment Type	S&P/Fitch Rating	Less Than One Year	1-5 Years	Total	Percentage
ColoTrust	AAAm	\$ 3,591,542	-	\$ 3,591,542	2%
CSAFE	AAmmf	4,899,533	-	4,899,533	3%
CSAFE - CORE	AAAF/S1	54,658,829	-	54,658,829	37%
CSAFE - CORE 2025 Sales Tax Bond	AAAF/S1	67,017,328	-	67,017,328	45%
Federal Home Loan Bank & US Treasury (managed)	AA+	2,981,467	13,655,520	16,636,987	11%
Other securities (managed)	Lowest is A-	1,460,829	1,654,271	3,115,100	2%
Cash Equivalents (managed)	AAAm	219,875	-	219,875	-%
Total		<u>\$ 134,829,403</u>	<u>\$ 15,309,791</u>	<u>\$ 150,139,194</u>	

Reconciliation to Total Cash and Investments

Investments	\$ 150,139,194
Add:	
Cash on Hand and in Banks	8,225,141
Component Unit	228,744
Investment in Mission Square	\$ 64,922
Investment in Empower Retirement	152,548
Restricted Cash and Investments	217,470
Joint ventures share of pooled cash	(22,077,811)
Total Cash and Investments	<u>\$ 136,732,738</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (Continued)

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

Fund Reporting level:	
Governmental Funds - Cash on Hand	\$ 5,475
Governmental Funds - Equity in treasurer's cash and investments	102,446,328
Governmental Funds - Cash held in escrow	330,077
Proprietary Fund Type Statement of Net Position - Proprietary Funds	23,734,404
Proprietary Fund Type Statement of Net Position - Internal Service	9,987,710
Cash and investments - Component Unit	228,744
Total	<u>\$ 136,732,738</u>
Government-wide level:	
Cash and investments Governmental Activities - primary government	\$ 112,769,590
Cash and investments Business Type Activities - primary	23,734,404
Cash and investments - Component Unit	228,744
Total	<u>\$ 136,732,738</u>
Durango Conference Center Business Improvement District:	
Cash on hand	\$ 30
Cash on deposit	228,714
Total	<u>\$ 228,744</u>

Concentration of Credit Risk – It is the intent of the City to diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The City's policy specifies that no more than 50 percent of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Treasury. No more than 10 percent of the portfolio may be invested in each of the following categories of securities:

Commercial paper
Negotiable certificates of deposit
Banker's acceptance
Obligations not fully collateralized or insured

At least 5 percent of the portfolio shall be invested in overnight instruments or in marketable securities which can be sold to raise cash in one day's notice. The City's total portfolio was within these limits for the year ended December 31, 2025. Restricted cash and assets are those assets that are restricted by voter restriction or restricted legally by state statutes or city code of ordinances.

Fair Value – The City categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices; Level 3 inputs are significant unobservable inputs. As COLOTRUST is valued at net asset value, reporting of fair value measurements is not applicable. In addition, CSAFE is valued at amortized cost.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-B. Receivables

Receivables at December 31, 2025, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants. Receivables and payable are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. The City has loans and has also deferred the collection of certain fees related to affordable housing projects. There is a loan for \$510,000, recorded in the Capital Projects Fund. This note carries an interest rate of 3%. Principal and accrued interest on this loan is due in 2033. The City has recorded accrued interest on this loan of \$344,933. The Water Utility Fund has loans totaling \$42,386 while the Sewer Utility Fund loan total is \$6,953.

3-C. Property Taxes

Property taxes as set by the City Council are collected by the County Treasurer. The County Treasurer remits property taxes collected to the City by the 10th day of the month following collection. Property taxes receivable represents 2025 taxes levied and budgeted for and collectible in calendar year 2026. This amount also is reflected as deferred inflow of resources at the fund financial reporting level and the government-wide financial reporting level. Following are details of the property tax calendar:

Lien date	January 1 (current year)
Levy date	December 15 (prior year)
First half installment due	March 1
Second half installment due	June 15
If paid in full	April 30

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for governmental activities including internal service funds for the year ended December 31, 2025, were as follows:

	Balance 1/1/2025	Additions	Deductions	Transfers/ Adjustments	Balance 12/31/2025
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 38,868,962	\$ 4,235,490	\$ -	\$ -	\$ 43,104,452
Construction in progress	11,989,657	14,715,122	(110,299)	(3,015,717)	23,578,763
Total capital assets not being depreciated	50,858,619	18,950,612	(110,299)	(3,015,717)	66,683,216
Other capital assets:					
Buildings	53,913,533	-	-	-	53,913,533
Improvements	24,333,931	1,032,329	(22,759)	303,482	25,646,983
Equipment	37,370,074	4,434,741	(2,206,011)	1,321,584	40,920,388
Infrastructure	257,789,987	17,416,335	-	1,390,650	276,596,972
Total depreciable capital assets	373,407,525	22,883,405	(2,228,770)	3,015,717	397,077,876
Accumulated depreciation:					
Buildings	19,700,304	1,215,038	-	-	20,915,342
Improvements	3,129,694	928,753	(22,759)	-	4,035,688
Equipment	20,158,674	2,710,008	(2,206,011)	-	20,662,671
Infrastructure	164,280,971	7,692,484	-	-	171,973,455
Total accumulated depreciation	207,269,643	12,546,283	(2,228,770)	-	217,587,156
Total depreciable capital assets, net	166,137,882	10,337,122	-	3,015,717	179,490,720
Governmental activities capital assets, net	\$ 216,996,501	\$ 29,287,734	\$ (110,299)	\$ -	\$ 246,173,936
Right to use leased assets being amortized					
Right to use leased building	466,782	446,753	(43,433)	-	870,102
Right to use leased equipment	287,195	-	(34,319)	-	252,876
Right to use leased land	19,927	310,537	(19,927)	-	310,537
Total right to use leased assets being amortized	773,904	757,290	(97,679)	-	1,433,515
Less Accumulated Amortization for					
Right to use leased building	243,254	111,743	(43,433)	-	311,564
Right to use leased equipment	135,646	50,153	(23,756)	-	162,043
Right to use leased land	19,926	31,054	(19,927)	-	31,053
Total accumulated amortization	398,826	192,950	(87,116)	-	504,660
Net right to use leased assets	375,078	564,340	(10,563)	-	928,855
Total capital assets, net	\$ 217,371,579	\$ 29,852,074	\$ (120,862)	\$ -	\$ 247,102,791

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (Continued)

The following are the changes in the business-type activities, excluding internal service funds, for the year ended December 31, 2025:

	Balance 1/1/2025	Additions	Deductions	Transfers/ Adjustments	Balance 12/31/2025
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 5,476,387	\$ -	\$ (2,500,515)	\$ -	\$ 2,975,872
Water Rights	5,870,232	-	-	-	5,870,233
Construction in progress	2,798,692	757,761	-	(2,255,452)	1,301,001
Total capital assets not being depreciated	14,145,312	757,761	(2,500,515)	(2,255,452)	10,147,106
Other capital assets:					
Buildings	87,537,795	-	-	-	87,537,795
Equipment	11,905,230	616,000	(165,605)	96,495	12,452,121
Infrastructure	87,914,512	4,218,327	-	2,158,956	94,291,795
Total depreciable capital assets	187,357,537	4,834,327	(165,605)	2,255,452	194,281,710
Accumulated depreciation:					
Buildings	17,003,905	2,435,460	-	-	19,439,365
Equipment	7,571,145	781,009	(165,605)	-	8,186,549
Infrastructure	36,438,430	2,525,545	-	-	38,963,975
Total accumulated depreciation	61,013,480	5,742,014	(165,605)	-	66,589,889
Total depreciable capital assets, net	126,344,057	(907,687)	-	2,255,452	127,691,821
Business type activities capital assets, net	\$ 140,489,369	\$ (149,926)	\$ (2,500,515)	\$ -	\$ 137,838,927

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

General government	\$ 1,558,268
Public safety	464,913
Public works	7,047,756
Library	440,332
Parks and recreation	3,227,964
Total governmental activities depreciation	<u>\$ 12,739,233</u>

Business-type activities depreciation expense is allocated as follows:

Water	\$ 2,174,831
Sewer	2,815,337
Trash and Recycle	171,005
Transportation Services	580,841
Total business-type activities depreciation	<u>\$ 5,742,014</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-E. – Interfund Balances and Transfers

Of the interfund balances for the year ended December 31, 2025, the \$330,106 interfund receivable from the general fund to the road impact fund, 911 communications center fund and the general services fund are related to short-term cash loans that will be paid back in 2026.

Fund Level	Interfund Receivable	Interfund Payable
General Fund	\$ 330,106	\$ -
Road Impact Fund	-	22,592
911 Communications Center Fund	-	273,074
General Services Fund	-	34,440
	<u>\$ 330,106</u>	<u>\$ 330,106</u>

Interfund transfers for the year ended December 31, 2025 consisted of the following:

Transfers To	Transfers From		
	Major Governmental	Other Governmental	Total
General Fund	\$ 1,236,000	\$ 465,000	\$ 1,701,000
Other Governmental	4,058,063	2,358,628	6,416,691
Major Governmental	-	500,000	500,000
Nonmajor Trash and Recycling	-	50,000	50,000
Transportation Services	200,000	912,533	1,112,533
	<u>\$ 5,494,063</u>	<u>\$ 4,286,161</u>	<u>\$ 9,780,224</u>

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Compensated Absences

All permanent employees of the City are permitted to accumulate a maximum carryover of accrued PTO in the amount of two times the accrual rate in effect for that employee. Maximum carryover for employees with 20 years of service or more is 62 days (496) hours. In the event an employee reaches their maximum accrued PTO, they will no longer accrue PTO until their PTO balance is brought below their maximum accrual.

3-G. Leases

Lessor

The City leases land and buildings for several leases as the lessor. Lease revenue in 2025 was \$212,750 and lease interest revenue was \$38,584. Lease receivables are recorded by the City as the present value of the future lease payments expected to be received from the lessee during the lease terms. Lease receivables are then reduced over the life of the lease as payments are received and applied in the appropriate period. The interest rate used for lease receivables ranges from 1.35% to 3.31% and is based on State and Local Government Series (SLGS) securities statistics. For these leases the City is reporting lease receivables of \$1,232,158 and deferred inflow of resources of \$1,222,729 as of December 31, 2025. Final receipt is expected in fiscal year 2059.

Future minimum payments:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 134,295	\$ 36,093	\$ 170,388
2027	143,425	31,955	175,380
2028	121,402	28,185	149,587
2029	59,156	25,329	84,485
2030	43,835	24,034	67,869
2031-2035	68,204	110,087	178,291
2036-2040	49,836	102,956	152,792
2041-2045	85,312	91,816	177,128
2046-2050	131,228	74,112	205,340
2051-2055	190,175	47,870	238,045
2056-2059	205,290	12,168	217,458
Total	<u>\$ 1,232,158</u>	<u>\$ 584,605</u>	<u>\$ 1,816,763</u>

Lessee

The City is a lessee for leases of buildings, office space and equipment through 2034. In association with these leases, the City recorded right of use assets of \$1,433,515 and lease liabilities of \$940,307 as of December 31, 2025.

The interest rate by lease ranges from 1.35% to 6.15% and is based on SLGS securities statistics. The right to use assets are disclosed in the capital assets footnote combined for the Governmental activities. As of December 31, 2025, right to use leased assets, net of accumulated amortization was \$928,855.

Future minimum payments:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 210,195	\$ 31,774	\$ 241,969
2027	211,856	24,457	236,313
2028	99,976	18,965	118,941
2029	107,226	14,560	121,786
2030	115,478	9,880	125,358
2031-2034	195,576	10,818	206,394
Total	<u>\$ 940,307</u>	<u>\$ 110,454</u>	<u>\$ 1,050,761</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2025:

Governmental Activities	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025	Amounts Due in One Year
Direct Borrowings and Placements					
2014 Certificates of Participation	\$ 1,580,000		\$ 135,000	\$ 1,445,000	\$ 140,000
2016 Sales & Uses Refunding Note	1,160,000		1,160,000	-	-
2017 Sales & Uses Refunding Note	4,745,000		4,745,000	-	-
2025 Sales & Use Tax Revenue Bonds		61,000,000		61,000,000	695,000
Loan Premium		5,958,141	33,101	5,925,040	197,501
Energy Performance Contract Lease/ Purchase Agreement	4,086,140		72,496	4,013,644	84,089
Compensated absences	1,997,714	2,077,745	1,810,440	2,265,019	1,132,510
Compensated absences - ISF	64,709	76,032	86,446	54,295	27,148
Subtotal	13,633,563	69,111,918	8,042,483	74,702,998	2,276,247
Lease Liability	380,541	757,273	197,507	940,307	210,195
Total Governmental Activities	<u>\$ 14,014,104</u>	<u>\$ 69,869,191</u>	<u>\$ 8,239,990</u>	<u>\$ 75,643,305</u>	<u>\$ 2,486,442</u>

Business Type Activities	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025	Amounts Due in One Year
Direct Borrowings and Placements					
Colorado Water Loan - Water	\$ 1,920,383	\$ -	\$ 209,835	\$ 1,710,548	\$ 213,948
Colorado Water Loan - Sewer	39,423,622	-	2,565,548	36,858,074	2,602,126
Loan Premium Amortization	824,242	-	58,874	765,368	58,874
Compensated absences - enterprise funds	476,002	546,423	528,827	493,598	246,799
Total Business Type Activities	<u>\$ 42,644,249</u>	<u>\$ 546,423</u>	<u>\$ 3,363,084</u>	<u>\$ 39,827,588</u>	<u>\$ 3,121,747</u>

Revenue Bonds – In 2007, the City issued \$15,890,000 Sales and Use Tax Revenue Bonds, Series 2007, with interest rates ranging from 4.00 percent to 4.125 percent due in annual installments of \$625,000 to \$1,215,000 beginning December 1, 2008 through December 1, 2025. In April of 2016, the City advanced refunded these bonds. The Sales and Use Revenue Refunding Note has an interest rate of 2.04 percent. Payment for the bonds is from a one-half of one percent sales and use tax. The 2016 Sales and Use Revenue Refunding Note were originally issued for the construction of a new Public Library. The \$1,160,000 balance on the 2016 Sales and Use Revenue Refunding Note was paid off in fiscal year 2025.

In 2009, the City issued \$17,585,000 Sales and Use Tax Revenue Bonds, series 2009, with interest rates ranging from 2.50 percent to 5.0 percent due in annual installments of \$655,000 to \$1,275,000 beginning December 1, 2009 through December 1, 2028. These bonds were advanced refunded in 2017. The City refunded the bonds to reduce its debt service requirements over the next 11 years. The Sales and Use Refunding Note has an interest rate of 2.37 percent. The 2009 bonds were issued for the reconstruction of Florida Road. Payment for the bonds is from a two percent sales and use tax. The remaining balance of \$4,745,000 Principal and \$56,228 interest on the 2017 Sales & Uses Refunding note was paid off in fiscal year 2025. The balance of the deferred outflow on the refunding at 12/31/2024 was expensed in 2025.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt (Continued)

In 2013, the City obtained a long-term loan from Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of \$4,000,000 to purchase water storage and rights for the Water Fund. The term of the loan is 20 years with an interest rate of 1.95%. Loan payments in the amount of \$246,266 are due annually.

Year Ending	Principal	Interest	Total
2026	\$ 213,948	\$ 32,318	\$ 246,266
2027	218,140	28,126	246,266
2028	222,413	23,853	246,266
2029	226,773	19,493	246,266
2030	231,216	15,050	246,266
2031-2033	598,058	17,607	615,665
Total	<u>\$ 1,710,548</u>	<u>\$ 136,447</u>	<u>\$ 1,846,995</u>

In 2016, the City obtained two long-term State Revolving loans from Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of \$58,404,764 and \$2,500,000 to construct a wastewater treatment plant. The term of the loans were 20 years. The larger of the two loans has an interest rate of 1.74 percent while the smallest loan was a zero percent interest rate. In 2022, having completed the construction project without drawing the total of the zero percent interest loan, the City rescinded the remaining loan proceeds of that loan.

Year Ending	Principal	Interest	Total
2026	\$ 2,602,125	\$ 670,638	\$ 3,272,763
2027	2,631,986	636,888	3,268,874
2028	2,652,863	618,588	3,271,451
2029	2,665,493	604,338	3,269,831
2030	2,681,612	590,426	3,272,038
2031-2035	14,243,301	2,112,413	16,355,714
2036-2038	9,380,694	435,116	9,815,810
Total	<u>\$ 36,858,074</u>	<u>\$ 5,668,407</u>	<u>\$ 42,526,481</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt (Continued)

In 2025, the City issued \$61,000,000 Sales and Use Tax Revenue Bonds, Series 2025, with interest rates ranging from 5.0 percent to 5.25 percent due in annual installments of \$4,052,075 to \$4,056,874 beginning December 1, 2026 through December 1, 2055. Payment for the bonds is from a one-half of one percent sales and use tax. The 2025 Sales and Use Revenue Refunding Note were issued for the remodel of a new City Hall and Police Complex.

Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 695,000	\$ 3,361,874	\$ 4,056,874
2027	960,000	3,092,575	4,052,575
2028	1,010,000	3,044,575	4,054,575
2029	1,060,000	2,994,075	4,054,075
2030	1,115,000	2,941,075	4,056,075
2031-2035	6,465,000	13,811,375	20,276,375
2036-2040	8,240,000	12,026,875	20,266,875
2041-2045	10,525,000	9,749,125	20,274,125
2046-2050	13,500,000	6,774,337	20,274,337
2051-2055	17,430,000	2,838,413	20,268,413
Total	<u>\$ 61,000,000</u>	<u>\$ 60,634,299</u>	<u>\$ 121,634,299</u>

Certificates of Participation - In 2014, the City issued series 2014 Certificates of Participation in the amount of \$2,700,000, with an interest rate of 3.5% proceeds will be used to construct Wilson Gulch Road in what is known as Three Springs within the City limits. This road will provide for economic development with big box retailers to ensure long term viability for the City. The City has leased real property, the Public Works Building, to the lender who leased the property back to the City. In the event of a default, the City may have to vacate the building and the lender can lease the real property to another entity. A schedule, by years, of future minimum lease payments under the lease agreement as of December 31, 2025 follows:

Year Ending	Principal	Interest	Total
2026	\$ 140,000	\$ 50,575	\$ 190,575
2027	145,000	45,676	190,676
2028	150,000	40,600	190,600
2029	155,000	35,350	190,350
2030	160,000	29,926	189,926
2031-2034	695,000	61,951	756,951
Total	<u>\$ 1,445,000</u>	<u>\$ 264,078</u>	<u>\$ 1,709,078</u>

The Water Fund charges and services provide funding for annual payments on the water storage loan. The Sewer Fund charges and services provide funding for annual payments on the remaining loan. The City believes they are in compliance with all covenants related to all long-term debt. The compensated absences liability will be paid from the fund from which the employees' salaries are paid. The General fund is used to liquidate the compensated absences liability.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt (Continued)

Energy Contract Performance Lease Purchase - On May 30, 2023, the City entered into an agreement to finance the acquisition of certain improvements at various city facilities as part of an Energy Performance Contract (EPC). The improvements are funded with a \$4,204,344 Equipment Lease/Purchase Agreement including a \$60,000 cost of issuance. The total debt and total gross asset balance are both \$4,174,462 due to the discount rate. Project funds were deposited in an escrow account. Disbursements were made from the escrow account to pay for the cost of acquiring the Equipment/Improvements. The energy performance improvements are recorded as capital asset. Annual payments, including principal and interest accruing at 3.981%, are due on March 1, 2024 through 2043, following the payment scheduled as outlined in the Lease/Purchase Agreement. A penalty-free pre-payment is allowable up to \$1,200,000 at any point prior to March 1, 2026. Beginning on March 1, 2024 through March 1, 2034, the City of Durango has the option to prepay its obligations in whole only with a prepayment premium of 102% of the outstanding principal balance remaining. Beginning on March 1, 2035 through the Maturity Date, the city of Durango has the option to prepay its obligations under this lease in whole only with a prepayment premium of 101% of the outstanding principal balance. In the event of default, the lessor may repossess the improvements.

As of December 31, 2025, the outstanding balance was as follows

Year	Principal	Interest	Total
2026	\$ 84,089	\$ 162,691	\$ 246,780
2027	107,049	159,282	266,331
2028	117,947	155,375	273,322
2029	130,386	150,162	280,548
2030	143,141	144,877	288,018
2031-2035	934,936	626,305	1,561,241
2036-2040	1,387,477	402,266	1,789,743
2041-2043	1,108,619	91,966	1,200,585
Total	<u>\$ 4,013,644</u>	<u>\$ 1,892,924</u>	<u>\$ 5,906,568</u>

In 2025, the City had unspent remaining project escrow funds of \$402,400. In accordance with Section 6.12 of the Equipment Lease/Purchase Agreement, the remaining amount plus accrued interest, which as of December 2, 2025 was \$592,742 shall be applied by Lessor on each successive Rental Payment Date thereafter to pay all or a portion of the Rental Payment due and owing in the succeeding twelve (12) months, and any remaining amounts shall be applied by Lessor as prepayment to the applicable unpaid Principal Portion of Rental Payments. The Escrow will be applied to the FY2026 \$246,780 payment due, and the remaining \$345,962 to the principal balance.

3-I. Pensions

The City, on behalf of certain paid firefighters and police officers, contributes to the Old Hire Police Pension Plan (Police Plan) and the Old Hire Fire Pension Plan (Fire Plan), both defined benefit, single employer plans that are affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the plans are commingled for investment purposes in the Fire and Police Member's Benefit fund; an agent multiple-employer defined benefit pension plan administered by FPPA. FPPA is the trustee for these funds. The plans provide retirement benefits for members and beneficiaries according to the plan provisions as enacted and recommended by the Pension Board of each plan and further approved by the City Council. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plans. FPPA issues a publicly available annual financial report that includes the assets of the plans and separate biennial actuarial reports for each of the plans. The reports may be obtained by writing to FPPA, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado, 80111, or by calling FPPA at 1-800-770-3772.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

Fire Plan Description – The Fire Pension Plan covers only those firefighters hired prior to April 8, 1978 and provides retirement benefits to plan members and their beneficiaries. Cost-of-living adjustments are provided at the discretion of the City Council. Title 31 of the Colorado Revised Statutes assigns the authority to establish and amend the benefit provisions of the plan to the City Council with the input of the Pension Board.

Fire Plan Benefits Provided - Members are eligible for retirement benefits upon reaching age 50 with 20 years of service. Such benefits are equivalent to a monthly pension equal to 2.5 percent of final salary for each year of services up to 20 years, plus 1.75 percent of the final salary for each year of service beyond 20 years rendered on or after January 1, 1992. The maximum benefit amount is limited to 70 percent of final salary. Members are vested after ten years of service. A Deferred Retirement Option Plan (DROP) amendment received a favorable determination by the Internal Revenue Service in December 2001.

The amendment allows active members to elect to have a monthly benefit, along with their employee contributions to the plan, deposited into a separate account while they continue to be employed. However, they must terminate from the City no later than five years after the election. Upon termination, the participant receives the benefit of all funds accumulated in their DROP account as well as a monthly pension payment. As of December 31, 2025 there are no active members in the plan.

Police Plan Description - The Police Pension Plan covers only those police officers hired prior to April 8, 1978 and provides retirement benefits to plan members and their beneficiaries. Title 31 of the Colorado Revised Statutes assigns the authority to establish and amend the benefit provisions of the plan to the City Council with the input of the Pension Board.

Police Plan Benefits Provided - Members are eligible for retirement benefits upon reaching age 55 with 20 years of service or upon completion of 25 years of service, if earlier. Such benefits are equivalent to a monthly pension equal to 2.5 percent of the member's final salary for each year of services up to 20 years, plus 2.0 percent of the final salary for each year of service beyond 20 years and limited to maximum total benefit up to 75 percent of final salary. Members are vested after ten years of service. A Deferred Retirement Option Plan (DROP) amendment received a favorable determination by the Internal Revenue Service in December 2001.

The amendment allows active members to elect to have a monthly benefit, along with their employee contributions to the plan, deposited into a separate account while they continue to be employed. However, they must terminate from the City no later than five years after the election. Upon termination, the participant receives the benefit of all funds accumulated in their DROP account as well as a monthly pension payment. As of December 31, 2025 there are no active members in the plan.

Membership of each plan was comprised of the following on December 31, 2025:

	Fire Pension	Police Pension
Retirees and beneficiaries	5	6
Inactive, Nonretired Members	-	-
Active plan members	-	-
	<u>5</u>	<u>6</u>

Contributions - The contributions of plan members and the City are established by state statute under Title 31, Article 30 of the CRS, as amended. The City is contributing to the plans at the level required by the actuarial valuations. The General Fund has typically been used to liquidate pension liabilities.

Contributions to the plans for the year ended December 31, 2025 were as follows:

	Fire Pension	Police Pension
Employer Contributions	<u>\$ 346,553</u>	<u>\$ 431,509</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

Net Pension Liability – Fire Plan

The City of Durango’s net pension liability for the Plan is measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2024. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

The total pension liabilities in the January 1, 2024 actuarial valuations, measured as of December 31, 2024, were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
	Disabled (pre-1980): Post-retirement rates set forward three years.

The assumptions shown above apply to the actuarial valuation as of January 1, 2024 and to the corresponding Actuarial Determined Contribution for the year ending December 31, 2024. These assumptions were adopted by the FPPA Board of Directors based on the 2022 Experience Study and any related asset allocation studies of the Old Hire Plan.

The primary changes, which can be observed in the January 1, 2024 valuation, as compared to the assumptions shown are as follows:

Investment Rate of Return	4.50%
Mortality Post-retirement:	2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Disabled (pre-1980):	Post-retirement rates set forward three years.

Asset Allocation for FPPA

As of the most recent analysis of the long-term expected rate of return, the target asset allocation as of December 31, 2024 and 5-year real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	10.00%	5.50%
Fixed Income-Rates	70.00%	5.40%
Fixed Income-Credits	10.00%	5.90%
Diversifiers	0.00%	7.40%
Equity Long/Short	0.00%	7.00%
Global Equity	10.00%	8.30%
Private Markets	0.00%	10.20%
Total	100.00%	

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 4.08% (based on the weekly rate closest to but no later than the measurement date of the "state and local bonds" rate from the Federal Reserve statistical release (H-15); and the resulting Single Discount Rate is 4.50%.

Schedule of Changes in Net Pension Liability and Related Ratios Current Period
Measurement Period Ended December 31, 2024

Total pension liability	
Service Costs	\$ -
Interest on the Total Pension Liability	90,453
Benefit Changes	-
Difference between expected and actual experience of the Total Pension Liability	-
Changes of assumptions	-
Benefit payments	(192,555)
Net change in total pension - liability	(102,102)
Total pension liability - beginning	2,105,276
Total pension liability - ending	<u>\$ 2,003,174</u>
Plan fiduciary net position	
Contribution - employer	\$ 262,180
Contribution - employee	-
Net investment income	32,256
Benefit payments	(192,555)
Pension Plan Administrative Expense	(5,589)
Net change in plan fiduciary net position	96,292
Plan fiduciary net position - beginning	873,710
Plan fiduciary net position - ending	<u>970,002</u>
Net pension liability/(asset)	<u>\$ 1,033,172</u>
Plan fiduciary net position as percentage of total pension liability	48.42%

Sensitivity of the net pension liability to changes in the discount rate

Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 4.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	Sensitivity		
	1% Decrease 3.50%	Rate Assumption 4.50%	1% Increase 5.50%
Old Hire - Fire - Pension Liability	\$ 1,193,890	\$ 1,033,172	\$ 890,033

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2025, the City recognized pension expense of \$86,938. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows/ (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 75,527	\$ 8,246	\$ 67,281
Contributions Subsequent to measurement date	346,553	-	346,553
Total	<u>\$ 422,080</u>	<u>\$ 8,246</u>	<u>\$ 413,834</u>

\$346,553 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2025 by FPPA. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2026	\$ 37,130
2027	29,504
2028	(1,051)
2029	1,698
2030	-
Total	<u>\$ 67,281</u>

Net Pension Liability – Police Plan

The City of Durango's net pension liability for the Plan is measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2024. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the January 1, 2024 actuarial valuation, measured as of December 31, 2024, were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Disabled (pre-1980): Post-retirement rates set forward three years.

The assumptions shown above apply to the actuarial valuation as of January 1, 2024 and to the corresponding Actuarial Determined Contribution for the year ending December 31, 2024. These assumptions were adopted by the FPPA Board of Directors based on the 2022 Experience Study and any related asset allocation studies of the Old Hire Plan.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

The primary changes, which can be observed in the January 1, 2024 valuation, as compared to the assumptions shown are as follows:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately
Mortality Post-retirement:	Post-retirement is 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
	Disabled (pre-1980): Post-retirement rates set forward three years.

Asset Allocation for FPPA

As of the most recent analysis of the long-term expected rate of return, the target allocation and 5-year real rates of return for each major asset class are summarized in the following table:

Long-Term Expected

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	10.00%	5.50%
Fixed Income-Rates	70.00%	5.40%
Fixed Income-Credits	10.00%	5.90%
Diversifiers	0.00%	7.40%
Equity Long/Short	0.00%	7.00%
Global Public Equity	10.00%	8.30%
Private Capital	0.00%	10.20%
Total	100.00%	

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 4.08% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 4.50%.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios Current Period
Measurement Period Ended December 31, 2024

Total pension liability		
Service Cost	\$	-
Interest on the Total Pension Liability		140,994
Benefit Changes		-
Difference between expected and actual experience of the Total Pension Liability		-
Changes of assumptions		-
Benefit payments		(291,801)
Net change in total pension - liability		(150,807)
Total pension liability - beginning		3,277,497
Total pension liability - ending	\$	3,126,690
Plan fiduciary net position		
Contribution - employer	\$	301,995
Contribution - employee		-
Net investment income		41,741
Benefit payments		(291,801)
Pension Plan Administrative Expense		(5,901)
Net change in plan fiduciary net position		46,034
Plan fiduciary net position - beginning		1,180,511
Plan fiduciary net position - ending		1,226,545
Net pension liability/(asset)	\$	1,900,145
Plan fiduciary net position as percentage of total pension liability		39.23%

Sensitivity of the net pension liability to changes in the discount rate

Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 4.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	Sensitivity		
	1% Decrease 3.50%	Rate Assumption 4.50%	1% Increase 5.50%
Old Hire - Police - Pension Liability	\$ 2,154,863	\$ 1,900,145	\$ 1,676,907

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2025, the City recognized pension expense of \$141,308. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows / (Inflows) of Resources
Net difference between projected and actual earnings on investments	\$ 113,452	\$ 11,713	\$ 101,739
Contributions Subsequent to measurement date	431,509	-	431,509
Total	<u>\$ 544,961</u>	<u>\$ 11,713</u>	<u>\$ 533,248</u>

\$431,509 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2025 by FPPA. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2026	\$ 56,409
2027	44,645
2028	(1,609)
2029	2,294
2030	-
Total	<u>\$ 101,739</u>

The City participates in two defined contribution plans.

401A Money Purchase Plan Fire and Police: Effective January 1, 1988 eligible firefighters and police officers, with hire dates on or after April 8, 1978, elected to withdraw from the state administered Colorado Fire and Police Pension Association, a defined benefit pension plan. The state legislation allowing the withdrawal states that the alternate pension plan must be a money purchase plan. The new plan offered to eligible participants is a 401(a) Money Purchase Plan administered by the Mission Square Retirement Corporation. Each participant has an individual account with Mission Square into which all contributions flow. The participants are offered various investment options through the plan and are allowed to invest all monies in their account, at their own discretion, among the options. The City may amend, modify, or terminate the Plan, upon approval of such amendment, modification or termination by 65% of the active participants, provided that no amendment or modification shall reduce the account balances of any participant accrued to the date of the change.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees covered by this plan are eligible to participate from the date of employment. The plan defines the City and employee contributions at 11.2% and 9% respectively. The City's contributions for each employee are fully vested after five years. The contributions are vested at 20% each year. City contributions for and interest forfeited by employees who leave employment before five years of service are used to reduce the City's obligations to contributed.

The City applied participant forfeitures of \$60,122 to reduce the City share of contributions and \$2,153 were applied to investment advisor fees as of December 31, 2025. The City had \$64,922 in unapplied forfeitures, which are reported as cash in these financial statements.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

The City's total payroll for the year ended December 31, 2025 was \$33,019,036. The City's payroll for employees covered by the plan was \$4,766,871. The contribution to the plan totaled \$962,908, which consists of \$429,018 contributed by employees and \$533,889 contributed by the City.

401A Money Purchase Plan Empower Retirement - Effective November 1, 1989, the City withdrew from Public Employees Retirement Association of Colorado, a defined benefit pension plan. The City has set up an alternate plan in the form of a money purchase plan. The plan offered to eligible participants is a 401(a) Money Purchase Plan administered by Empower Retirement. The participants are offered various investment options through the plan and are allowed to invest all monies in their account, at their own discretion, among the options.

The City may amend, modify, or terminate the Plan, upon approval of such amendment, modification or termination by 65% of the active participants, provided that no amendment or modification shall reduce the account balances of any participant accrued to the date of the change.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees covered by this plan are eligible to participate from the date of employment. The plan defines the City and employee contributions at 11.2% and 9% respectively. The City's contributions for each employee are fully vested after five years. These contributions are vested at 20% each year. City contributions, and the interest thereon, for employees who leave employment prior to becoming vested are applied towards the City's obligation to contribute.

The City applied participant forfeitures of \$329,665 to reduce the City share of contributions. and applied forfeitures of \$10,153 to investment advisor fees as of December 31, 2025. The City had \$152,547 in unapplied forfeitures, which are reported as cash in these financial statements.

The City's total payroll for the year ended December 31, 2025 was \$33,019,036. The City's payroll for employees covered by the plan was \$24,174,823. The contribution to the plan totaled \$4,883,099, which consists of \$2,175,734 contributed by employees and \$2,707,366 contributed by the City.

The net aggregate pension expense for all pension plans was \$3,241,255.

3-J. Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of December 31, 2025 are as follows:

	Governmental Activities	Business Type Activities
Cost of Capital Assets	\$ 465,194,607	\$ 204,428,815
Less accumulated depreciation	(218,091,816)	(66,589,889)
Book value	247,102,791	137,838,926
Less capital related debt	(5,056,244)	(38,568,622)
Less retainage	(828,170)	(6,077)
Less unamortized balance of premium on capital-related debt		(765,368)
Less lease liability	(940,307)	-
Net investment in capital assets	<u>\$ 240,278,070</u>	<u>\$ 98,498,859</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-K Fund Balance

Fund Balances - Fund balances are classified as follows:

- **Nonspendable** - The following fund balances are nonspendable because they are not in spendable form:

General Fund:

Deposits	\$ 335,204
Inventory	44,194
Total	<u>\$ 379,398</u>

- **Restricted** - The following fund balances are legally restricted to specified purposes:

Major Governmental Funds:

Capital Improvements:	
2025 Sales Tax Bond Debt	\$ 61,000,000
General Fund:	
Emergencies	1,882,315
Pension	217,470
Total	<u>\$ 2,099,785</u>

Nonmajor Governmental Funds:

Grants	166,600
2007 Sales Tax Bond Debt	182,975
Conservation Trust	1,044,218
Total	<u>\$ 1,393,793</u>

- **Committed** - The following fund balances are committed to the following purposes:

Major Governmental Funds:

Streets Improvement	\$ 5,530,990
Capital Improvements	5,306,857
Rec Complex/Trails	4,778,742
Total	<u>\$ 15,616,589</u>

Nonmajor Governmental Funds:

Durango Tourism	\$ 1,892,283
Road Impact	(22,592)
Housing	4,452,243
Storm Drainage	9,770
Parks and Recreation Development	277,301
Durango Renewal Partnership	871,588
911 Communications	560,517
Capital Projects	3,117,716
Parks, Open Space and Trails	3,625,984
Total	<u>\$ 14,784,810</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

3-K Fund Balance (Continued)

- ***Assigned*** - The following fund balances are assigned to the following purposes:

General Fund:

Fund Balance Reserve	\$ 7,424,726
PEG Fees	72,928
Dark Fiber Reserve	51,628
Donations	16,987
Total	<u>\$ 7,566,269</u>

Nonmajor Governmental Fund:

Durango Tourism	\$ 1,051,600
Total	<u>\$ 1,051,600</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 4 - Other Notes

4-A. Risk Management

Employee Medical Insurance - Effective January 1, 1985, the City began a self-insurance program for medical claims. The purpose of the program is to pay medical claims of City employees and their covered dependents up to certain limits and to minimize the total cost of annual medical insurance to the City. The employer pays employee and a percentage of the dependent coverage. While in past years the contract was on a calendar year basis, in 2024 the City changed to a plan year ending June 30th.

Claims are processed and paid by Meritain Health, a third-party administrator. Individual excess risk coverage commences after an individual has incurred \$100,000 of claims in a year. The City carried the aggregate coverage for any claims up to a maximum of \$1,000,000 in 2025. The excess risk coverage for both individual and aggregate claims coverage was covered by Risk Assessment Management, a private insurance carrier. Settled claims have not exceeded coverage in any of the past three fiscal years. The claims liability reported in the Self Insurance Fund (an internal service fund) at December 31, 2025 is based on claims reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in balance in claims liabilities can be summarized as follows:

Date	Beginning of Year Liability	Current Year Claims and Changes in estimates	Claims Payments	End of Year Liability
2022	\$ 487,448	\$ 5,710,862	\$ 5,249,951	\$ 948,359
2023	948,359	3,691,618	4,280,860	359,117
2024	359,117	6,719,627	5,915,928	1,162,816
2025	\$ 1,162,816	\$ 6,467,330	\$ 6,290,190	\$ 1,339,956

Property, Casualty and Workers Compensation Insurance - The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Colorado Intergovernmental Risk Sharing Agency (CIRSA) is a public entity risk pool currently operating as a common risk management and insurance program for over 100 municipalities. The City, as member of the pool, pays annual premiums to CIRSA for its property and casualty insurance. Pinnacol Assurance Company is the insurance provider for workers' compensation insurance coverage. The bylaws and Intergovernmental Agreement of CIRSA provides that CIRSA will provide coverage through pooling of self-insured losses and the purchase of stop-loss insurance coverage.

CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

Ultimate liability to the City resulting from claims not covered by CIRSA is not presently determinable. Management and the City attorney are of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the City's financial statements.

There were no significant reductions in insurance coverage from prior years, and there have been no settlements that exceed the City's insurance coverage during the past three years.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 4 - Other Notes (Continued)

4-B. Contingent Liabilities

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City was a defendant in several lawsuits at December 31, 2025. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

4-C. Joint Ventures

The City is a participant with La Plata County (the County) in a joint venture to operate the Durango-La Plata County Airport. Pursuant to an intergovernmental agreement, the Airport Commission was created. The commission consists of nine members, three of which are appointed by the City Council. The airport manager is employed by the concurrent action of the City Council and the Board of County Commissioners. The City and County each have a 50 percent interest in all airport property. Through an intergovernmental agreement entered into by the City and the County, fiscal administration of the airport was delegated to the City.

The Airport's net position at fiscal year-end was \$94,979,293. The City's 50 percent equity interest is booked as joint venture in the airport and is reported in the government-wide statements as joint venture investment in capital assets. The City's equity interest in the Durango-La Plata County Airport was \$47,489,647, as of December 31, 2025. The Durango La Plata County Airport issues separate financial statements which may be obtained from the Airport or from the City of Durango Finance Department.

Condensed Statement of Net Position

	Business-type Activities 2025
Assets:	
Current assets	\$ 25,535,690
Capital assets	80,115,796
Long-term lease receivable	1,391,186
Total assets	<u>107,042,672</u>
Liabilities and Deferred Inflows:	
Current liabilities	3,686,165
Long-term liabilities	6,715,769
Deferred inflows related to leases	1,661,445
Total liabilities and deferred inflows	<u>12,063,379</u>
Net Position:	
Net investment in Capital Assets	71,630,141
Restricted	8,508,381
Unrestricted	14,840,771
Total net position	<u><u>\$ 94,979,293</u></u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Note 4 - Other Notes (Continued)

4-C. Joint Ventures (Continued)

The following table provides a summary of the Airport's changes in net position:

Summary of Changes in Net Position

	Business-type Activities 2025
Revenues:	
Operating revenues	\$ 7,954,707
Non-operating revenues	15,027,327
Total revenues	<u>22,982,034</u>
Expenses:	
Operating expense	4,696,863
Depreciation	4,258,983
Interest Expense	243,213
Capital Outlay	87,068
Total expenses	<u>9,286,127</u>
Changes in net position	13,695,907
Beginning net position	81,283,386
Ending net position	<u><u>\$ 94,979,293</u></u>

4-D. Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment, also known as TABOR, is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment. However, the City has made certain interpretations of the amendment's language in order to determine its compliance.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As described in Note 3-K, these financial statements report an emergency reserve of \$1,882,315. During 2020, the City Council passed an ordinance which allows the City to fund the TABOR emergency reserves with unencumbered or unrestricted cash, real property or any unused TABOR Emergency Reserves.

At the April 4, 1995 municipal election, the voters authorized the City to collect and retain all revenues received during the period beginning January 1, 1994 and extending through December 31, 1997, notwithstanding any revenue or spending limitations on fiscal year spending pursuant to the Amendment. The authority to collect and retain all revenues received was extended for the year 1998 and all subsequent years at the April 1, 1997 municipal election.

4-E. Subsequent Events

There are no subsequent events to report.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2025

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Old Hire Fire Pension Plan

Measurement Year Ending December 31,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
For Reporting Year Ending December 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total pension liability										
Interest on the Total Pension Liability	\$ 156,903	\$ 167,874	\$ 162,946	\$ 166,841	\$ 160,868	\$ 117,019	\$ 111,529	\$ 96,966	\$ 92,669	\$ 90,453
Benefit Changes	-	131,823	-	120,167	-	-	133,811	97,548	-	
Difference between expected and actual experience	19,701	-	17,472	-	21,086	-	(455,288)	-	66,976	
Changes of assumptions	91,649	-	-	-	521,325	-	-	-	(11,803)	
Benefit payments	(242,277)	(238,568)	(257,593)	(239,393)	(253,843)	(239,743)	(238,262)	(183,555)	(201,555)	(192,555)
Net change in total pension liability	25,976	61,129	(77,175)	47,615	449,436	(122,724)	(448,210)	10,959	(53,713)	(102,102)
Total pension liability - beginning	2,210,983	2,236,959	2,299,088	2,221,913	2,269,528	2,718,964	2,596,240	2,148,030	2,158,989	2,105,276
Total pension liability - ending	\$ 2,236,959	\$ 2,298,088	\$ 2,221,913	\$ 2,269,528	\$ 2,718,964	\$ 2,596,240	\$ 2,148,030	\$ 2,158,989	\$ 2,105,276	\$ 2,003,174
Plan fiduciary net position										
Contribution - employer	\$ 117,868	\$ 117,868	\$ 126,278	\$ 258,101	\$ 142,388	\$ 137,304	\$ 176,893	\$ 152,371	\$ 262,180	\$ 262,180
Net investment income	19,430	49,741	130,707	(1,245)	120,642	70,544	4,281	(112,425)	49,510	32,256
Benefit payments	(242,277)	(238,568)	(257,593)	(239,393)	(253,843)	(239,743)	(238,262)	(183,555)	(201,555)	(192,555)
Pension Plan Administrative Expense	(5,037)	(4,730)	(2,004)	(5,777)	(2,419)	(4,871)	(2,384)	(4,916)	(2,448)	(5,589)
Net change in plan fiduciary net position	(110,016)	(75,689)	(2,612)	11,686	6,768	(36,766)	(59,472)	(148,525)	107,687	96,292
Plan fiduciary net position - beginning	1,180,649	1,070,633	994,944	992,332	1,004,018	1,010,786	974,020	914,548	766,023	873,710
Plan fiduciary net position - ending	\$ 1,070,633	\$ 994,944	\$ 992,332	\$ 1,004,018	\$ 1,010,786	\$ 974,020	\$ 914,548	\$ 766,023	\$ 873,710	\$ 970,002
Net pension liability/(asset)	\$ 1,166,326	\$ 1,303,144	\$ 1,229,581	\$ 1,265,510	\$ 1,708,178	\$ 1,622,220	\$ 1,233,482	\$ 1,392,966	\$ 1,231,566	\$ 1,033,172
Plan fiduciary net position as percentage of total pension liability	47.86%	43.29%	44.66%	44.24%	37.18%	37.52%	42.58%	35.48%	41.50%	48.42%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Schedule of Pension Contributions
Old Hire Fire Pension Plan

Fiscal Year Ending December 31,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
For Reporting Year Ending December 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined annual required contribution	\$ 117,868	\$ 126,278	\$ 126,278	\$ 142,388	\$ 142,388	\$ 151,991	\$ 164,632	\$ 164,632	\$ 164,632	\$ 164,632
Contributions in relation to the actuarially determined contribution	117,868	126,278	126,278	142,388	151,991	137,304	176,893	152,371	262,180	262,180
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (9,603)	\$ 14,687	\$ (12,261)	\$ 12,261	\$ (97,548)	\$ (97,548)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2025

Notes to schedule: Actuarial determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one year lag, so the actuarial valuation as of January 1, 2024, determines the contribution amounts for 2025 and 2026.

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2024:

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled (pre-1980): Post-retirement rates set forward three years.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2025

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Old Hire Police Pension Plan
For the Last Ten Fiscal Years

Measurement Year Ending December 31,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
For Reporting Year Ending December 31,										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total pension liability										
Interest on the Total Pension Liability	\$ 205,124	\$ 216,400	\$ 210,904	\$ 218,807	\$ 213,805	\$ 153,063	\$ 147,138	\$ 153,156	\$ 146,922	\$ 140,994
Benefit Changes	-	137,606	-	132,122	-	-	143,858	126,687	-	
Difference between expected and actual experience	(29,987)	-	52,524	-	(116,414)	-	2,514	-	22,959	
Changes of assumptions	114,413	-	-	-	741,283	-	-	-	(4,354)	
Benefit payments	(278,021)	(275,542)	(304,342)	(275,496)	(295,881)	(277,831)	(291,801)	(281,001)	(302,601)	(291,801)
Net change in total pension liability	11,529	78,464	(40,914)	75,433	542,793	(124,768)	1,709	(1,158)	(137,074)	(150,807)
Total pension liability - beginning	2,871,483	2,883,012	2,299,088	2,920,562	2,995,995	3,538,788	3,414,020	3,415,729	3,414,571	3,277,497
Total pension liability - ending	\$ 2,883,012	\$ 2,961,476	\$ 2,258,174	\$ 2,995,995	\$ 3,538,788	\$ 3,414,020	\$ 3,415,729	\$ 3,414,571	\$ 3,277,497	\$ 3,126,690
Plan fiduciary net position										
Contribution - employer	\$ 110,495	\$ 110,495	\$ 122,870	\$ 260,476	\$ 141,741	\$ 141,741	\$ 184,960	\$ 160,894	\$ 301,995	\$ 301,995
Net investment income	29,792	77,637	204,149	(775)	181,762	110,192	6,805	(170,587)	69,589	41,741
Benefit payments	(278,021)	(275,542)	(304,342)	(275,496)	(295,881)	(277,831)	(291,801)	(281,001)	(302,601)	(291,801)
Pension Plan Administrative Expense	(2,741)	(5,561)	(2,004)	(5,777)	(2,419)	(4,871)	(2,149)	(5,187)	(2,775)	(5,901)
Net change in plan fiduciary net position	(140,475)	(92,971)	20,673	(21,572)	25,203	(30,769)	(102,185)	(295,881)	66,208	46,034
Plan fiduciary net position - beginning	1,752,280	1,611,805	1,518,834	1,539,507	1,517,935	1,543,138	1,512,369	1,410,184	1,114,303	1,180,511
Plan fiduciary net position - ending	\$ 1,611,805	\$ 1,518,834	\$ 1,539,507	\$ 1,517,935	\$ 1,543,138	\$ 1,512,369	\$ 1,410,184	\$ 1,114,303	\$ 1,180,511	\$ 1,226,545
Net pension liability/(asset)	\$ 1,271,207	\$ 1,442,642	\$ 718,667	\$ 1,478,060	\$ 1,995,650	\$ 1,901,651	\$ 2,005,545	\$ 2,300,268	\$ 2,096,986	\$ 1,900,145
Plan fiduciary net position as percentage of total pension liability	55.91%	51.29%	51.29%	52.71%	44.24%	43.61%	44.30%	32.63%	36.02%	39.23%
Covered payroll		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as a percentage of covered payroll		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Schedule of Pension Contributions
Old Hire Police Pension Plan
For The Last Ten Fiscal Years

Measurement Year Ending December 31,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
For Reporting Year Ending December 31,										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined annual required contribution	\$ 110,495	\$ 122,870	\$ 122,870	\$ 141,741	\$ 156,271	\$ 156,271	\$ 172,927	\$ 172,927	\$ 175,308	\$ 175,308
Actual Contribution	110,495	122,870	122,870	260,476	141,741	141,741	184,960	160,894	301,995	301,995
Contribution deficiency (excess)	\$ -	\$ -	\$ -	(118,735)	\$ 14,530	\$ 14,530	\$ (12,033)	\$ 12,033	\$ (126,687)	\$ (126,687)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Notes to schedule:

Actuarial determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one year lag, so the actuarial valuation as of January 1, 2024, determines the contribution amounts for 2025 and 2026.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2025

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2024:

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A*
Remaining Amortization Period	N/A*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annultant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled (pre-1980): Post-retirement rates set forward three years.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

Required Supplementary Information
City of Durango, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Property taxes	\$ 3,815,504	\$ 3,815,504	\$ 3,360,282	\$ (455,222)	\$ 3,305,957
Specific ownership taxes	425,000	425,000	315,027	(109,973)	309,724
Sales taxes	21,955,000	21,955,000	22,294,228	339,228	21,657,594
Use taxes	1,386,000	1,386,000	1,283,444	(102,556)	1,279,623
Sales and use tax audit	100,000	100,000	317,351	217,351	16,938
La Plata County shared sales tax	7,267,000	7,267,000	6,716,169	(550,831)	6,503,753
La Plata County joint sales tax	3,346,348	3,346,348	3,218,013	(128,335)	2,997,119
Cigarette tax	78,000	78,000	60,960	(17,040)	68,775
Franchise fees and occupational taxes	1,968,000	1,968,000	1,513,956	(454,044)	1,588,570
Intergovernmental	334,314	334,314	1,255,851	921,537	2,371,113
Intergovernmental Grants	16,251	16,251	-	(16,251)	-
Licenses and permits	394,000	394,000	735,778	341,778	648,348
Charges for services	7,980,345	7,980,345	7,709,102	(271,243)	6,076,754
Lease revenue	-	-	251,334	251,334	318,862
Fines and forfeitures	134,000	134,000	134,193	193	139,046
Investment earnings	910,000	910,000	402,624	(507,376)	661,412
Miscellaneous	977,000	977,000	1,296,791	319,791	1,737,097
Total Revenues	51,086,762	51,086,762	50,865,103	(221,659)	49,680,685
Expenditures					
Current					
General government	15,363,291	15,513,526	15,073,812	439,714	14,441,829
Public safety	18,021,225	18,056,525	18,183,534	(127,009)	17,432,350
Public works	5,319,450	5,319,450	4,763,097	556,353	4,477,608
Parks and recreation	10,339,905	10,666,330	10,363,028	303,302	9,724,545
Library	3,341,023	3,341,023	3,222,882	118,141	3,086,040
Community services	1,124,682	1,591,557	1,568,128	23,429	1,531,291
Economic development	74,450	74,450	-	74,450	-
Non-departmental	2,350,597	2,279,654	3,651,890	(1,372,236)	2,875,776
General capital outlay	-	-	301,361	(301,361)	312,505
Principal retirement	125,000	125,000	135,000	(10,000)	130,000
Interest and fiscal charges	68,000	68,000	55,300	12,700	59,850
Total Expenditures	56,127,623	57,035,515	57,318,032	(282,517)	54,071,794
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,040,861)	(5,948,753)	(6,452,929)	(504,176)	(4,391,109)
Other Financing Sources (Uses)					
Other finance source- leases	-	-	960,207	960,207	388,066
Transfers in	2,408,239	2,282,239	1,701,000	(581,239)	1,653,557
Transfers out	(102,656)	-	-	-	(62,000)
Total Other Financing Sources (Uses)	2,305,583	2,282,239	2,661,207	378,968	1,979,623
Net Change in Fund Balances	\$ (2,735,278)	\$ (3,666,514)	(3,791,722)	\$ (125,208)	(2,411,486)
Fund Balances Beginning of Year			13,837,174		16,248,660
Fund Balances End of Year			<u>\$ 10,045,452</u>		<u>\$ 13,837,174</u>

Required Supplementary Information
City of Durango, Colorado
Streets Improvement
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Sales taxes	\$ 5,519,918	\$ 5,519,918	\$ 5,569,630	\$ 49,712	\$ -
Use taxes	26,620	26,620	295,774	269,154	-
Investment earnings	-	-	404,520	404,520	-
Total Revenues	<u>5,546,538</u>	<u>5,546,538</u>	<u>6,269,924</u>	<u>723,386</u>	<u>-</u>
Expenditures					
Public works	9,746,631	15,231,727	10,062,494	5,169,233	-
Total Expenditures	<u>9,746,631</u>	<u>15,231,727</u>	<u>10,062,494</u>	<u>5,169,233</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,200,093)</u>	<u>(9,685,189)</u>	<u>(3,792,570)</u>	<u>5,892,619</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfers out	-	(206,000)	(206,000)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(206,000)</u>	<u>(206,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (4,200,093)</u>	<u>\$ (9,891,189)</u>	<u>(3,998,570)</u>	<u>\$ 5,892,619</u>	<u>-</u>
Fund Balances Beginning of Year			<u>9,529,560</u>		<u>9,529,560</u>
Fund Balances End of Year			<u>\$ 5,530,990</u>		<u>\$ 9,529,560</u>

Required Supplementary Information
City of Durango, Colorado
Recreation Complex / Trails
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Sales taxes	\$ 5,519,919	\$ 5,519,919	\$ 5,569,630	\$ 49,711	\$ -
Use taxes	260,872	260,872	295,774	34,902	-
Intergovernmental Grants	3,984,561	4,391,022	1,661,927	(2,729,095)	-
Investment earnings	1,000	1,000	-	(1,000)	-
Total Revenues	<u>9,766,352</u>	<u>10,172,813</u>	<u>7,527,331</u>	<u>(2,645,482)</u>	<u>-</u>
Expenditures					
Parks and recreation	<u>18,260,066</u>	<u>18,806,200</u>	<u>11,056,716</u>	<u>7,749,484</u>	<u>-</u>
Total Expenditures	<u>18,260,066</u>	<u>18,806,200</u>	<u>11,056,716</u>	<u>7,749,484</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,493,714)</u>	<u>(8,633,387)</u>	<u>(3,529,385)</u>	<u>5,104,002</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfers in	500,000	500,000	500,000	-	-
Transfers out	<u>(1,230,000)</u>	<u>(1,230,000)</u>	<u>(1,230,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(730,000)</u>	<u>(730,000)</u>	<u>(730,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (9,223,714)</u>	<u>\$ (9,363,387)</u>	<u>(4,259,385)</u>	<u>\$ 5,104,002</u>	<u>-</u>
Fund Balances Beginning of Year			<u>9,038,127</u>		<u>9,038,127</u>
Fund Balances End of Year			<u>\$ 4,778,742</u>		<u>\$ 9,038,127</u>

City of Durango, Colorado
Capital Improvements Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 66,083,538	\$ 785,591
Receivables:		
Accounts receivable	60,250	-
Sales and use taxes receivable	308,665	296,547
Total Assets	<u>\$ 66,452,453</u>	<u>\$ 1,082,138</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	\$ 145,596	\$ 8,322
Total Liabilities and Deferred Inflows of Resources	<u>145,596</u>	<u>8,322</u>
Fund Balances		
Restricted	61,000,000	-
Committed	5,306,857	1,073,816
Total Fund Balances	<u>66,306,857</u>	<u>1,073,816</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 66,452,453</u>	<u>\$ 1,082,138</u>

City of Durango, Colorado
Capital Improvements Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Sales taxes	\$ 2,648,471	\$ 2,648,471	\$ 2,782,866	\$ 134,395	\$ 2,707,769
Use taxes	165,775	165,775	147,783	(17,992)	158,653
Investment earnings	170,000	170,000	483,007	313,007	79,566
Total Revenues	<u>2,984,246</u>	<u>2,984,246</u>	<u>3,413,656</u>	<u>429,410</u>	<u>2,945,988</u>
Expenditures					
General capital outlay	-	3,371,800	1,080,694	2,291,106	370,987
Total Expenditures	<u>-</u>	<u>3,371,800</u>	<u>1,080,694</u>	<u>2,291,106</u>	<u>370,987</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,984,246</u>	<u>(387,554)</u>	<u>2,332,962</u>	<u>2,720,516</u>	<u>2,575,001</u>
Other Financing Sources (Uses)					
Issuance of debt	-	66,958,142	66,958,142	-	-
Transfers out	(1,815,121)	(4,058,063)	(4,058,063)	-	(2,435,718)
Total Other Financing Sources (Uses)	<u>(1,815,121)</u>	<u>62,900,079</u>	<u>62,900,079</u>	<u>-</u>	<u>(2,435,718)</u>
Net Change in Fund Balances	<u>\$ 1,169,125</u>	<u>\$ 62,512,525</u>	<u>65,233,041</u>	<u>\$ 2,720,516</u>	<u>139,283</u>
Fund Balances Beginning of Year			<u>1,073,816</u>		<u>934,533</u>
Fund Balances End of Year			<u>\$ 66,306,857</u>		<u>\$ 1,073,816</u>

City of Durango, Colorado
Required Supplementary Information
Notes to the Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual
For the Year Ended December 31, 2025

Note 1 Budgetary Information

Budgets for major governmental funds are adopted on a basis consistent with GAAP with the exception of non-cash expenses that may be made as adjustments at year end that are required by GAAP and would not be budgeted. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within the fund.

Budgets and Budgetary Accounting

The City adheres to the following procedures in establishing budgets:

1. Budgets are required by state law and City Charter for all governmental and proprietary funds.
2. During October, the City Manager will submit to the City Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
3. Public hearings are conducted to obtain public input.
4. Prior to December 31, the budget is adopted by formal resolution and ordinance.
5. Expenditures may not legally exceed appropriations at the fund level.
6. Revenue and expenditures are monitored by means of a monthly budget report, comparing budget to actual.
7. Budget appropriations lapse at the end of each year. Any Capital Projects that span multiple years must be re-appropriated in the annual budget or by way of resolution throughout the year.

The budget was guided by the City's mission, vision, values, and goals and coordinated with the strategic plan that fosters a culture of innovation and transparency focusing specifically on the below goal areas:

Organizational Stewardship
Innovative Housing & Economic Development
Safety & Quality of Life
Reliable Infrastructure & Community Connectivity
Engaged & Informed Community
Strategic Workforce Development

Note 2 Expenditures/Expenses in Excess of Appropriation

Any change in total to a fund or departmental appropriation within a fund requires City Council approval. The City Council may authorize additional appropriations during the budget year for expenditures required, but not in excess of the amount that actual revenues exceed budgeted revenues and unappropriated surplus for that fund. The City Manager may transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same department, office, or agency. At the request of the City Manager, the City Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department, office, or agency to another.

(Note 2 Expenditures/Expenses in Excess of Appropriation continued)

The Public Safety expenses exceeded the budget in the Fire Administration department line item for old hire fire pension contributions. The non-departmental expenditures and the general capital outlay exceeded the budget due to credit card fees that are charged to the City for customers paying with credit cards being higher than expected and lease capital outlay recognized at the inception or renewal of leases according to GAAP that are not budgeted for. In addition non-departmental had old hire police pension contributions that exceeded the budget.

The self insurance fund's budget was exceeded due to excess claims for medical coverage.



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Revolving Loan Fund - to account for the loan repayments made by the recipients of Community Development Block Grant monies.

Durango Tourism Fund - to account for a tax levied on lodgers within the City. These funds are set aside for destination management purposes.

Parks and Recreation Development Fund - to account for payment of fees in lieu of land dedication. These fees are made at the time of recording a final plat. These funds can only be used for acquisition and park development.

Conservation Trust Fund - to account for the State lottery proceeds. These funds can only be used for acquisition, capital improvements and maintenance of parks, recreation and open space programs.

Road Impact Fund – to account for fees imposed for road impacts as a result of new development within the City’s service area. These fees must be used for identified road projects within a certain time frame or they must be refunded.

Housing Fund - to account for revenues and expenditures related to workforce and affordable housing.

Storm Drainage Fund - to account for storm drainage developer fees. These funds can be used only for capital improvements to storm sewer facilities.

Durango Renewal Partnership Fund- to account for revenues and expenditures related to facilitating reinvestment and redevelopment in the community through public/private partnerships and other collaborative arrangements

Grants Fund - to centralize governmental grant activities into one fund and track related expenditures and revenues

911 Communications Fund - to centralize all expenses and revenues related to emergency communications activities and improve transparency with partner agencies

Debt Service Funds

2007 Sales Tax Bonds Debt Service Fund - To accumulate monies for payment of the 2009, 2016 and 2017 Series Sales and Use Tax Revenue Bonds.

Capital Project Funds

Parks, Open Space and Trails Fund - to account for fifty percent of the one-half cent sales and use tax revenues voted on and adopted by the electorate in April 2005. These revenues may only be used to finance improvements or acquiring parks, open space, and trails. The tax sunsets in 2026.

Capital Projects Fund - to account for the financial resources used for the acquisition and/or construction of major capital improvements included in the City capital improvement program.

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2025

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in cash and cash equivalents	\$ 9,840,844	\$ 182,975	\$ 8,581,816	\$ 18,605,635
Receivables				
Accounts receivable	1,286,885	-	510,000	1,796,885
Property taxes	178,390	-	-	178,390
Sales and use taxes	-	-	308,665	308,665
Lodger's taxes	238,462	-	-	238,462
Intergovernmental	130,418	-	-	130,418
Interest	-	-	344,933	344,933
Total Assets	<u><u>\$ 11,674,999</u></u>	<u><u>\$ 182,975</u></u>	<u><u>\$ 9,745,414</u></u>	<u><u>\$ 21,603,388</u></u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 813,120	\$ -	\$ 2,144,281	\$ 2,957,401
Accrued expenditures	81,806	-	-	81,806
Interfund payable	295,666	-	-	295,666
Unearned revenue	2,489	-	2,500	4,989
Total Liabilities	<u>1,193,081</u>	<u>-</u>	<u>2,146,781</u>	<u>3,339,862</u>
Deferred Inflows of Resources				
Deferred inflows resources - property taxes	178,390	-	-	178,390
Deferred inflows - unearned revenue	-	-	854,933	854,933
Total Deferred inflows	<u>178,390</u>	<u>-</u>	<u>854,933</u>	<u>1,033,323</u>
Total liabilities and deferred inflows of resources	<u>1,371,471</u>	<u>-</u>	<u>3,001,714</u>	<u>4,373,185</u>
Fund Balances				
Restricted	1,210,818	182,975	-	1,393,793
Committed	8,041,110	-	6,743,700	14,784,810
Assigned	1,051,600	-	-	1,051,600
Total Fund Balances	<u>10,303,528</u>	<u>182,975</u>	<u>6,743,700</u>	<u>17,230,203</u>
Total Liabilities and Fund Balances	<u><u>\$ 11,674,999</u></u>	<u><u>\$ 182,975</u></u>	<u><u>\$ 9,745,414</u></u>	<u><u>\$ 21,603,388</u></u>

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Year Ended December 31, 2025

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ 146,725	\$ -	\$ -	\$ 146,725
Sales taxes	-	-	2,782,866	2,782,866
Use taxes	-	-	147,783	147,783
Lodgers' taxes	4,022,697	-	-	4,022,697
Intergovernmental	1,058,292	-	4,400,000	5,458,292
Intergovernmental Grants	877,735	-	-	877,735
Licenses and permits	7,400	-	-	7,400
Charges for services	1,253,049	-	-	1,253,049
Investment earnings	264,645	-	612,178	876,823
Miscellaneous	3,012,806	-	-	3,012,806
Total Revenues	<u>10,643,349</u>	<u>-</u>	<u>7,942,827</u>	<u>18,586,176</u>
Expenditures				
Current				
General government	5,746,177	-	222,168	5,968,345
Public safety	1,915,909	-	-	1,915,909
Public works	-	-	239,381	239,381
Community services	16,836	-	-	16,836
Economic development	3,590	-	-	3,590
General capital outlay	92,955	-	3,724,946	3,817,901
Debt Service				
Principal retirement	-	5,905,000	-	5,905,000
Interest and fiscal charges	-	79,891	-	79,891
Total Expenditures	<u>7,775,467</u>	<u>5,984,891</u>	<u>4,186,495</u>	<u>17,946,853</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,867,882</u>	<u>(5,984,891)</u>	<u>3,756,332</u>	<u>639,323</u>
Other Financing Sources (Uses)				
Transfers in	431,739	5,984,952	-	6,416,691
Transfers out	(2,614,532)	-	(1,671,629)	(4,286,161)
Total Other Financing Sources (Uses)	<u>(2,182,793)</u>	<u>5,984,952</u>	<u>(1,671,629)</u>	<u>2,130,530</u>
Net Change in Fund Balances	685,089	61	2,084,703	2,769,853
Fund Balances Beginning of Year, as Previously Reported	28,186,126	182,914	5,732,813	34,101,853
Change from nonmajor to major fund	<u>(18,567,687)</u>	<u>-</u>	<u>(1,073,816)</u>	<u>(19,641,503)</u>
Fund Balances Beginning, as Adjusted or Restated	9,618,439	182,914	4,658,997	14,460,350
Fund Balances End of Year	<u>\$ 10,303,528</u>	<u>\$ 182,975</u>	<u>\$ 6,743,700</u>	<u>\$ 17,230,203</u>

City of Durango, Colorado
General Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash on hand	\$ 5,475	\$ 5,227
Equity in cash and cash equivalents	6,285,871	9,354,073
Cash held in escrow	330,077	383,247
Receivables:		
Accounts receivable	423,218	605,495
Lease receivables	1,232,158	1,113,987
Property taxes	6,576,737	3,353,212
Sales and use taxes receivable	2,585,903	2,365,456
Franchise taxes	84,010	82,219
Intergovernmental receivables	1,429,361	1,458,771
Interest	145,081	148,651
Prepaid items	11,754	234,235
Interfund receivables	330,106	1,902,000
Inventory	33,475	40,837
Total Assets	<u>\$ 19,473,226</u>	<u>\$ 21,047,410</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	\$ 174,939	\$ 1,324,445
Accrued expenditures	815,582	703,698
Deposits	457,785	463,648
Unearned revenue	180,002	310,702
Total Liabilities	<u>1,628,308</u>	<u>2,802,493</u>
Deferred Inflows of Resources		
Deferred inflows resources - leases	1,222,729	1,054,531
Deferred inflows resources - property taxes	6,576,737	3,353,212
Total Deferred Inflows of Resources	<u>7,799,466</u>	<u>4,407,743</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,427,774</u>	<u>7,210,236</u>
Fund Balances		
Nonspendable	379,398	661,676
Restricted	2,099,785	2,126,869
Assigned	7,566,269	11,020,650
Unassigned	-	27,979
Total Fund Balances	<u>10,045,452</u>	<u>13,837,174</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,473,226</u>	<u>\$ 21,047,410</u>

City of Durango, Colorado
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Taxes:					
Property	\$ 3,815,504	\$ 3,815,504	\$ 3,360,282	\$ (455,222)	\$ 3,305,957
Specific ownership	425,000	425,000	315,027	(109,973)	309,724
Sales tax	21,955,000	21,955,000	22,294,228	339,228	21,657,594
Use tax	1,386,000	1,386,000	1,283,444	(102,556)	1,279,623
Sales and use tax audit	100,000	100,000	317,351	217,351	16,938
La Plata County sales tax	7,267,000	7,267,000	6,716,169	(550,831)	6,503,753
Joint sales tax	3,346,348	3,346,348	3,218,013	(128,335)	2,997,119
Cigarette tax	78,000	78,000	60,960	(17,040)	68,775
Franchise and business tax	1,968,000	1,968,000	1,513,956	(454,044)	1,588,570
Total Taxes	40,340,852	40,340,852	39,079,430	(1,261,422)	37,728,053
Licenses and Permits:					
Business license and permits	57,000	57,000	353,932	296,932	314,547
Building permits	337,000	337,000	381,846	44,846	333,801
Total Licenses and Permits	394,000	394,000	735,778	341,778	648,348
Intergovernmental:					
Grants	16,251	16,251	-	(16,251)	969,759
Highway user tax	-	-	703,039	703,039	690,446
Severance/mineral lease	77,000	77,000	79,676	2,676	261,423
Motor vehicle registration	70,000	70,000	67,925	(2,075)	67,102
Road and bridge	-	-	234,274	234,274	232,771
Other intergovernmental	152,314	152,314	152,314	-	149,612
Total Intergovernmental	315,565	315,565	1,237,228	921,663	2,371,113
Charges for Services:					
General government charges	122,000	122,000	125,456	3,456	102,392
Public safety charges	192,000	192,000	171,666	(20,334)	154,873
Cemetery charges	127,500	127,500	133,300	5,800	104,100
Recreation Center charges	2,131,230	2,131,230	2,338,392	207,162	2,287,910
Recreation program charges	3,074,224	3,074,224	2,033,464	(1,040,760)	1,987,594
Total Charges for Services	5,646,954	5,646,954	4,802,278	(844,676)	4,636,869
Fines and Forfeits:					
Traffic fines	119,000	119,000	116,300	(2,700)	126,839
Non-traffic fines	15,000	15,000	15,357	357	9,858
Library fines	-	-	2,536	2,536	2,349
Total Fines and Forfeits	134,000	134,000	134,193	193	139,046
Miscellaneous					
Pension forfeitures	208,000	208,000	365,350	157,350	398,581
Rents and royalties	394,000	394,000	390,808	(3,192)	291,222
Contributions and donations	35,000	35,000	22,896	(12,104)	6,151
Other miscellaneous	377,000	377,000	790,850	413,850	1,369,864
Total Miscellaneous	1,014,000	1,014,000	1,569,904	555,904	2,065,818
Services provided	2,143,428	2,331,391	2,903,668	572,277	1,430,026
Investment earnings	910,000	910,000	402,624	(507,376)	661,412
Total Revenues	50,898,799	51,086,762	50,865,103	(221,659)	49,680,685
Other Financing Sources (Uses)					
Lease Revenue	-	-	960,207	960,207	233,645
Transfers in	2,596,202	2,282,239	1,701,000	(581,239)	1,653,557
Total Other Financing Sources (Uses)	2,596,202	2,282,239	2,661,207	378,968	1,887,202
Total Revenues and Other Financing Sources	\$ 53,495,001	\$ 53,369,001	\$ 53,526,310	\$ 157,309	\$ 51,567,887

City of Durango, Colorado
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
General Government					
Legislative					
City council	\$ 319,004	\$ 319,004	\$ 317,717	\$ 1,287	\$ 321,628
City boards	-	-	772	(772)	-
Total Legislative	<u>319,004</u>	<u>319,004</u>	<u>318,489</u>	<u>515</u>	<u>321,628</u>
Executive and Legal					
City manager	1,890,307	1,970,542	1,933,150	37,392	1,548,519
City attorney	845,852	845,852	886,103	(40,251)	777,485
Total Executive and Legal	<u>2,736,159</u>	<u>2,816,394</u>	<u>2,819,253</u>	<u>(2,859)</u>	<u>2,326,004</u>
Administrative					
Human resources	879,991	909,991	914,287	(4,296)	888,491
City clerk	728,555	768,555	728,791	39,764	594,951
Information Technology	4,106,398	4,106,398	3,694,571	411,827	3,641,647
Total Administrative	<u>5,714,944</u>	<u>5,784,944</u>	<u>5,337,649</u>	<u>447,295</u>	<u>5,125,089</u>
Finance					
Accounting	2,130,976	2,130,976	2,214,699	(83,723)	2,023,167
Finance	487,237	487,237	526,178	(38,941)	494,080
Municipal court	431,639	431,639	489,609	(57,970)	393,634
Total Finance	<u>3,049,852</u>	<u>3,049,852</u>	<u>3,230,486</u>	<u>(180,634)</u>	<u>2,910,881</u>
Capital Improvement Projects					
Capital Improvement Projects	1,218,972	1,218,972	1,289,984	(71,012)	1,102,518
Total Capital Improvement Projects	<u>1,218,972</u>	<u>1,218,972</u>	<u>1,289,984</u>	<u>(71,012)</u>	<u>1,102,518</u>
Community Development					
Planning	2,094,231	2,094,231	1,873,853	220,378	2,378,310
Housing	-	-	789	(789)	725
Urban Renewal	74,450	74,450	-	74,450	66,837
Natural lands preservation	230,129	230,129	203,309	26,820	209,837
Total Community Development	<u>2,398,810</u>	<u>2,398,810</u>	<u>2,077,951</u>	<u>320,859</u>	<u>2,655,709</u>
Total General Government	<u>15,437,741</u>	<u>15,587,976</u>	<u>15,073,812</u>	<u>514,164</u>	<u>14,441,829</u>
Public Safety					
Police					
Administration	-	-	-	-	10,942,270
Operations	11,464,114	11,499,414	11,240,518	258,896	-
Total Police	<u>11,464,114</u>	<u>11,499,414</u>	<u>11,240,518</u>	<u>258,896</u>	<u>10,942,270</u>
Fire					
Fire services	6,557,111	6,557,111	6,943,016	(385,905)	6,490,080
Total Public Safety	<u>18,021,225</u>	<u>18,056,525</u>	<u>18,183,534</u>	<u>(127,009)</u>	<u>17,432,350</u>

(continued)

City of Durango, Colorado
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Public Works					
Engineering	1,548,699	1,548,699	1,430,077	118,622	1,243,904
Street maintenance	2,239,060	2,239,060	2,118,765	120,295	2,052,318
Snow and ice	959,107	959,107	827,066	132,041	723,960
Street cleaning	572,584	572,584	387,189	185,395	457,426
Total Public Works	<u>5,319,450</u>	<u>5,319,450</u>	<u>4,763,097</u>	<u>556,353</u>	<u>4,477,608</u>
Parks and Recreation					
Parks and recreation administration	694,276	694,276	578,781	115,495	726,220
Recreation administration	225,566	225,566	282,901	(57,335)	243,012
Recreation programs	1,461,876	1,461,876	1,587,509	(125,633)	1,313,502
Cemetery	511,313	511,313	489,282	22,031	407,520
Parks	3,840,125	3,847,141	3,588,393	258,748	3,311,951
Recreation center	3,089,802	3,232,140	3,066,244	165,896	3,016,295
Chapman Hill	516,947	694,018	759,095	(65,077)	706,045
Total Parks and Recreation	<u>10,339,905</u>	<u>10,666,330</u>	<u>10,352,205</u>	<u>314,125</u>	<u>9,724,545</u>
Community Services					
Library	3,341,023	3,341,023	3,222,882	118,141	3,086,040
Community Services	1,124,682	1,591,557	1,568,128	23,429	1,531,291
Total Community Services	<u>4,465,705</u>	<u>4,932,580</u>	<u>4,791,010</u>	<u>141,570</u>	<u>4,617,331</u>
Prosperity Office	-	-	10,823	(10,823)	-
Non-Departmental					
Miscellaneous	1,872,341	1,698,742	1,932,660	(233,918)	1,406,088
Buildings and plant	773,912	773,912	2,207,556	(1,433,644)	1,762,633
Durango Welcome Center	-	-	3,335	(3,335)	116,989
Total Non-Departmental	<u>2,646,253</u>	<u>2,472,654</u>	<u>4,143,551</u>	<u>(1,670,897)</u>	<u>3,285,710</u>
Total Expenditures	<u>\$ 56,230,279</u>	<u>\$ 57,035,515</u>	<u>\$ 57,318,032</u>	<u>\$ (282,517)</u>	<u>\$ 53,979,373</u>

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025

	Formerly Nonmajor Recreation Complex and Trails Fund	Revolving Loan	Formerly Nonmajor Streets Improvement Fund	Durango Tourism
Assets				
Equity in cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,880,215
Receivables				
Accounts receivable	-	-	-	6,321
Property taxes	-	-	-	-
Lodger's taxes	-	-	-	238,462
Intergovernmental	-	-	-	-
Total Assets	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,124,998</u></u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 158,341
Accrued expenditures	-	-	-	22,774
Interfund payable	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,115</u>
Deferred Inflows of Resources				
Deferred inflows resources - property taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	-	-	-	-
Committed	-	-	-	1,892,283
Assigned	-	-	-	1,051,600
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,943,883</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,124,998</u></u>

(continued)

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025

	Parks & Recreation Development	Conservation Trust	Road Impact	Grants Fund
Assets				
Equity in cash and cash equivalents	\$ 277,301	\$ 1,044,218	\$ -	\$ 143,376
Receivables				
Accounts receivable	-	-	-	-
Property taxes	-	-	-	-
Lodger's taxes	-	-	-	-
Intergovernmental	-	-	-	25,713
Total Assets	<u><u>\$ 277,301</u></u>	<u><u>\$ 1,044,218</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 169,089</u></u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued expenditures	-	-	-	-
Interfund payable	-	-	22,592	-
Unearned revenue	-	-	-	2,489
Total Liabilities	<u>-</u>	<u>-</u>	<u>22,592</u>	<u>2,489</u>
Deferred Inflows of Resources				
Deferred inflows resources - property taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	-	1,044,218	-	166,600
Committed	277,301	-	(22,592)	-
Assigned	-	-	-	-
Total Fund Balances	<u>277,301</u>	<u>1,044,218</u>	<u>(22,592)</u>	<u>166,600</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 277,301</u></u>	<u><u>\$ 1,044,218</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 169,089</u></u>

(continued)

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025

	Housing Fund	Storm Drainage	Durango Renewal Partnership Fund	911 Communications Fund
Assets				
Equity in cash and cash equivalents	\$ 4,601,282	\$ 9,770	\$ 884,682	\$ -
Receivables				
Accounts receivable	-	-	-	1,280,564
Property taxes	-	-	178,390	-
Lodger's taxes	-	-	-	-
Intergovernmental	104,705	-	-	-
Total Assets	<u>\$ 4,705,987</u>	<u>\$ 9,770</u>	<u>\$ 1,063,072</u>	<u>\$ 1,280,564</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 245,867	\$ -	\$ 13,094	\$ 395,818
Accrued expenditures	7,877	-	-	51,155
Interfund payable	-	-	-	273,074
Unearned revenue	-	-	-	-
Total Liabilities	<u>253,744</u>	<u>-</u>	<u>13,094</u>	<u>720,047</u>
Deferred Inflows of Resources				
Deferred inflows resources - property taxes	-	-	178,390	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>178,390</u>	<u>-</u>
Fund Balances				
Restricted	-	-	-	-
Committed	4,452,243	9,770	871,588	560,517
Assigned	-	-	-	-
Total Fund Balances	<u>4,452,243</u>	<u>9,770</u>	<u>871,588</u>	<u>560,517</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,705,987</u>	<u>\$ 9,770</u>	<u>\$ 1,063,072</u>	<u>\$ 1,280,564</u>

(continued)

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025

	Total Nonmajor Special Revenue Funds
Assets	
Equity in cash and cash equivalents	\$ 9,840,844
Receivables	
Accounts receivable	1,286,885
Property taxes	178,390
Lodger's taxes	238,462
Intergovernmental	130,418
Total Assets	\$ 11,674,999
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities	
Accounts payable	\$ 813,120
Accrued expenditures	81,806
Interfund payable	295,666
Unearned revenue	2,489
Total Liabilities	1,193,081
Deferred Inflows of Resources	
Deferred inflows resources - property taxes	178,390
Total Deferred Inflows of Resources	178,390
Fund Balances	
Restricted	1,210,818
Committed	8,041,110
Assigned	1,051,600
Total Fund Balances	10,303,528
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,674,999

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

	Formerly Nonmajor Recreation Complex and Trails Fund	Revolving Loan	Formerly Nonmajor Streets Improvement Fund	Durango Tourism
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Lodgers taxes	-	-	-	4,022,697
Intergovernmental	-	-	-	-
Intergovernmental Grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	1,074,870
Total Revenues	-	-	-	5,097,567
Expenditures				
Current				
General government	-	1,085	-	3,126,788
Public safety	-	-	-	-
Community services	-	-	-	-
Economic development	-	-	-	(174)
General capital outlay	-	-	-	-
Total Expenditures	-	1,085	-	3,126,614
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,085)	-	1,970,953
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(962,533)
Total Other Financing Sources (Uses)	-	-	-	(962,533)
Net Change in Fund Balances	-	(1,085)	-	1,008,420
Fund Balances Beginning of Year, as Previously Reported	9,038,127	1,085	9,529,560	1,935,463
Change from nonmajor to major fund	(9,038,127)	-	(9,529,560)	-
Fund Balances Beginning, as Adjusted or Restated	-	1,085	-	1,935,463
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,943,883</u>

(continued)

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

	Parks & Recreation Development	Conservation Trust	Road Impact	Grants Fund
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Lodgers taxes	-	-	-	-
Intergovernmental	-	-	-	-
Intergovernmental Grants	-	233,473	-	198,610
Licenses and permits	7,400	-	-	-
Charges for services	-	-	-	-
Investment earnings	10,623	53,621	-	-
Miscellaneous	7,800	-	400,823	-
Total Revenues	25,823	287,094	400,823	198,610
Expenditures				
Current				
General government	-	-	-	23,914
Public safety	-	-	-	64,905
Community services	-	-	-	16,836
Economic development	-	-	-	-
General capital outlay	-	-	-	92,955
Total Expenditures	-	-	-	198,610
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,823	287,094	400,823	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	(500,000)	(1,151,999)	-
Total Other Financing Sources (Uses)	-	(500,000)	(1,151,999)	-
Net Change in Fund Balances	25,823	(212,906)	(751,176)	-
Fund Balances Beginning of Year, as Previously Reported	251,478	1,257,124	728,584	166,600
Change from nonmajor to major fund	-	-	-	-
Fund Balances Beginning, as Adjusted or Restated	251,478	1,257,124	728,584	166,600
Fund Balances End of Year	\$ 277,301	\$ 1,044,218	\$ (22,592)	\$ 166,600

(continued)

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

	Housing Fund	Storm Drainage	Durango Renewal Partnership Fund	911 Communications Fund
Revenues				
Property taxes	\$ -	\$ -	\$ 146,725	\$ -
Lodgers taxes	-	-	-	-
Intergovernmental	-	-	-	1,058,292
Intergovernmental Grants	445,652	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	1,253,049
Investment earnings	174,331	381	25,311	378
Miscellaneous	401,118	-	-	1,128,195
Total Revenues	1,021,101	381	172,036	3,439,914
Expenditures				
Current				
General government	1,350,712	-	118,968	1,124,710
Public safety	-	-	-	1,851,004
Community services	-	-	-	-
Economic development	3,000	-	764	-
General capital outlay	-	-	-	-
Total Expenditures	1,353,712	-	119,732	2,975,714
Excess (Deficiency) of Revenues Over (Under) Expenditures	(332,611)	381	52,304	464,200
Other Financing Sources (Uses)				
Transfers in	-	-	431,739	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	431,739	-
Net Change in Fund Balances	(332,611)	381	484,043	464,200
Fund Balances Beginning of Year, as Previously Reported	4,784,854	9,389	387,545	96,317
Change from nonmajor to major fund	-	-	-	-
Fund Balances Beginning, as Adjusted or Restated	4,784,854	9,389	387,545	96,317
Fund Balances End of Year	\$ 4,452,243	\$ 9,770	\$ 871,588	\$ 560,517

(continued)

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

	Total Nonmajor Special Revenue Funds
Revenues	
Property taxes	\$ 146,725
Lodgers taxes	4,022,697
Intergovernmental	1,058,292
Intergovernmental Grants	877,735
Licenses and permits	7,400
Charges for services	1,253,049
Investment earnings	264,645
Miscellaneous	3,012,806
Total Revenues	<u>10,643,349</u>
Expenditures	
Current	
General government	5,746,177
Public safety	1,915,909
Community services	16,836
Economic development	3,590
General capital outlay	92,955
Total Expenditures	<u>7,775,467</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,867,882</u>
Other Financing Sources (Uses)	
Transfers in	431,739
Transfers out	(2,614,532)
Total Other Financing Sources (Uses)	<u>(2,182,793)</u>
Net Change in Fund Balances	685,089
Fund Balances Beginning of Year, as Previously Reported	28,186,126
Change from nonmajor to major fund	<u>(18,567,687)</u>
Fund Balances Beginning, as Adjusted or Restated	<u>9,618,439</u>
Fund Balances End of Year	<u><u>\$ 10,303,528</u></u>

City of Durango, Colorado
Formerly Nonmajor Recreation Complex and Trails Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
TOTAL	\$ -	\$ -
Total Liabilities and Fund Balances	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Durango, Colorado
Formerly Nonmajor Recreation Complex and Trails Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Revenues		
Sales taxes	\$ -	\$ 5,419,329
Use taxes	-	317,526
Intergovernmental	-	1,081,709
Expenditures		
Parks and recreation	-	6,712,690
Total Expenditures	-	6,712,690
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	105,874
Other Financing Sources (Uses)		
Transfers out	-	(1,316,575)
Total Other Financing Sources (Uses)	-	(1,316,575)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,210,701)
Fund Balances Beginning of Year	9,038,127	168,401
Fund Balances End of Year	<u>\$ 9,038,127</u>	<u>\$ (1,042,300)</u>

City of Durango, Colorado
Revolving Loan Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Accounts receivable	\$ -	\$ 1,085
Total Assets	<u>\$ -</u>	<u>\$ 1,085</u>
Liabilities and Fund Balances		
Fund Balances		
Committed	\$ -	\$ 1,085
Total Fund Balances	<u>-</u>	<u>1,085</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 1,085</u>

City of Durango, Colorado
Revolving Loan Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Expenditures		
Current		
General government	\$ 1,085	\$ 2,026
Total Expenditures	<u>1,085</u>	<u>2,026</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	(1,085)	(2,026)
Fund Balances Beginning of Year	<u>1,085</u>	<u>3,111</u>
Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ 1,085</u></u>

City of Durango, Colorado
Formerly Nonmajor Streets Improvement Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
TOTAL	\$ -	\$ -
Total Liabilities and Fund Balances	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Durango, Colorado
Formerly Nonmajor Streets Improvement Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Revenues		
Sales taxes	\$ -	\$ 5,419,329
Use taxes	-	317,526
Investment earnings	-	530,497
Expenditures		
Public works	-	5,556,318
Total Expenditures	-	5,556,318
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	711,034
Other Financing Sources (Uses)		
Transfers out	-	(200,000)
Total Other Financing Sources (Uses)	-	(200,000)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	511,034
Fund Balances Beginning of Year	9,529,560	-
Fund Balances End of Year	<u>\$ 9,529,560</u>	<u>\$ 511,034</u>

City of Durango, Colorado
Durango Tourism Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 2,880,215	\$ 2,192,462
Accounts receivable	6,321	-
Lodger's taxes receivable	<u>238,462</u>	<u>239,682</u>
Total Assets	<u><u>\$ 3,124,998</u></u>	<u><u>\$ 2,432,144</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 158,341	\$ 496,681
Accrued expenditures	<u>22,774</u>	<u>-</u>
Total Liabilities	<u>181,115</u>	<u>496,681</u>
Fund Balances		
Committed	1,892,283	1,935,463
Assigned	<u>1,051,600</u>	<u>-</u>
Total Fund Balances	<u>2,943,883</u>	<u>1,935,463</u>
Total Liabilities and Fund Balances	<u><u>\$ 3,124,998</u></u>	<u><u>\$ 2,432,144</u></u>

City of Durango, Colorado
Durango Tourism Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Lodgers taxes	\$ 4,364,913	\$ 4,364,913	\$ 4,022,697	\$ (342,216)	\$ 4,005,891
Miscellaneous	-	-	1,074,870	1,074,870	-
Total Revenues	<u>4,364,913</u>	<u>4,364,913</u>	<u>5,097,567</u>	<u>732,654</u>	<u>4,005,891</u>
Expenditures					
General government	3,709,145	4,760,745	3,126,788	1,633,957	3,150,309
Economic development	-	-	(174)	174	-
Total Expenditures	<u>3,709,145</u>	<u>4,760,745</u>	<u>3,126,614</u>	<u>1,634,131</u>	<u>3,150,309</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>655,768</u>	<u>(395,832)</u>	<u>1,970,953</u>	<u>2,366,785</u>	<u>855,582</u>
Other Financing Sources (Uses)					
Transfers out	(855,523)	(855,523)	(962,533)	(107,010)	(895,779)
Net Change in Fund Balances	<u>\$ (199,755)</u>	<u>\$ (1,251,355)</u>	<u>1,008,420</u>	<u>\$ 2,259,775</u>	<u>(40,197)</u>
Fund Balances Beginning of Year			<u>1,935,463</u>		<u>1,975,660</u>
Fund Balances End of Year			<u>\$ 2,943,883</u>		<u>\$ 1,935,463</u>

City of Durango, Colorado
Parks and Recreation Development Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 277,301	\$ 251,478
Total Assets	<u>\$ 277,301</u>	<u>\$ 251,478</u>
Liabilities and Fund Balances		
Fund Balances		
Committed	\$ 277,301	\$ 251,478
Total Fund Balances	<u>277,301</u>	<u>251,478</u>
Total Liabilities and Fund Balances	<u>\$ 277,301</u>	<u>\$ 251,478</u>

City of Durango, Colorado
Parks and Recreation Development Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Licenses and permits	\$ -	\$ -	\$ 7,400	\$ 7,400	\$ 7,200
Investment earnings	-	-	10,623	10,623	11,572
Miscellaneous	-	-	7,800	7,800	23,100
Total Revenues	-	-	25,823	25,823	41,872
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	25,823	<u>\$ 25,823</u>	41,872
Fund Balances Beginning of Year			251,478		209,606
Fund Balances End of Year			<u>\$ 277,301</u>		<u>\$ 251,478</u>

City of Durango, Colorado
Conservation Trust Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 1,044,218	\$ 1,257,124
Total Assets	<u>\$ 1,044,218</u>	<u>\$ 1,257,124</u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	\$ 1,044,218	\$ 1,257,124
Total Fund Balances	<u>1,044,218</u>	<u>1,257,124</u>
Total Liabilities and Fund Balances	<u>\$ 1,044,218</u>	<u>\$ 1,257,124</u>

City of Durango, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 238,900
Intergovernmental Grants	270,823	270,823	233,473	(37,350)	-
Investment earnings	10,000	10,000	53,621	43,621	55,074
Total Revenues	<u>280,823</u>	<u>280,823</u>	<u>287,094</u>	<u>6,271</u>	<u>293,974</u>
Other Financing Sources (Uses)					
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (219,177)</u>	<u>\$ (219,177)</u>	<u>(212,906)</u>	<u>\$ 6,271</u>	<u>293,974</u>
Fund Balances Beginning of Year			<u>1,257,124</u>		<u>963,150</u>
Fund Balances End of Year			<u>\$ 1,044,218</u>		<u>\$ 1,257,124</u>

City of Durango, Colorado
Road Impact Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ -	\$ 728,584
Total Assets	<u>\$ -</u>	<u>\$ 728,584</u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	\$ 22,592	\$ -
Total Liabilities	<u>22,592</u>	<u>-</u>
Fund Balances		
Committed	<u>(22,592)</u>	<u>728,584</u>
Total Fund Balances	<u>(22,592)</u>	<u>728,584</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 728,584</u>

City of Durango, Colorado
Road Impact Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Actual</u>
Revenues					
Miscellaneous	\$ 423,415	\$ 423,415	\$ 400,823	\$ (22,592)	\$ 302,029
Total Revenues	<u>423,415</u>	<u>423,415</u>	<u>400,823</u>	<u>(22,592)</u>	<u>302,029</u>
Other Financing Sources (Uses)					
Transfers out	(626,000)	(1,151,999)	(1,151,999)	-	-
Net Change in Fund Balances	<u>\$ (202,585)</u>	<u>\$ (728,584)</u>	<u>(751,176)</u>	<u>\$ (22,592)</u>	<u>302,029</u>
Fund Balances Beginning of Year			<u>728,584</u>		<u>426,555</u>
Fund Balances End of Year			<u>\$ (22,592)</u>		<u>\$ 728,584</u>

City of Durango, Colorado
Grants Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 143,376	\$ 651
Intergovernmental	<u>25,713</u>	<u>256,634</u>
Total Assets	<u><u>\$ 169,089</u></u>	<u><u>\$ 257,285</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ 38,685
Interfund payable	-	52,000
Unearned revenue	<u>2,489</u>	<u>-</u>
Total Liabilities	<u>2,489</u>	<u>90,685</u>
Fund Balances		
Restricted	<u>166,600</u>	<u>166,600</u>
Total Fund Balances	<u>166,600</u>	<u>166,600</u>
Total Liabilities and Fund Balances	<u><u>\$ 169,089</u></u>	<u><u>\$ 257,285</u></u>

City of Durango, Colorado
Grants Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 800,337
Intergovernmental Grants	-	320,904	198,610	(122,294)	-
Total Revenues	-	320,904	198,610	(122,294)	800,337
Expenditures					
General government	-	42,789	23,914	18,875	40,314
Public safety	-	149,967	64,905	85,062	280,903
Public works	-	-	-	-	413,840
Parks and recreation	-	-	-	-	12,023
Community services	-	16,836	16,836	-	16,871
General capital outlay	-	111,312	92,955	18,357	38,187
Total Expenditures	-	320,904	198,610	122,294	802,138
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	(1,801)
Fund Balances Beginning of Year			166,600		168,401
Fund Balances End of Year			<u>\$ 166,600</u>		<u>\$ 166,600</u>

City of Durango, Colorado
Housing Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 4,601,282	\$ 5,089,430
Intergovernmental	<u>104,705</u>	<u>68,005</u>
Total Assets	<u><u>\$ 4,705,987</u></u>	<u><u>\$ 5,157,435</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 245,867	\$ 368,623
Accrued expenditures	<u>7,877</u>	<u>3,958</u>
Total Liabilities	<u>253,744</u>	<u>372,581</u>
Fund Balances		
Committed	<u>4,452,243</u>	<u>4,784,854</u>
Total Fund Balances	<u>4,452,243</u>	<u>4,784,854</u>
Total Liabilities and Fund Balances	<u><u>\$ 4,705,987</u></u>	<u><u>\$ 5,157,435</u></u>

City of Durango, Colorado
Housing Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 3,068,933
Intergovernmental Grants	1,166,604	1,166,604	445,652	(720,952)	-
Investment earnings	145,200	145,200	174,331	29,131	203,089
Miscellaneous	467,750	467,750	401,118	(66,632)	854,286
Total Revenues	<u>1,779,554</u>	<u>1,779,554</u>	<u>1,021,101</u>	<u>(758,453)</u>	<u>4,126,308</u>
Expenditures					
General government	3,843,444	3,843,444	1,350,712	2,492,732	4,140,935
Economic development	-	-	3,000	(3,000)	-
Total Expenditures	<u>3,843,444</u>	<u>3,843,444</u>	<u>1,353,712</u>	<u>2,489,732</u>	<u>4,140,935</u>
Net Change in Fund Balances	<u>\$ (2,063,890)</u>	<u>\$ (2,063,890)</u>	<u>(332,611)</u>	<u>\$ 1,731,279</u>	<u>(14,627)</u>
Fund Balances Beginning of Year			<u>4,784,854</u>		<u>4,799,481</u>
Fund Balances End of Year			<u>\$ 4,452,243</u>		<u>\$ 4,784,854</u>

City of Durango, Colorado
Storm Drainage Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 9,770	\$ 9,389
Total Assets	<u>\$ 9,770</u>	<u>\$ 9,389</u>
Liabilities and Fund Balances		
Fund Balances		
Committed	\$ 9,770	\$ 9,389
Total Fund Balances	<u>9,770</u>	<u>9,389</u>
Total Liabilities and Fund Balances	<u>\$ 9,770</u>	<u>\$ 9,389</u>

City of Durango, Colorado
Storm Drainage Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Actual</u>
Revenues					
Charges for services	\$ 200	\$ 200	\$ -	\$ (200)	\$ 50
Investment earnings	-	-	381	381	457
Total Revenues	<u>200</u>	<u>200</u>	<u>381</u>	<u>181</u>	<u>507</u>
Net Change in Fund Balances	<u>\$ 200</u>	<u>\$ 200</u>	<u>381</u>	<u>\$ 181</u>	<u>507</u>
Fund Balances Beginning of Year			<u>9,389</u>		<u>8,882</u>
Fund Balances End of Year			<u>\$ 9,770</u>		<u>\$ 9,389</u>

City of Durango, Colorado
Durango Renewal Partnership Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 884,682	\$ 393,944
Property taxes	<u>178,390</u>	<u>125,593</u>
Total Assets	<u><u>\$ 1,063,072</u></u>	<u><u>\$ 519,537</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 13,094	\$ 6,399
Deferred inflows resources - property taxes	<u>178,390</u>	<u>125,593</u>
Total Liabilities	<u>191,484</u>	<u>131,992</u>
Fund Balances		
Committed	<u>871,588</u>	<u>387,545</u>
Total Fund Balances	<u>871,588</u>	<u>387,545</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,063,072</u></u>	<u><u>\$ 519,537</u></u>

City of Durango, Colorado
Durango Renewal Partnership Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Property taxes	\$ 116,080	\$ 116,080	\$ 146,725	\$ 30,645	\$ 116,990
Investment earnings	12,205	12,205	25,311	13,106	20,660
Total Revenues	<u>128,285</u>	<u>128,285</u>	<u>172,036</u>	<u>43,751</u>	<u>137,650</u>
Expenditures					
General government	486,250	486,250	118,968	367,282	97,589
Economic development	-	-	764	(764)	20,000
Total Expenditures	<u>486,250</u>	<u>486,250</u>	<u>119,732</u>	<u>366,518</u>	<u>117,589</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(357,965)</u>	<u>(357,965)</u>	<u>52,304</u>	<u>410,269</u>	<u>20,061</u>
Other Financing Sources (Uses)					
Transfers in	231,000	662,739	431,739	(231,000)	-
Net Change in Fund Balances	<u>\$ (126,965)</u>	<u>\$ 304,774</u>	<u>484,043</u>	<u>\$ 179,269</u>	<u>20,061</u>
Fund Balances Beginning of Year			<u>387,545</u>		<u>367,484</u>
Fund Balances End of Year			<u>\$ 871,588</u>		<u>\$ 387,545</u>

City of Durango, Colorado
911 Communications Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ -	\$ 67,403
Accounts receivable	<u>1,280,564</u>	<u>625,000</u>
Total Assets	<u><u>\$ 1,280,564</u></u>	<u><u>\$ 692,403</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 395,818	\$ 443,688
Accrued expenditures	51,155	44,398
Interfund payable	<u>273,074</u>	<u>108,000</u>
Total Liabilities	<u>720,047</u>	<u>596,086</u>
Fund Balances		
Committed	<u>560,517</u>	<u>96,317</u>
Total Fund Balances	<u>560,517</u>	<u>96,317</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,280,564</u></u>	<u><u>\$ 692,403</u></u>

City of Durango, Colorado
911 Communications Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Intergovernmental	\$ -	\$ -	\$ 1,058,292	\$ 1,058,292	\$ 2,530,477
Intergovernmental Grants	-	346,000	-	(346,000)	-
Charges for services	-	1,253,049	1,253,049	-	-
Investment earnings	-	-	378	378	2,137
Miscellaneous	-	-	1,128,195	1,128,195	300,000
Total Revenues	-	1,599,049	3,439,914	1,840,865	2,832,614
Expenditures					
General government	1,534,070	1,534,070	1,124,710	409,360	-
Public safety	2,263,931	2,263,931	1,851,004	412,927	2,736,297
Total Expenditures	3,798,001	3,798,001	2,975,714	822,287	2,736,297
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,798,001)	(2,198,952)	464,200	2,663,152	96,317
Other Financing Sources (Uses)					
Transfers in	5,248,041	3,994,992	-	(3,994,992)	-
Transfers out	(921,708)	(102,032)	-	102,032	-
Net Change in Fund Balances	<u>\$ 528,332</u>	<u>\$ 1,694,008</u>	464,200	<u>\$ (1,229,808)</u>	96,317
Fund Balances Beginning of Year			96,317		-
Fund Balances End of Year			<u>\$ 560,517</u>		<u>\$ 96,317</u>

City of Durango, Colorado
2007 Sales Tax Bonds Debt Service Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 182,975	\$ 182,914
	<u>182,975</u>	<u>182,914</u>
Fund balances		
Restricted	182,975	182,914
	<u>182,975</u>	<u>182,914</u>
Total Liabilities and Fund Balances	<u>\$ 182,975</u>	<u>\$ 182,914</u>

City of Durango, Colorado
2007 Sales Tax Bonds Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Expenditures					
Principal retirement	\$ 2,305,000	\$ 5,848,831	\$ 5,905,000	\$ (56,169)	\$ 2,250,000
Interest and fiscal charges	136,121	136,121	79,891	56,230	185,718
Total Expenditures	<u>2,441,121</u>	<u>5,984,952</u>	<u>5,984,891</u>	<u>61</u>	<u>2,435,718</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,441,121)</u>	<u>(5,984,952)</u>	<u>(5,984,891)</u>	<u>61</u>	<u>(2,435,718)</u>
Other Financing Sources (Uses)					
Transfers in	<u>2,441,121</u>	<u>5,984,952</u>	<u>5,984,952</u>	<u>-</u>	<u>2,435,718</u>
Total Other Financing Sources (Uses)	<u>2,441,121</u>	<u>5,984,952</u>	<u>5,984,952</u>	<u>-</u>	<u>2,435,718</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>61</u>	<u>\$ 61</u>	<u>-</u>
Fund Balances Beginning of Year			<u>182,914</u>		<u>182,914</u>
Fund Balances End of Year			<u>\$ 182,975</u>		<u>\$ 182,914</u>

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Funds
December 31, 2025

	Formerly Nonmajor Capital Improvements Fund	Parks, Open Space and Trails Fund	Capital Projects Fund	Total Nonmajor Capital Projects Funds
Assets				
Equity in cash and cash equivalents	\$ -	\$ 4,882,169	\$ 3,699,647	\$ 8,581,816
Accounts receivable	-	-	510,000	510,000
Sales and use tax receivable	-	308,665	-	308,665
Interest	-	-	344,933	344,933
Total Assets	<u>\$ -</u>	<u>\$ 5,190,834</u>	<u>\$ 4,554,580</u>	<u>\$ 9,745,414</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 1,562,350	\$ 581,931	\$ 2,144,281
Unearned revenue	-	2,500	-	2,500
Total Liabilities	<u>-</u>	<u>1,564,850</u>	<u>581,931</u>	<u>2,146,781</u>
Deferred Inflows of Resources				
Deferred inflows - unearned revenue	-	-	854,933	854,933
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>854,933</u>	<u>854,933</u>
Fund balances				
Committed	-	3,625,984	3,117,716	6,743,700
Total Fund Balances	<u>-</u>	<u>3,625,984</u>	<u>3,117,716</u>	<u>6,743,700</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 5,190,834</u>	<u>\$ 4,554,580</u>	<u>\$ 9,745,414</u>

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Projects Funds
For the Year Ended December 31, 2025

	Formerly Nonmajor Capital Improvements Fund	Parks, Open Space and Trails Fund	Capital Projects Fund	Total Nonmajor Capital Projects Funds
Revenues				
Sales taxes	\$ -	\$ 2,782,866	\$ -	\$ 2,782,866
Use taxes	-	147,783	-	147,783
Intergovernmental	-	-	4,400,000	4,400,000
Investment earnings	-	198,117	414,061	612,178
Total Revenues	<u>-</u>	<u>3,128,766</u>	<u>4,814,061</u>	<u>7,942,827</u>
Expenditures				
General government	-	-	222,168	222,168
Public works	-	-	239,381	239,381
General capital outlay	-	3,724,946	-	3,724,946
Total Expenditures	<u>-</u>	<u>3,724,946</u>	<u>461,549</u>	<u>4,186,495</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(596,180)</u>	<u>4,352,512</u>	<u>3,756,332</u>
Other Financing Sources (Uses)				
Transfers out	-	(391,000)	(1,280,629)	(1,671,629)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(391,000)</u>	<u>(1,280,629)</u>	<u>(1,671,629)</u>
Net Changes in Fund Balance	-	(987,180)	3,071,883	2,084,703
Fund Balances - Beginning of Year	1,073,816	4,613,164	45,833	5,732,813
Change from nonmajor to major fund	<u>(1,073,816)</u>	<u>-</u>	<u>-</u>	<u>(1,073,816)</u>
Fund Balances Beginning, as Adjusted or Restated	<u>-</u>	<u>4,613,164</u>	<u>45,833</u>	<u>4,658,997</u>
Fund Balances - End of Year	<u><u>\$ -</u></u>	<u><u>\$ 3,625,984</u></u>	<u><u>\$ 3,117,716</u></u>	<u><u>\$ 6,743,700</u></u>

City of Durango, Colorado
Formerly Nonmajor Capital Improvements Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
TOTAL	\$ -	\$ -
Total Liabilities and Fund Balances	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Durango, Colorado
Parks, Open Space and Trails Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 4,882,169	\$ 4,427,562
Sales and use tax receivable	<u>308,665</u>	<u>296,547</u>
Total Assets	<u><u>\$ 5,190,834</u></u>	<u><u>\$ 4,724,109</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 1,562,350	\$ 108,445
Unearned revenue	<u>2,500</u>	<u>2,500</u>
Total Liabilities	<u>1,564,850</u>	<u>110,945</u>
Fund Balance		
Committed	<u>3,625,984</u>	<u>4,613,164</u>
Total Fund Balance	<u>3,625,984</u>	<u>4,613,164</u>
Total Liabilities and Fund Balances	<u><u>\$ 5,190,834</u></u>	<u><u>\$ 4,724,109</u></u>

City of Durango, Colorado
Parks, Open Space and Trails Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Sales taxes	\$ 2,648,471	\$ 2,648,471	\$ 2,782,866	\$ 134,395	\$ 2,707,769
Use taxes	165,775	165,775	147,783	(17,992)	158,653
Investment earnings	170,000	170,000	198,117	28,117	245,469
Total Revenues	<u>2,984,246</u>	<u>2,984,246</u>	<u>3,128,766</u>	<u>144,520</u>	<u>3,111,891</u>
Expenditures					
General capital outlay	<u>6,435,794</u>	<u>6,435,794</u>	<u>3,724,946</u>	<u>2,710,848</u>	<u>4,253,420</u>
Total Expenditures	<u>6,435,794</u>	<u>6,435,794</u>	<u>3,724,946</u>	<u>2,710,848</u>	<u>4,253,420</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,451,548)</u>	<u>(3,451,548)</u>	<u>(596,180)</u>	<u>2,855,368</u>	<u>(1,141,529)</u>
Other Financing Sources (Uses)					
Transfers out	<u>(391,000)</u>	<u>(391,000)</u>	<u>(391,000)</u>	<u>-</u>	<u>(453,557)</u>
Total Other Financing Sources (Uses)	<u>(391,000)</u>	<u>(391,000)</u>	<u>(391,000)</u>	<u>-</u>	<u>(453,557)</u>
Net Change in Fund Balances	<u>\$ (3,842,548)</u>	<u>\$ (3,842,548)</u>	<u>(987,180)</u>	<u>\$ 2,855,368</u>	<u>(1,595,086)</u>
Fund Balances Beginning of Year			<u>4,613,164</u>		<u>6,208,250</u>
Fund Balances End of Year			<u>\$ 3,625,984</u>		<u>\$ 4,613,164</u>

City of Durango, Colorado
Capital Projects Fund
Comparative Balance Sheet
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 3,699,647	\$ 1,962,069
Accounts receivable	510,000	510,000
Interest	344,933	329,633
Total Assets	<u>\$ 4,554,580</u>	<u>\$ 2,801,702</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 581,931	\$ 174,236
Interfund payable	-	1,742,000
Deferred inflows - unearned revenue	854,933	839,633
Total Liabilities	<u>1,436,864</u>	<u>2,755,869</u>
Fund Balance		
Committed	<u>3,117,716</u>	<u>45,833</u>
Total Fund Balance	<u>3,117,716</u>	<u>45,833</u>
Total Liabilities and Fund Balances	<u>\$ 4,554,580</u>	<u>\$ 2,801,702</u>

City of Durango, Colorado
Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended December 31, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Intergovernmental	\$ 2,200,000	\$ 2,200,000	\$ 4,400,000	\$ 2,200,000	\$ -
Investment earnings	100,000	100,000	414,061	314,061	581,822
Miscellaneous	-	-	-	-	19
Total Revenues	<u>2,300,000</u>	<u>2,300,000</u>	<u>4,814,061</u>	<u>2,514,061</u>	<u>581,841</u>
Expenditures					
General government	291,801	1,120,283	222,168	898,115	592,677
Public works	2,493,750	293,750	239,381	54,369	733,395
Total Expenditures	<u>2,785,551</u>	<u>1,414,033</u>	<u>461,549</u>	<u>952,484</u>	<u>1,326,072</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(485,551)</u>	<u>885,967</u>	<u>4,352,512</u>	<u>3,466,545</u>	<u>(744,231)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	62,000
Transfers out	-	(1,280,629)	(1,280,629)	-	(1,315,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,280,629)</u>	<u>(1,280,629)</u>	<u>-</u>	<u>(1,253,000)</u>
Net Change in Fund Balances	<u>\$ (485,551)</u>	<u>\$ (394,662)</u>	<u>3,071,883</u>	<u>\$ 3,466,545</u>	<u>(1,997,231)</u>
Fund Balances Beginning of Year			<u>45,833</u>		<u>2,043,064</u>
Fund Balances End of Year			<u>\$ 3,117,716</u>		<u>\$ 45,833</u>



MAJOR ENTERPRISE FUNDS

Water Utility Fund - to account for revenues and expenses associated with providing water services to the City of Durango residents and some county residents.

Sewer Utility Fund - to account for revenues and expenses associated with providing waste water treatment services to residents of the City of Durango and some county residents.

Transportation Services Fund - to account for revenues and expenses associated with the operations of the City's parking programs, including enforcement and facilities maintenance and to account for revenues and expenses associated with providing mass transportation within the City.

City of Durango, Colorado
Water Utility Fund
Comparative Statement of Net Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Equity in cash and cash equivalents	\$ 14,196,139	\$ 15,018,812
Receivables		
Accounts	631,773	634,628
Inventory	242,862	143,726
Total Current Assets	15,070,774	15,797,166
Noncurrent Assets		
Note receivable	42,386	54,583
Capital Assets		
Land, easements and water rights	7,048,853	7,048,853
Construction in progress	988,368	2,413,673
Depreciable capital assets, net	46,948,248	44,137,992
Total Noncurrent Assets	55,027,855	53,655,101
Total Assets	70,098,629	69,452,267
Liabilities		
Current Liabilities		
Accounts payable	698,953	717,705
Accrued wages	53,423	37,240
Compensated Absences - due in one year	89,088	78,843
Loan payable	213,949	209,836
Total Current Liabilities	1,055,413	1,043,624
Long Term Liabilities		
Loan payable net of current portion	1,496,599	1,710,547
Compensated absences net of current portion	89,088	78,842
Total Long Term Liabilities	1,585,687	1,789,389
Total Liabilities	2,641,100	2,833,013
Net Position		
Net investment in capital assets	53,274,921	51,584,756
Unrestricted	14,182,608	15,034,498
Total Net Position	\$ 67,457,529	\$ 66,619,254

City of Durango, Colorado
Water Utility Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Charges for sales and services	\$ 5,761,393	\$ 5,629,485
Miscellaneous	16,089	7,225
Total Operating Revenues	<u>5,777,482</u>	<u>5,636,710</u>
Operating Expenses		
Administration	520,407	446,680
Source of supply	156,372	131,417
Pumping	152,166	76,490
Transmission and distribution	2,137,600	1,962,392
Treatment	1,389,697	1,708,645
Meter reading and repairs	633,176	384,278
Building maintenance	80,542	67,770
Non-departmental	184,538	497,157
Payment for services	819,272	419,364
Depreciation	2,174,831	2,054,092
Total Operating Expenses	<u>8,248,601</u>	<u>7,748,285</u>
Operating Income	<u>(2,471,119)</u>	<u>(2,111,575)</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	-	(7,716)
Intergovernmental grants	-	196,917
Investment earnings	649,290	760,350
Interest expense	(36,429)	(40,462)
Total Non-Operating Revenues (Expenses)	<u>612,861</u>	<u>909,089</u>
Income Before Capital Contributions and Transfers	<u>(1,858,258)</u>	<u>(1,202,486)</u>
Capital contributions	2,696,533	855,675
Change in Net Position	838,275	(346,811)
Net Position Beginning of Year	<u>66,619,254</u>	<u>66,966,065</u>
Net Position End of Year	<u><u>\$ 67,457,529</u></u>	<u><u>\$ 66,619,254</u></u>

City of Durango, Colorado
Water Utility Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 5,915,290	\$ 5,915,290	\$ 5,761,393	\$ (153,897)
Miscellaneous	17,510	17,510	16,089	(1,421)
Investment earnings	620,540	620,540	649,290	28,750
Capital contributions	704,520	704,520	2,696,533	1,992,013
Transfers in	9,706,442	13,625,874	-	(13,625,874)
Total Revenues	16,964,302	20,883,734	9,123,305	(11,760,429)
Expenditures				
Administration	648,303	648,303	520,407	127,896
Source of supply	196,000	196,000	156,372	39,628
Pumping	136,000	175,584	152,166	23,418
Transmission and distribution	2,175,163	2,243,183	2,137,600	105,583
Treatment	1,562,356	1,592,305	1,389,697	202,608
Meter reading and repairs	775,671	775,671	633,176	142,495
Building maintenance	118,000	118,000	80,542	37,458
Non-departmental	10,156,995	15,006,427	1,993,693	13,012,734
Payment for services	826,811	816,862	819,272	(2,410)
Interest expense	48,000	48,000	36,429	11,571
Total Expenditures	16,643,299	21,620,335	7,919,354	13,700,981
Excess (Deficiency) of Revenues Over (Under) Expenditures	321,003	(736,601)	1,203,951	1,940,552
Transfers out	(10,429,584)	(14,349,016)	-	14,349,016
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (10,108,581)	\$ (15,085,617)	1,203,951	\$ 16,289,568
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			1,599,319	
Remove Principal Payments			209,836	
Add Depreciation			(2,174,831)	
Net Income (Loss)			\$ 838,275	

City of Durango, Colorado
Sewer Utility Fund
Comparative Statement of Net Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Equity in cash and cash equivalents	\$ 1,884,046	\$ 2,913,207
Receivables		
Accounts	1,159,121	1,174,429
Inventory	11,962	37,440
Total Current Assets	<u>3,055,129</u>	<u>4,125,076</u>
Noncurrent Assets		
Note receivable	6,953	10,183
Capital Assets		
Land, easements and water rights	321,309	321,309
Construction in progress	265,228	255,738
Depreciable capital assets, net	74,109,188	75,074,169
Total Noncurrent Assets	<u>74,702,678</u>	<u>75,661,399</u>
Total Assets	<u>77,757,807</u>	<u>79,786,475</u>
Liabilities		
Current Liabilities		
Accounts payable	452,015	274,947
Accrued wages	49,637	41,178
Compensated Absences - due in one year	32,218	29,786
Interest Payable	272,143	294,641
Loan payable	2,660,999	2,624,422
Total Current Liabilities	<u>3,467,012</u>	<u>3,264,974</u>
Long Term Liabilities		
Loan payable net of current portion	34,962,444	37,623,443
Compensated absences net of current portion	32,218	29,786
Total Long Term Liabilities	<u>34,994,662</u>	<u>37,653,229</u>
Total Liabilities	<u>38,461,674</u>	<u>40,918,203</u>
Net Position		
Net investment in capital assets	37,066,204	35,397,555
Unrestricted	2,229,929	3,470,717
Total Net Position	<u><u>\$ 39,296,133</u></u>	<u><u>\$ 38,868,272</u></u>

City of Durango, Colorado
Sewer Utility Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Charges for sales and services	\$ 8,291,484	\$ 8,237,357
Miscellaneous	67,073	70,663
Total Operating Revenues	<u>8,358,557</u>	<u>8,308,020</u>
Operating Expenses		
Administration	450,672	424,166
Treatment	2,013,323	2,153,667
Collections	1,772,129	1,230,335
Building maintenance	6,643	6,373
Non-departmental	255,103	185,640
Payment for services	593,632	462,858
Depreciation	2,815,337	2,682,264
Total Operating Expenses	<u>7,906,839</u>	<u>7,145,303</u>
Operating Income	<u>451,718</u>	<u>1,162,717</u>
Non-Operating Revenues (Expenses)		
Investment earnings	144,958	77,552
Interest expense	(684,640)	(729,888)
Total Non-Operating Revenues (Expenses)	<u>(539,682)</u>	<u>(652,336)</u>
Income Before Capital Contributions and Transfers	(87,964)	510,381
Capital contributions	515,825	225,345
Transfers in	-	1,315,000
Change in Net Position	<u>427,861</u>	<u>2,050,726</u>
Net Position Beginning of Year	<u>38,868,272</u>	<u>36,817,546</u>
Net Position End of Year	<u><u>\$ 39,296,133</u></u>	<u><u>\$ 38,868,272</u></u>

City of Durango, Colorado
Sewer Utility Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 8,546,000	\$ 8,546,000	\$ 8,291,484	\$ (254,516)
Miscellaneous	11,330	11,330	67,073	55,743
Investment earnings	65,000	65,000	144,958	79,958
Capital contributions	176,000	176,000	515,825	339,825
Transfers in	1,825,000	1,916,977	-	(1,916,977)
Total Revenues	10,623,330	10,715,307	9,019,340	(1,695,967)
Expenditures				
Administration	463,398	473,347	450,672	22,675
Treatment	2,270,900	2,270,900	2,013,323	257,577
Collections	1,776,696	1,776,696	1,772,129	4,567
Building maintenance	6,000	6,000	6,643	(643)
Non-departmental	4,971,429	6,254,878	4,258,547	1,996,331
Payment for services	603,581	593,632	593,632	-
Interest expense	468,000	468,000	684,640	(216,640)
Total Expenditures	10,560,004	11,843,453	9,779,586	2,063,867
Excess (Deficiency) of Revenues Over (Under) Expenditures	63,326	(1,128,146)	(760,246)	367,900
Transfers out	(1,825,000)	(1,916,977)	-	1,916,977
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,761,674)	\$ (3,045,123)	(760,246)	\$ 2,284,877
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			1,437,896	
Remove Principal Payments			2,565,548	
Add Depreciation			(2,815,337)	
Net Income (Loss)			\$ 427,861	

City of Durango, Colorado
Transportation Services Fund
Comparative Statement of Net Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Equity in cash and cash equivalents	\$ 5,143,989	\$ 2,052,913
Receivables		
Accounts	40,017	31,577
Intergovernmental	240,293	332,471
Total Current Assets	5,424,299	2,416,961
Noncurrent Assets		
Capital Assets		
Land, easements and water rights	1,386,320	3,886,835
Depreciable capital assets, net	4,999,698	5,453,224
Total Noncurrent Assets	6,386,018	9,340,059
Total Assets	11,810,317	11,757,020
Liabilities		
Current Liabilities		
Accounts payable	212,203	198,732
Accrued wages	82,610	61,004
Compensated Absences - due in one year	86,601	86,788
Total Current Liabilities	381,414	346,524
Long Term Liabilities		
Compensated absences net of current portion	86,601	86,789
Total Liabilities	468,015	433,313
Net Position		
Net investment in capital assets	6,386,018	9,340,059
Unrestricted	4,956,284	1,983,648
Total Net Position	\$ 11,342,302	\$ 11,323,707

City of Durango, Colorado
Transportation Services Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Charges for sales and services	\$ 2,064,220	\$ 2,138,310
Miscellaneous	13,198	110,973
Total Operating Revenues	<u>2,077,418</u>	<u>2,249,283</u>
Operating Expenses		
Administration	331,740	400,122
Parking operations	920,223	886,117
Loop system	3,551,402	3,378,727
Multi-modal	604,960	201,178
Non-departmental	225,398	253,742
Payment for services	286,760	268,062
Depreciation	580,841	464,370
Total Operating Expenses	<u>6,501,324</u>	<u>5,852,318</u>
Operating Income	<u>(4,423,906)</u>	<u>(3,603,035)</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	1,881,862	8,700
Intergovernmental grants	1,227,010	2,175,851
Investment earnings	221,096	107,778
Total Non-Operating Revenues (Expenses)	<u>3,329,968</u>	<u>2,292,329</u>
Income Before Capital Contributions and Transfers	<u>(1,093,938)</u>	<u>(1,310,706)</u>
Transfers in	1,112,533	902,279
Change in Net Position	<u>18,595</u>	<u>(408,427)</u>
Net Position Beginning of Year	<u>11,323,707</u>	<u>11,732,134</u>
Net Position End of Year	<u><u>\$ 11,342,302</u></u>	<u><u>\$ 11,323,707</u></u>

City of Durango, Colorado
Transportation Services Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 2,065,686	\$ 2,065,686	\$ 2,064,220	\$ (1,466)
Services provided	756,075	-	-	-
Miscellaneous	100,000	100,000	13,198	(86,802)
Gain (loss) on the sale of capital assets	5,000	5,000	-	(5,000)
Intergovernmental grants	2,099,275	2,295,878	1,227,010	(1,068,868)
Investment earnings	80,000	80,000	221,096	141,096
Transfers in	-	956,075	1,112,533	156,458
Total Revenues	5,106,036	5,502,639	4,638,057	(864,582)
Expenditures				
Administration	275,424	275,424	331,740	(56,316)
Parking operations	1,010,713	1,060,713	920,223	140,490
Loop system	4,597,146	4,821,325	3,551,402	1,269,923
Multi-modal	687,213	795,213	604,960	190,253
Non-departmental	237,483	237,483	352,713	(115,230)
Payment for services	286,761	286,761	286,760	1
Total Expenditures	7,094,740	7,476,919	6,047,798	1,429,121
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,988,704)	(1,974,280)	(1,409,741)	564,539
Reconciliation to GAAP Net Income:				
Add Gain on Sale of Capital Asset			1,881,862	
Remove Capital Outlay			127,315	
Add Depreciation			(580,841)	
Net Income (Loss)			\$ 18,595	

City of Durango, Colorado
Nonmajor Fund Trash and Recycling Fund
Comparative Statement of Net Position
December 31, 2025 and 2024

	2025	2024
Assets		
Equity in cash and cash equivalents	\$ 2,510,230	\$ 2,897,714
Accounts	459,068	454,299
Intergovernmental	25,989	26,181
Land, easements and water rights	89,622	89,622
Construction in progress	47,406	129,282
Depreciable capital assets, net	1,634,688	1,678,672
Total Assets	4,767,003	5,275,770
Liabilities		
Accounts payable	121,567	150,161
Accrued wages	31,412	25,835
Compensated Absences - due in one year	38,892	42,584
Compensated absences net of current portion	38,892	42,583
Total Liabilities	230,763	261,163
Net Position		
Net investment in capital assets	1,771,716	1,897,575
Restricted for program purposes	85,158	66,660
Unrestricted	2,679,366	3,050,372
Total Net Position	\$ 4,536,240	\$ 5,014,607

City of Durango, Colorado
Nonmajor Fund Trash and Recycling Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Charges for sales and services	\$ 3,511,377	\$ 3,540,505
Miscellaneous	76,040	67,062
Total Operating Revenues	<u>3,587,417</u>	<u>3,607,567</u>
Operating Expenses		
Administration	2,664	12,503
Collections	1,525,354	1,335,953
Recycling	1,258,060	1,037,211
Recycling center	554,268	626,244
Sustainability	446,553	401,688
Equipment maintenance	45,145	-
Non-departmental	118,783	184,611
Payment for services	213,664	210,670
Depreciation	171,005	155,233
Total Operating Expenses	<u>4,335,496</u>	<u>3,964,113</u>
Operating Income	<u>(748,079)</u>	<u>(356,546)</u>
Non-Operating Revenues (Expenses)		
Intergovernmental grants	101,650	117,999
Investment earnings	118,062	156,308
Total Non-Operating Revenues (Expenses)	<u>219,712</u>	<u>274,307</u>
Income Before Capital Contributions and Transfers	(528,367)	(82,239)
Transfers in	50,000	-
Transfers out	-	(6,500)
Change in Net Position	(478,367)	(88,739)
Net Position Beginning of Year	<u>5,014,607</u>	<u>5,103,346</u>
Net Position End of Year	<u><u>\$ 4,536,240</u></u>	<u><u>\$ 5,014,607</u></u>

City of Durango, Colorado
Nonmajor Fund Trash and Recycling Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 3,586,639	\$ 3,586,639	\$ 3,511,377	\$ (75,262)
Miscellaneous	87,107	87,107	76,040	(11,067)
Intergovernmental grants	-	65,000	101,650	36,650
Investment earnings	142,000	142,000	118,062	(23,938)
Transfers in	-	-	50,000	50,000
Total Revenues	<u>3,815,746</u>	<u>3,880,746</u>	<u>3,857,129</u>	<u>(23,617)</u>
Expenditures				
Administration	5,100	5,100	2,664	2,436
Collections	1,618,085	1,637,812	1,525,354	112,458
Recycling	1,120,894	1,150,894	1,258,060	(107,166)
Recycling center	599,358	618,858	554,268	64,590
Sustainability	376,067	460,367	446,553	13,814
Equipment maintenance	-	-	90,290	(90,290)
Non-departmental	171,311	242,050	118,783	123,267
Payment for services	233,391	213,664	213,664	-
Total Expenditures	<u>4,124,206</u>	<u>4,328,745</u>	<u>4,209,636</u>	<u>119,109</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(308,460)</u>	<u>(447,999)</u>	<u>(352,507)</u>	<u>95,492</u>
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			45,145	
Add Depreciation			<u>(171,005)</u>	
Net Income (Loss)			<u>\$ (478,367)</u>	

INTERNAL SERVICE FUNDS

General Services Fund - to account for the costs of providing support services used by other City departments. These services include vehicle and equipment maintenance, central purchasing, warehousing and building and plant supervision.

Capital Equipment Replacement Fund - to accumulate funds provided by other City departments through rental fees for the orderly replacement of City vehicles, radios and equipment.

Self Insurance Fund - to accumulate funds to pay medical claims for employees and covered dependents through insurance premiums billed to other City departments.

Risk Management Fund - to account for the costs of property and casualty insurance as well as the costs associated with worker's compensation insurance.

Technology Replacement Fund - to accumulate funds provided by other City departments through rental fees for the orderly replacement of City computers.

Building Maintenance Fund - to accumulate funds for the building maintenance of City assets.

City of Durango, Colorado
Combining Statement of Net Position
Internal Service Funds
December 31, 2025

	General Services Fund	Capital Equipment Replacement Fund	Self Insurance Fund	Risk Management Fund	Technology Replacement Fund	Building Maintenance Fund	Total
Assets							
Current Assets							
Equity in cash and cash equivalents	\$ -	\$ 4,076,104	\$ 3,658,269	\$ 218,680	\$ 780,793	\$ 1,253,864	\$ 9,987,710
Prepaid items	20,728	-	-	-	-	-	20,728
Accounts receivable	-	-	235,648	-	-	190,342	425,990
Intergovernmental	-	-	-	-	-	58,206	58,206
Inventory	115,270	374,845	-	-	-	-	490,115
Total Current Assets	135,998	4,450,949	3,893,917	218,680	780,793	1,502,412	10,982,749
Noncurrent Assets							
Capital Assets							
Land, easements and water rights	67,889	-	-	-	-	-	67,889
Construction in progress	-	373,615	-	-	-	455,536	829,151
Depreciable capital assets, net	904,221	11,010,864	-	-	87,173	3,649,588	15,651,846
Total Noncurrent Assets	972,110	11,384,479	-	-	87,173	4,105,124	16,548,886
Total Assets	1,108,108	15,835,428	3,893,917	218,680	867,966	5,607,536	27,531,635
Liabilities							
Current Liabilities							
Accounts payable	77,596	42,796	1,332,311	45,797	-	39,060	1,537,560
Accrued wages	1,910	18,906	-	2,248	-	-	23,064
Compensated Absences - due in one year	904	25,367	-	876	-	-	27,147
Loan payable EPC short term	-	-	-	-	-	84,089	84,089
Interest payable EPC loan	-	-	-	-	-	135,499	135,499
Interfund payable	34,440	-	-	-	-	-	34,440
Total Current Liabilities	114,850	87,069	1,332,311	48,921	-	258,648	1,841,799
Long Term Liabilities							
Loan payable net of current portion	-	-	-	-	-	3,929,555	3,929,555
Compensated absences net of current portion	904	25,367	-	876	-	-	27,147
Total Long Term Liabilities	904	25,367	-	876	-	3,929,555	3,956,702
Total Liabilities	115,754	112,436	1,332,311	49,797	-	4,188,203	5,798,501
Net Position							
Net investment in capital assets	972,110	11,384,479	-	-	87,173	52,420	12,496,182
Unrestricted	20,244	4,338,513	2,561,606	168,883	780,793	1,366,913	9,236,952
Total Net Position	\$ 992,354	\$ 15,722,992	\$ 2,561,606	\$ 168,883	\$ 867,966	\$ 1,419,333	\$ 21,733,134

City of Durango, Colorado
Combining Statement of Revenues
Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2025

	General Services Fund	Capital Equipment Replacement Fund	Self Insurance Fund	Risk Management Fund	Technology Replacement Fund	Building Maintenance Fund	Total
Operating Revenues							
Charges for sales and services	\$ -	\$ 4,971,607	\$ 1,253,227	\$ -	\$ 4,312	\$ 9,517	\$ 6,238,663
Services provided	177,088	-	8,098,510	2,189,403	185,155	204,924	10,855,080
Miscellaneous	1,404	5,551	171,013	808	512	1,132,346	1,311,634
Total Operating Revenues	178,492	4,977,158	9,522,750	2,190,211	189,979	1,346,787	18,405,377
Operating Expenses							
Administration	97,083	-	32,929	144,643	-	226,061	500,716
Building maintenance	168,861	-	-	-	-	-	168,861
Equipment maintenance	-	2,437,468	-	-	-	-	2,437,468
Insurance claims and premiums	-	-	-	1,980,468	-	-	1,980,468
Medical claims and premiums	-	-	9,557,680	-	-	-	9,557,680
Non-departmental	-	-	-	-	11,654	-	11,654
Payment for services	24,921	-	-	-	-	-	24,921
Depreciation	32,880	1,681,527	-	-	59,166	202,755	1,976,328
Total Operating Expenses	323,745	4,118,995	9,590,609	2,125,111	70,820	428,816	16,658,096
Operating Income (Loss)	(145,253)	858,163	(67,859)	65,100	119,159	917,971	1,747,281
Non-Operating Revenues (Expenses)							
Gain (loss) on the sale of capital assets	-	348,012	-	-	-	-	348,012
Intergovernmental grants	-	-	-	-	-	69,342	69,342
Investment earnings	893	199,048	118,391	3,659	34,429	200,923	557,343
Interest expense	-	-	-	-	-	(163,182)	(163,182)
Total Non-Operating Revenues (Expenses)	893	547,060	118,391	3,659	34,429	107,083	811,515
Income (Loss) Before Contributions and Transfers	(144,360)	1,405,223	50,532	68,759	153,588	1,025,054	2,558,796
Capital contributions	-	(55,021)	-	-	-	-	(55,021)
Change in Net Position	(144,360)	1,350,202	50,532	68,759	153,588	1,025,054	2,503,775
Net Position Beginning of Year	1,136,714	14,372,790	2,511,074	100,124	714,378	394,279	19,229,359
Net Position End of Year	\$ 992,354	\$ 15,722,992	\$ 2,561,606	\$ 168,883	\$ 867,966	\$ 1,419,333	\$ 21,733,134

City of Durango, Colorado
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2025

	General Services	Equipment Reserve	Self Insurance	Risk Management	Technology Replacement	Building Maintenance	Total
Increase (Decrease) in Cash and Cash Equivalents							
<u>Cash Flows from Operating Activities</u>							
Cash received from customers and users	\$ 177,088	\$ 4,971,607	\$ 10,606,016	\$ 2,189,918	\$ 189,595	\$ 24,099	\$ 18,158,323
Other receipts	1,404	5,551	171,013	808	512	1,132,346	1,311,634
Cash payments to suppliers and employees	(280,363)	(3,286,000)	(9,421,115)	(2,098,468)	(11,654)	(468,822)	(15,566,422)
Net Cash Provided by (Used in) Operating Activities	(101,871)	1,691,158	1,355,914	92,258	178,453	687,623	3,903,535
<u>Cash Flows from Noncapital Financing Activities</u>							
Interfund borrowings	34,440	-	-	-	-	-	34,440
Intergovernmental Revenue	-	-	-	-	-	850,842	850,842
Transfers from Other Funds	-	(55,021)	-	-	-	-	(55,021)
Net Cash Provided by Noncapital Financing Activities	34,440	(55,021)	-	-	-	850,842	830,261
<u>Cash Flows from Capital and Related Financing Activities</u>							
Sale of capital assets	-	348,012	-	-	-	-	348,012
Payments for capital acquisitions	-	(4,352,738)	-	-	(11,993)	(455,536)	(4,820,267)
Net Cash Used in Capital and Related Financing Activities	-	(4,004,726)	-	-	(11,993)	(455,536)	(4,472,255)
<u>Cash Flows from Investing Activities</u>							
Investment earnings	893	199,048	118,391	3,659	34,429	200,923	557,343
Repayments of long-term debt	-	-	-	-	-	(238,125)	(238,125)
Net Cash Provided from (Used in) Investing Activities	893	199,048	118,391	3,659	34,429	(37,202)	319,218
Net Increase (Decrease) in Cash and Cash Equivalents	(66,538)	(2,169,541)	1,474,305	95,917	200,889	1,045,727	580,759
Cash and Cash Equivalents Beginning of Year	66,538	6,245,645	2,183,964	122,763	579,904	208,137	9,406,951
Cash and Cash Equivalents End of Year	\$ -	\$ 4,076,104	\$ 3,658,269	\$ 218,680	\$ 780,793	\$ 1,253,864	\$ 9,987,710
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities							
Operating Income (Loss)	\$ (145,253)	\$ 858,163	\$ (67,859)	\$ 65,100	\$ 119,159	\$ 917,971	\$ 1,747,281
Adjustments:							
Depreciation	32,880	1,681,527	-	-	59,166	202,755	1,976,328
(Increase) Decrease in Assets:							
Accounts receivable	-	-	1,254,279	515	128	(190,342)	1,064,580
Inventory	17,330	2,340	-	-	-	-	19,670
Prepaid Items	(20,728)						(20,728)
Increase (Decrease) in Liabilities:							
Accounts payable	13,849	(840,247)	169,494	26,434	-	(242,761)	(873,231)
Accrued liabilities	317	(896)	-	629	-	-	50
Compensated Absences	(266)	(9,729)	-	(420)	-	-	(10,415)
Total Adjustments	43,382	832,995	1,423,773	27,158	59,294	(230,348)	2,156,254
Net Cash Provided by (Used in) Operating Activities	\$ (101,871)	\$ 1,691,158	\$ 1,355,914	\$ 92,258	\$ 178,453	\$ 687,623	\$ 3,903,535

City of Durango, Colorado
General Services Fund
Comparative Statement of Net Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets:		
Equity in cash and cash equivalents	\$ -	\$ 66,538
Prepaid items	20,728	-
Inventory	115,270	132,600
Total Current Assets	<u>135,998</u>	<u>199,138</u>
Noncurrent Assets		
Capital Assets		
Land, easements and water rights	67,889	67,889
Depreciable capital assets, net	904,221	937,101
Total Noncurrent Assets	<u>972,110</u>	<u>1,004,990</u>
Total Assets	<u>1,108,108</u>	<u>1,204,128</u>
Liabilities		
Current Liabilities:		
Accounts payable	77,596	63,747
Accrued wages	1,910	1,593
Compensated Absences - due in one year	904	1,037
Total Current Liabilities	<u>80,410</u>	<u>66,377</u>
Long Term Liabilities		
Interfund payable	34,440	-
Compensated absences net of current portion	904	1,037
Total Liabilities	<u>115,754</u>	<u>67,414</u>
Net Position		
Net investment in capital assets	972,110	1,004,990
Unrestricted	20,244	131,724
Total Net Position	<u>\$ 992,354</u>	<u>\$ 1,136,714</u>

City of Durango, Colorado
General Services Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Charges for sales and services	\$ -	\$ (22,901)
Services provided	177,088	252,000
Miscellaneous	1,404	784
Total Operating Revenues	<u>178,492</u>	<u>229,883</u>
Operating Expenses		
Administration	97,083	90,417
Building maintenance	168,861	69,391
Non-departmental	-	232
Payment for services	24,921	19,775
Depreciation	32,880	34,362
Total Operating Expenses	<u>323,745</u>	<u>214,177</u>
Operating Income (Loss)	<u>(145,253)</u>	<u>15,706</u>
Non-Operating Revenues (Expenses)		
Investment earnings	893	336
Total Non-Operating Revenues (Expenses)	<u>893</u>	<u>336</u>
Change in Net Position	(144,360)	16,042
Net Position Beginning of Year	<u>1,136,714</u>	<u>1,120,672</u>
Net Position End of Year	<u><u>\$ 992,354</u></u>	<u><u>\$ 1,136,714</u></u>

City of Durango, Colorado
General Services Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 85,435	\$ 10,017	\$ -	\$ (10,017)
Services provided	-	187,748	177,088	(10,660)
Miscellaneous	-	-	1,404	1,404
Investment earnings	30,000	30,000	893	(29,107)
Total Revenues	<u>115,435</u>	<u>227,765</u>	<u>179,385</u>	<u>(48,380)</u>
Expenditures				
Administration	86,594	86,594	97,083	(10,489)
Building maintenance	196,900	196,900	168,861	28,039
Payment for services	24,918	24,918	24,921	(3)
Total Expenditures	<u>308,412</u>	<u>308,412</u>	<u>290,865</u>	<u>17,547</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(192,977)</u>	<u>(80,647)</u>	<u>(111,480)</u>	<u>(30,833)</u>
Transfers in	112,330	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (80,647)</u>	<u>\$ (80,647)</u>	<u>(111,480)</u>	<u>\$ (30,833)</u>
Reconciliation to GAAP Net Income:				
Add Depreciation			<u>(32,880)</u>	
Net Income (Loss)			<u>\$ (144,360)</u>	

City of Durango, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Net Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 4,076,104	\$ 6,245,645
Inventory	374,845	377,185
Construction in progress	373,615	1,355,709
Depreciable capital assets, net	<u>11,010,864</u>	<u>7,357,559</u>
Total Assets	<u>15,835,428</u>	<u>15,336,098</u>
Liabilities		
Accounts payable	42,796	883,043
Accrued wages	18,906	19,802
Compensated Absences - due in one year	25,367	30,232
Compensated absences net of current portion	<u>25,367</u>	<u>30,231</u>
Total Liabilities	<u>112,436</u>	<u>963,308</u>
Net Position		
Net investment in capital assets	11,384,479	8,713,267
Unrestricted	<u>4,338,513</u>	<u>5,659,523</u>
Total Net Position	<u><u>\$ 15,722,992</u></u>	<u><u>\$ 14,372,790</u></u>

City of Durango, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Charges for sales and services	\$ 4,971,607	\$ 4,205,474
Miscellaneous	5,551	1,731
Total Operating Revenues	<u>4,977,158</u>	<u>4,207,205</u>
Operating Expenses		
Equipment maintenance	2,437,468	2,393,073
Payment for services	-	23,054
Depreciation	1,681,527	953,120
Total Operating Expenses	<u>4,118,995</u>	<u>3,369,247</u>
Operating Income (Loss)	<u>858,163</u>	<u>837,958</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	348,012	316,687
Investment earnings	199,048	253,827
Total Non-Operating Revenues (Expenses)	<u>547,060</u>	<u>570,514</u>
Income (Loss) Before Contributions and Transfers	1,405,223	1,408,472
Capital contributions	(55,021)	-
Transfers in	-	316,575
Change in Net Position	<u>1,350,202</u>	<u>1,725,047</u>
Net Position Beginning of Year	<u>14,372,790</u>	<u>12,647,743</u>
Net Position End of Year	<u><u>\$ 15,722,992</u></u>	<u><u>\$ 14,372,790</u></u>

City of Durango, Colorado
Capital Equipment Replacement Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ -	\$ -	\$ 4,971,607	\$ 4,971,607
Services provided	4,911,336	4,911,336	-	(4,911,336)
Miscellaneous	5,000	5,000	5,551	551
Gain (loss) on the sale of capital assets	175,000	175,000	348,012	173,012
Investment earnings	300,000	300,000	199,048	(100,952)
Capital contributions	-	-	(55,021)	(55,021)
Total Revenues	5,391,336	5,391,336	5,469,197	77,861
Expenditures				
Equipment maintenance	7,844,041	12,080,769	6,873,733	5,207,036
Total Expenditures	7,844,041	12,080,769	6,873,733	5,207,036
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,452,705)	(6,689,433)	(1,404,536)	5,284,897
Transfers out	(93,000)	(93,000)	-	93,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,545,705)	\$ (6,782,433)	(1,404,536)	\$ 5,377,897
Reconciliation to GAAP Net Income:				
Add Depreciation			(1,681,527)	
Remove Capital Outlay			4,436,265	
Net Income (Loss)			\$ 1,350,202	

City of Durango, Colorado
Self Insurance Fund
Comparative Statement of Net Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets		
Equity in cash and cash equivalents	\$ 3,658,269	\$ 2,183,964
Accounts receivable	235,648	1,489,927
Total Assets	<u>3,893,917</u>	<u>3,673,891</u>
Liabilities		
Current Liabilities		
Accounts payable	1,332,311	1,162,817
Total Liabilities	<u>1,332,311</u>	<u>1,162,817</u>
Net Position		
Unrestricted	<u>2,561,606</u>	<u>2,511,074</u>
Total Net Position	<u><u>\$ 2,561,606</u></u>	<u><u>\$ 2,511,074</u></u>

City of Durango, Colorado
Self Insurance Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Charges for sales and services	\$ 1,253,227	\$ 932,660
Services provided	8,098,510	8,415,271
Miscellaneous	<u>171,013</u>	<u>129,093</u>
Total Operating Revenues	<u>9,522,750</u>	<u>9,477,024</u>
Operating Expenses		
Administration	32,929	27,263
Medical claims and premiums	<u>9,557,680</u>	<u>8,927,059</u>
Total Operating Expenses	<u>9,590,609</u>	<u>8,954,322</u>
Operating Income (Loss)	<u>(67,859)</u>	<u>522,702</u>
Non-Operating Revenues (Expenses)		
Investment earnings	<u>118,391</u>	<u>105,489</u>
Total Non-Operating Revenues (Expenses)	<u>118,391</u>	<u>105,489</u>
Change in Net Position	50,532	628,191
Net Position Beginning of Year	<u>2,511,074</u>	<u>1,882,883</u>
Net Position End of Year	<u><u>\$ 2,561,606</u></u>	<u><u>\$ 2,511,074</u></u>

City of Durango, Colorado
Self Insurance Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ -	\$ -	\$ 1,253,227	\$ 1,253,227
Services provided	8,908,800	8,908,800	8,098,510	(810,290)
Miscellaneous	-	-	171,013	171,013
Investment earnings	125,000	125,000	118,391	(6,609)
Total Revenues	<u>9,033,800</u>	<u>9,033,800</u>	<u>9,641,141</u>	<u>607,341</u>
Expenditures				
Administration	25,000	25,000	32,929	(7,929)
Medical claims and premiums	8,119,414	8,119,414	9,557,680	(1,438,266)
Total Expenditures	<u>8,144,414</u>	<u>8,144,414</u>	<u>9,590,609</u>	<u>(1,446,195)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>889,386</u>	<u>889,386</u>	<u>50,532</u>	<u>(838,854)</u>
Reconciliation to GAAP Net Income:				
Net Income (Loss)			<u>\$ 50,532</u>	

City of Durango, Colorado
Risk Management Fund
Comparative Statement of Net Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 218,680	\$ 122,763
Accounts receivable	-	515
Total Assets	<u>218,680</u>	<u>123,278</u>
Liabilities		
Accounts payable	45,797	19,363
Accrued wages	2,248	1,619
Compensated Absences - due in one year	876	1,085
Compensated absences net of current portion	876	1,087
Total Liabilities	<u>49,797</u>	<u>23,154</u>
Net Position		
Unrestricted	<u>168,883</u>	<u>100,124</u>
Total Net Position	<u><u>\$ 168,883</u></u>	<u><u>\$ 100,124</u></u>

City of Durango, Colorado
Risk Management Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Services provided	\$ 2,189,403	\$ 1,809,084
Miscellaneous	808	10,465
Total Operating Revenues	<u>2,190,211</u>	<u>1,819,549</u>
Operating Expenses		
Administration	144,643	159,784
Insurance claims and premiums	1,980,468	1,861,866
Non-departmental	-	244
Total Operating Expenses	<u>2,125,111</u>	<u>2,021,894</u>
Operating Income (Loss)	<u>65,100</u>	<u>(202,345)</u>
Non-Operating Revenues (Expenses)		
Investment earnings	3,659	1,828
Total Non-Operating Revenues (Expenses)	<u>3,659</u>	<u>1,828</u>
Change in Net Position	68,759	(200,517)
Net Position Beginning of Year	<u>100,124</u>	<u>300,641</u>
Net Position End of Year	<u><u>\$ 168,883</u></u>	<u><u>\$ 100,124</u></u>

City of Durango, Colorado
Risk Management Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 1,331,930	\$ -	\$ -	\$ -
Services provided	209,895	1,997,736	2,189,403	191,667
Miscellaneous	-	-	808	808
Investment earnings	6,500	6,500	3,659	(2,841)
Total Revenues	<u>1,548,325</u>	<u>2,004,236</u>	<u>2,193,870</u>	<u>189,634</u>
Expenditures				
Administration	141,648	141,648	144,643	(2,995)
Insurance claims and premiums	2,087,132	2,087,132	1,980,468	106,664
Total Expenditures	<u>2,228,780</u>	<u>2,228,780</u>	<u>2,125,111</u>	<u>103,669</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(680,455)</u>	<u>(224,544)</u>	<u>68,759</u>	<u>293,303</u>
Transfers in	455,911	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (224,544)</u>	<u>\$ (224,544)</u>	<u>68,759</u>	<u>\$ 293,303</u>
Reconciliation to GAAP Net Income:				
Net Income (Loss)			<u>\$ 68,759</u>	

City of Durango, Colorado
Technology Replacement Fund
Comparative Statement of Net Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 780,793	\$ 579,904
Accounts receivable	-	128
Depreciable capital assets, net	<u>87,173</u>	<u>134,346</u>
Total Assets	<u>867,966</u>	<u>714,378</u>
Net Position		
Net investment in capital assets	87,173	134,346
Unrestricted	<u>780,793</u>	<u>580,032</u>
Total Net Position	<u><u>\$ 867,966</u></u>	<u><u>\$ 714,378</u></u>

City of Durango, Colorado
Technology Replacement Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Charges for sales and services	\$ 4,312	\$ -
Services provided	185,155	204,219
Miscellaneous	512	738
Total Operating Revenues	<u>189,979</u>	<u>204,957</u>
Operating Expenses		
Non-departmental	11,654	8,537
Depreciation	59,166	43,151
Total Operating Expenses	<u>70,820</u>	<u>51,688</u>
Operating Income (Loss)	<u>119,159</u>	<u>153,269</u>
Non-Operating Revenues (Expenses)		
Investment earnings	34,429	20,249
Total Non-Operating Revenues (Expenses)	<u>34,429</u>	<u>20,249</u>
Change in Net Position	153,588	173,518
Net Position Beginning of Year	<u>714,378</u>	<u>540,860</u>
Net Position End of Year	<u><u>\$ 867,966</u></u>	<u><u>\$ 714,378</u></u>

City of Durango, Colorado
Technology Replacement Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 4,312	\$ 4,312	\$ 4,312	\$ -
Services provided	170,715	170,715	185,155	14,440
Miscellaneous	-	-	512	512
Investment earnings	5,000	5,000	34,429	29,429
Total Revenues	<u>180,027</u>	<u>180,027</u>	<u>224,408</u>	<u>44,381</u>
Expenditures				
Non-departmental	<u>122,506</u>	<u>122,506</u>	<u>11,654</u>	<u>110,852</u>
Total Expenditures	<u>122,506</u>	<u>122,506</u>	<u>11,654</u>	<u>110,852</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>57,521</u>	<u>57,521</u>	<u>212,754</u>	<u>155,233</u>
Reconciliation to GAAP Net Income:				
Add Depreciation			<u>(59,166)</u>	
Net Income (Loss)			<u>\$ 153,588</u>	

City of Durango, Colorado
Building Maintenance Fund
Comparative Statement of Net Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Equity in cash and cash equivalents	\$ 1,253,864	\$ 208,137
Accounts receivable	190,342	-
Intergovernmental	58,206	839,707
Construction in progress	455,536	-
Depreciable capital assets, net	<u>3,649,588</u>	<u>3,852,343</u>
Total Assets	<u>5,607,536</u>	<u>4,900,187</u>
Liabilities		
Accounts payable	39,060	281,821
Loan payable EPC short term	84,089	72,495
Interest payable EPC loan	135,499	137,947
Loan payable net of current portion	<u>3,929,555</u>	<u>4,013,645</u>
Total Liabilities	<u>4,188,203</u>	<u>4,505,908</u>
Net Position		
Net investment in capital assets	52,420	(515,619)
Unrestricted	<u>1,366,913</u>	<u>909,898</u>
Total Net Position	<u><u>\$ 1,419,333</u></u>	<u><u>\$ 394,279</u></u>

City of Durango, Colorado
Building Maintenance Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Charges for sales and services	\$ 9,517	\$ 8,425
Services provided	204,924	622,620
Miscellaneous	1,132,346	347
Total Operating Revenues	<u>1,346,787</u>	<u>631,392</u>
Operating Expenses		
Administration	226,061	296,257
Depreciation	202,755	202,755
Total Operating Expenses	<u>428,816</u>	<u>499,012</u>
Operating Income (Loss)	<u>917,971</u>	<u>132,380</u>
Non-Operating Revenues (Expenses)		
Intergovernmental grants	69,342	126,895
Investment earnings	200,923	4,063
Interest expense	(163,182)	(166,419)
Total Non-Operating Revenues (Expenses)	<u>107,083</u>	<u>(35,461)</u>
Change in Net Position	1,025,054	96,919
Net Position Beginning of Year	<u>394,279</u>	<u>297,360</u>
Net Position End of Year	<u><u>\$ 1,419,333</u></u>	<u><u>\$ 394,279</u></u>

City of Durango, Colorado
Building Maintenance Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 202,499	\$ -	\$ 9,517	\$ 9,517
Services provided	-	250,947	204,924	(46,023)
Miscellaneous	-	-	1,132,346	1,132,346
Intergovernmental grants	-	-	69,342	69,342
Investment earnings	-	-	200,923	200,923
Interest expense	-	-	(163,182)	(163,182)
Total Revenues	202,499	250,947	1,453,870	1,202,923
Expenditures				
Administration	253,406	2,786,951	226,061	2,560,890
Equipment maintenance	-	-	455,536	(455,536)
Total Expenditures	253,406	2,786,951	681,597	2,105,354
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,907)	(2,536,004)	772,273	3,308,277
Transfers in	48,448	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,459)	\$ (2,536,004)	772,273	\$ 3,308,277
Reconciliation to GAAP Net Income:				
Add Depreciation			(202,755)	
Remove Capital Outlay			455,536	
Net Income (Loss)			\$ 1,025,054	



STATISTICAL SECTION

This part of the City of Durango's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the city's most significant local revenue source, the sales and use tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debts in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 in 2003, schedules presenting government-wide information include information beginning in that year.

City of Durango, Colorado
Net Position by Component
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	Fiscal Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental activities										
Net investment in capital assets	\$ 160,730,499	\$ 168,087,849	\$ 171,770,608	\$ 173,568,700	\$ 181,849,022	\$ 181,356,264	\$ 178,280,480	\$ 190,621,675	\$ 204,963,181	\$ 240,278,070
Restricted	8,532,447	3,027,602	4,197,716	4,214,407	5,215,592	-	-	-	14,601,668	75,973,301
Unrestricted	<u>32,517,436</u>	<u>35,588,691</u>	<u>36,833,835</u>	<u>44,846,760</u>	<u>49,086,797</u>	<u>54,469,633</u>	<u>73,926,438</u>	<u>85,767,809</u>	<u>80,463,793</u>	<u>14,528,227</u>
Total governmental activities net position	<u>\$ 201,780,382</u>	<u>\$ 206,704,142</u>	<u>\$ 212,802,159</u>	<u>\$ 222,629,867</u>	<u>\$ 236,151,411</u>	<u>\$ 235,825,897</u>	<u>\$ 252,206,918</u>	<u>\$ 276,389,484</u>	<u>\$ 300,028,642</u>	<u>\$ 330,779,598</u>
Business-type activities										
Net investment in capital assets	\$ 65,312,858	\$ 72,528,998	\$ 79,246,150	\$ 83,552,646	\$ 91,928,606	\$ 93,005,512	\$ 93,331,244	\$ 96,321,284	\$ 98,219,945	\$ 98,498,859
Unrestricted	21,401,015	12,529,984	25,507,735	27,053,438	23,390,275	24,906,618	27,087,117	24,268,221	23,539,235	24,048,187
Restricted									<u>\$ 66,660</u>	<u>\$ 85,158</u>
Total business-type activities	<u>\$ 86,713,873</u>	<u>\$ 85,058,982</u>	<u>\$ 104,753,885</u>	<u>\$ 110,606,084</u>	<u>\$ 115,318,881</u>	<u>\$ 117,912,130</u>	<u>\$ 120,418,361</u>	<u>\$ 120,589,505</u>	<u>\$ 121,825,840</u>	<u>\$ 122,632,204</u>
Primary Government										
Net investment in capital assets	\$ 226,043,357	\$ 240,616,847	\$ 251,016,758	\$ 257,121,346	\$ 273,777,628	\$ 274,361,776	\$ 271,611,724	\$ 286,942,959	\$ 303,183,126	\$ 338,776,929
Restricted	8,532,447	3,027,602	4,197,716	4,214,407	5,215,592	-	-	-	14,668,328	76,058,459
Unrestricted	<u>53,918,451</u>	<u>48,118,675</u>	<u>62,341,570</u>	<u>71,900,198</u>	<u>72,477,072</u>	<u>79,376,251</u>	<u>101,013,555</u>	<u>110,036,030</u>	<u>104,003,028</u>	<u>38,576,414</u>
Total primary government net position	<u><u>\$ 288,494,255</u></u>	<u><u>\$ 291,763,124</u></u>	<u><u>\$ 317,556,044</u></u>	<u><u>\$ 333,235,951</u></u>	<u><u>\$ 351,470,292</u></u>	<u><u>\$ 353,738,027</u></u>	<u><u>\$ 372,625,279</u></u>	<u><u>\$ 396,978,989</u></u>	<u><u>\$ 421,854,482</u></u>	<u><u>\$ 453,411,802</u></u>

City of Durango, Colorado
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 9,568,011	\$ 8,855,109	\$ 9,889,447	\$ 10,838,196	\$ 9,981,486	\$ 10,475,430	\$ 20,384,036	\$ 21,972,918	\$ 24,929,146	\$ 23,123,687
Public safety	12,242,685	12,335,341	14,551,095	14,679,218	16,496,684	20,552,848	16,810,822	18,638,589	16,303,987	19,200,402
Public works	7,543,224	4,748,322	8,258,321	9,390,279	7,578,880	7,507,837	3,680,950	11,511,903	8,253,722	9,100,442
Parks and recreation	7,886,241	13,907,700	10,306,478	10,158,829	8,383,958	8,164,467	11,457,545	14,286,959	14,900,875	16,980,124
Library	2,123,310	2,198,153	2,275,892	2,785,741	2,617,126	2,784,402	2,586,645	2,895,409	3,519,607	3,610,294
Community services	1,432,160	1,323,105	1,168,207	1,302,020	2,162,734	1,581,703	1,657,463	1,201,350	1,548,162	1,584,964
Economic development	806,000	706,821	724,246	862,114	794,934	629,607	616,970	768,291	184,426	3,590
Non-departmental	-	-	-	-	-	-	-	-	2,394,786	2,002,636
Joint venture - Airport	-	300,236	-	-	1,775,445	2,337,808	-	-	-	-
Principal & Interest	1,136,023	794,394	666,491	570,216	446,713	417,616	395,806	375,264	454,271	542,388
Total governmental activities expenses	42,737,654	45,169,181	47,840,177	50,586,613	50,237,960	54,451,718	57,590,237	71,650,683	72,488,982	76,148,527
Business-type activities:										
Water utility	4,949,709	5,539,135	4,742,452	5,335,098	5,492,253	5,541,113	5,467,788	7,023,543	7,788,747	8,285,030
Sewer utility	3,662,081	5,207,201	5,107,230	5,402,629	7,584,020	8,739,271	8,210,361	8,273,737	7,875,191	8,591,479
Parking	-	-	-	-	152,132	155,784	-	-	-	-
Sustainable services / Trash & Recycle	2,397,968	2,566,943	2,838,228	2,856,608	2,709,293	2,937,392	3,432,888	3,502,546	3,964,113	4,335,496
Transportation services	3,771,789	3,769,823	3,359,309	3,606,291	3,356,843	4,077,783	4,659,398	5,056,802	5,852,318	6,501,324
Total business-type expenses	14,781,547	17,083,102	16,047,219	17,200,626	19,294,541	21,451,343	21,770,435	23,856,628	25,480,369	27,713,329
Total primary government expenses	\$ 57,519,201	\$ 62,252,283	\$ 63,887,396	\$ 67,787,239	\$ 69,532,501	\$ 75,903,061	\$ 79,360,672	\$ 95,507,311	\$ 97,969,351	\$ 103,861,856
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 1,774,979	\$ 1,711,347	\$ 3,228,028	\$ 4,646,606	\$ 5,054,779	\$ 4,058,162	\$ 205,486	\$ 154,211	\$ 2,347,187	\$ 3,927,022
Public safety	1,154,793	42,407	1,210,808	1,183,597	1,179,904	1,188,101	168,643	145,360	2,822,047	2,614,965
Public works	500	1,050	1,500	600	1,000	510	-	-	300	750
Parks and recreation	3,157,875	3,245,745	3,645,773	3,723,470	2,094,716	3,046,235	3,828,513	4,287,619	4,379,604	4,505,156
Library	19,558	-	25,817	23,349	2,885	2,089	2,797	1,955	2,349	2,536
Economic Development	-	-	-	-	7,638	51,929	-	-	-	15,556
Joint venture - airport	2,387,802	-	1,145,902	2,779,828	2,649,144	120,419	-	-	2,518,932	6,847,954
Operating grants and contributions	1,057,299	1,904,987	783,635	1,162,030	2,918,484	503,026	-	-	6,047,633	3,500,241
Capital grants and contributions	4,580,550	5,288,510	3,812,042	1,934,943	2,430,642	1,080,982	2,699,367	2,692,722	238,900	18,396,875
Total governmental activities program revenues	14,133,356	12,194,046	13,853,505	15,454,423	16,339,192	10,051,453	6,904,806	7,281,867	18,356,952	39,811,055
Business-type activities:										
Charges for services										
Water utility	6,088,731	6,627,997	7,736,203	6,766,656	8,067,785	7,732,940	5,661,435	5,686,502	5,629,485	5,761,393
Sewer utility	7,260,261	7,680,011	7,834,816	7,876,675	8,174,344	8,061,360	8,151,944	8,210,899	8,237,357	8,291,484
Parking	-	-	-	-	-	-	-	-	-	-
Sustainable services	2,261,480	2,467,388	2,714,050	2,916,117	3,061,918	3,199,038	3,346,881	3,408,423	3,540,505	3,511,377
Transportation Services	2,048,400	2,246,691	1,966,020	2,275,070	1,382,212	1,727,930	2,131,029	2,178,463	2,138,310	2,064,220
Operating grants and contributions	1,027,923	1,005,912	1,082,586	1,266,078	10,616	102,041	255,014	325,443	1,029,874	442,186
Capital grants and contributions	4,429,964	6,185,080	2,265,850	1,967,353	2,542,137	2,030,159	2,330,961	1,028,386	1,931,103	1,716,419
Total business-type activities program revenues	23,116,759	26,213,079	23,599,525	23,067,949	23,239,012	22,853,468	21,877,264	20,838,116	22,506,634	21,787,079
Total primary government program revenues	\$ 37,250,115	\$ 38,407,125	\$ 37,453,030	\$ 38,522,372	\$ 39,578,204	\$ 32,904,921	\$ 28,782,070	\$ 28,119,983	\$ 40,863,586	\$ 61,598,134

(continued)

City of Durango, Colorado
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

<i>(Continued)</i>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net (expense) revenue										
Governmental activities	\$ (28,604,298)	\$ (32,975,675)	\$ (33,986,672)	\$ (35,132,190)	\$ (33,898,768)	\$ (43,930,445)	\$ (40,803,360)	\$ (54,983,762)	\$ (54,132,030)	\$ (36,337,472)
Business-type activities	8,335,212	9,129,977	7,552,306	5,867,323	3,944,471	1,402,125	1,060,698	(2,339,883)	(2,973,735)	(5,926,250)
Total primary governmental net expense	<u>\$ (20,269,086)</u>	<u>\$ (23,845,698)</u>	<u>\$ (26,434,366)</u>	<u>\$ (29,264,867)</u>	<u>\$ (29,954,297)</u>	<u>\$ (42,528,320)</u>	<u>\$ (39,742,662)</u>	<u>\$ (57,323,645)</u>	<u>\$ (57,105,765)</u>	<u>\$ (42,263,722)</u>
General Revenues and Other Changes in										
Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ -	\$ 1,424,827	\$ 2,977,475	\$ 3,011,855	\$ 3,207,880	\$ 3,271,933	\$ 3,034,732	\$ 3,039,906	\$ 3,422,947	\$ 3,507,007
Sales and use taxes	24,549,475	25,510,996	25,554,110	28,433,421	30,897,881	35,994,275	37,950,782	39,531,347	40,160,709	41,487,129
Shared sales taxes	3,854,966	4,077,966	4,045,539	4,432,322	5,055,318	5,945,741	6,324,980	6,461,453	6,503,753	6,716,169
Other shared taxes	1,979,176	2,063,007	2,097,138	2,232,115	2,106,311	2,188,710	3,201,232	2,931,237	2,997,119	3,218,013
Lodgers' taxes	1,062,509	1,067,684	1,035,151	1,098,958	750,023	2,428,667	4,335,457	3,857,524	4,005,891	4,022,697
Other taxes	1,149,102	1,026,266	1,195,532	1,307,271	1,024,846	1,051,557	1,984,985	2,276,259	1,630,241	1,460,901
Franchise fees and occupational taxes	1,532,637	1,547,100	1,497,396	1,514,111	1,052,583	1,064,214	1,801,135	1,666,089	1,588,570	1,513,956
Gain/loss on disposal of capital assets	2,395	-	6,090	1,176	225,622	(8,944)	182,100	2,599,126	(537,845)	348,012
Investment earnings	198,604	145,168	276,091	588,877	223,309	(2,919)	894,693	2,890,799	2,792,847	2,772,718
Miscellaneous	1,333,735	1,968,521	1,475,496	2,135,938	2,777,019	3,038,517	2,697,083	10,470,888	4,963,899	3,568,260
Transfers	(363,373)	(191,011)	(250,000)	(350,000)	(87,500)	(477,417)	(847,572)	418,425	(2,210,779)	(1,526,434)
Total governmental activities	<u>\$ 35,299,226</u>	<u>\$ 38,640,524</u>	<u>\$ 39,910,018</u>	<u>\$ 44,406,044</u>	<u>\$ 47,233,292</u>	<u>\$ 54,494,334</u>	<u>\$ 61,559,607</u>	<u>\$ 76,143,053</u>	<u>\$ 65,317,352</u>	<u>\$ 67,088,428</u>
Business-type activities:										
Gain/loss on disposal of capital assets	\$ 110,239	\$ -	\$ 21,186	\$ -	\$ (34,315)	66,600	-	(5,928)	984	\$ 1,881,862
Investment earnings	130,115	174,242	393,793	520,909	156,382	211,104	692,433	1,230,921	1,101,988	1,133,406
Miscellaneous	311,502	294,822	357,432	274,962	558,759	436,003	255,014	1,384,559	866,733	2,190,912
Transfers	363,373	191,011	250,000	350,000	87,500	477,417	847,572	(418,425)	2,210,779	1,526,434
Total business-type activities	<u>\$ 915,229</u>	<u>\$ 660,075</u>	<u>\$ 1,022,411</u>	<u>\$ 1,145,871</u>	<u>\$ 768,326</u>	<u>\$ 1,191,124</u>	<u>\$ 1,795,019</u>	<u>\$ 2,191,127</u>	<u>\$ 4,180,484</u>	<u>\$ 6,732,614</u>
Total Primary Government	<u>\$ 36,214,455</u>	<u>\$ 39,300,599</u>	<u>\$ 40,932,429</u>	<u>\$ 45,551,915</u>	<u>\$ 48,001,618</u>	<u>\$ 55,685,458</u>	<u>\$ 63,354,626</u>	<u>\$ 78,334,180</u>	<u>\$ 69,497,836</u>	<u>\$ 73,821,042</u>
Change in Net Position										
Governmental activities	\$ 6,694,928	\$ 5,664,849	\$ 5,923,346	\$ 9,273,854	\$ 13,334,524	\$ 10,563,889	\$ 20,756,247	\$ 21,159,291	\$ 11,185,322	\$ 30,750,956
Business-type activities	9,250,441	9,790,052	8,574,717	7,013,194	4,712,797	2,593,249	2,855,717	(148,756)	1,206,749	806,364
Total Primary Government	<u>\$ 15,945,369</u>	<u>\$ 15,454,901</u>	<u>\$ 14,498,063</u>	<u>\$ 16,287,048</u>	<u>\$ 18,047,321</u>	<u>\$ 13,157,138</u>	<u>\$ 23,611,964</u>	<u>\$ 21,010,535</u>	<u>\$ 12,392,071</u>	<u>\$ 31,557,320</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003

City of Durango, Colorado
Fund Balances of Governmental Funds
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General fund										
Non-spendable	\$ 49,977	\$ 51,539	\$ 69,880	\$ 57,311	\$ 658,711	\$ 1,338,045	\$ 391,885	\$ 391,885	\$ 661,676	\$ 379,398
Restricted	1,448,321	1,479,416	1,580,768	1,747,322	1,718,717	1,928,144	1,757,067	2,132,696	2,126,869	2,099,785
Committed	153,335	146,407	124,197	124,837	80,901	81,586	1,686	-	-	-
Assigned	841,280	684,432	1,088,811	63,478	1,487,101	8,828,769	10,524,038	10,811,468	11,020,650	7,566,269
Unassigned	4,173,476	4,106,955	4,583,723	8,312,876	11,335,865	7,642,156	10,425,017	3,081,012	27,979	-
Total General Fund	<u>\$ 6,666,389</u>	<u>\$ 6,468,749</u>	<u>\$ 7,447,379</u>	<u>\$ 10,305,824</u>	<u>\$ 15,281,295</u>	<u>\$ 19,818,700</u>	<u>\$ 23,099,693</u>	<u>\$ 16,417,061</u>	<u>\$ 13,837,174</u>	<u>\$ 10,045,452</u>
All other governmental funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	7,282,374	1,623,824	2,809,046	289,980	3,554,403	4,122,285	6,537,005	1,146,064	1,606,638	62,393,793
Committed	6,720,670	9,544,754	8,082,415	9,478,548	6,177,395	10,880,295	19,471,607	36,243,980	32,495,215	30,401,399
Assigned	(165,881)	40,054	41,315	9,711	8,275	6,947	-	-	-	1,051,600
Unassigned	(239,508)	(68,553)	-	(430,489)	(12,654)	-	-	-	-	-
Total all other governmental funds	<u>\$ 13,597,655</u>	<u>\$ 11,140,079</u>	<u>\$ 10,932,776</u>	<u>\$ 9,347,750</u>	<u>\$ 9,727,419</u>	<u>\$ 15,009,527</u>	<u>\$ 26,008,612</u>	<u>\$ 37,390,044</u>	<u>\$ 34,101,853</u>	<u>\$ 93,846,792</u>

City of Durango, Colorado
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues										
Taxes	\$ 34,611,683	\$ 35,957,074	\$ 37,466,900	\$ 40,978,772	\$ 43,858,498	\$ 51,771,136	\$ 58,784,850	\$ 59,462,673	\$ 59,057,488	\$ 60,840,958
Special Assessments	21,832	19,156	12,971	-	-	6,850	-	-	-	-
Intergovernmental	7,535,413	3,837,102	3,973,751	4,383,810	5,316,993	2,814,208	4,406,510	8,789,678	10,091,469	9,253,805
Licenses and permits	642,712	920,358	769,516	740,108	638,933	700,271	631,900	802,374	655,548	743,178
Charges for services	4,334,873	4,808,904	5,047,270	6,539,922	4,852,108	5,962,108	5,956,759	6,676,960	6,076,804	8,962,151
Fines and forfeitures	244,388	188,606	186,064	138,544	62,661	66,551	159,893	141,827	139,046	134,193
Investment earnings	198,604	133,946	276,091	588,877	177,650	(18,836)	740,087	2,457,004	2,391,755	2,166,974
Miscellaneous	1,353,983	1,988,147	1,566,737	2,135,938	2,020,385	1,920,364	1,762,279	1,956,141	3,535,393	4,560,931
Total Revenues	\$ 48,943,488	\$ 47,853,293	\$ 49,299,300	\$ 55,505,971	\$ 56,927,228	\$ 63,222,652	\$ 72,442,278	\$ 80,286,657	\$ 81,947,503	\$ 86,662,190
Expenditures										
General government	\$ 7,814,532	\$ 8,217,052	\$ 8,091,890	\$ 8,519,852	\$ 6,956,815	10,071,464	13,226,550	20,602,691	22,465,679	\$ 21,042,157
Public safety	12,076,794	12,335,341	14,551,095	14,558,963	15,188,575	15,798,021	16,490,683	17,862,478	20,449,550	20,099,443
Public works	8,657,493	4,748,322	4,393,110	3,634,304	3,370,776	6,280,628	4,514,892	7,457,251	11,181,161	15,064,972
Parks and recreation	7,886,241	8,616,568	11,186,165	8,146,656	6,265,879	8,965,742	10,312,176	12,416,309	16,449,258	21,419,744
Library	2,123,310	2,198,153	2,275,892	2,383,009	2,210,082	2,366,421	2,699,397	2,974,661	3,086,040	3,222,882
Community Services	1,432,160	1,323,105	1,168,207	1,302,020	2,162,734	1,763,657	1,657,463	1,201,350	1,548,162	1,584,964
Economic development	806,000	706,821	724,246	862,114	794,934	629,607	616,970	768,291	20,000	3,590
Non-departmental	1,586,592	1,563,947	1,684,325	1,833,941	1,753,736	2,067,697	2,609,294	2,704,674	2,875,776	3,651,890
Operating capital	3,088,627	5,948,601	420,241	7,208,024	13,341,534	2,366,958	1,268,042	6,232,846	4,975,099	5,199,956
Debt service										
Principal	1,915,000	2,965,000	3,170,000	2,105,000	2,175,000	2,215,000	2,275,000	2,330,000	2,380,000	6,040,000
Interest	1,057,091	868,500	637,233	511,742	449,942	400,527	349,802	298,537	245,568	135,191
Total Expenditures	\$ 48,443,840	\$ 49,491,410	\$ 48,302,404	\$ 51,065,625	\$ 54,670,007	\$ 52,925,722	\$ 56,020,269	\$ 74,849,088	\$ 85,676,293	\$ 97,464,789
Excess of revenues over (under) expenditures	\$ 499,648	\$ (1,638,117)	\$ 996,896	\$ 4,440,346	\$ 2,257,221	\$ 10,296,930	\$ 16,422,009	\$ 5,437,569	\$ (3,728,790)	\$ (10,802,599)
Other financing sources (uses)										
Issuance of debt	\$ 9,580,000	\$ 10,310,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,000,000
Premium on issuance of debt	(10,409,413)	(10,258,338)	-	-	-	-	-	-	-	5,958,142
Lease	-	-	-	-	-	-	-	-	388,066	960,207
Transfers in	9,314,997	13,499,941	8,094,955	8,022,312	8,803,682	6,840,086	6,576,820	13,491,090	4,151,275	8,617,691
Transfers out	(9,564,997)	(13,749,941)	(8,344,955)	(8,372,312)	(8,891,182)	(7,317,503)	(7,424,392)	(13,072,665)	(6,678,629)	(9,780,224)
Sale of capital assets	2,395	21,718	6,090	1,176	-	-	-	-	-	-
Total other financing sources (uses)	\$ (1,077,018)	\$ (176,620)	\$ (243,910)	\$ (348,824)	\$ (87,500)	\$ (477,417)	\$ (847,572)	\$ 418,425	\$ (2,139,288)	\$ 66,755,816
Net Change in Fund Balances	\$ (577,370)	\$ (1,814,737)	\$ 752,986	\$ 4,091,522	\$ 2,169,721	\$ 9,819,513	\$ 15,574,437	\$ 5,855,994	\$ (5,868,078)	\$ 55,953,217
Debt service as a percentage of noncapital expenditures	7.7%	9.6%	8.9%	6.3%	6.8%	5.5%	5.2%	3.4%	3.1%	8.5%

City of Durango, Colorado
General Governmental Tax Revenues by Source
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property & SOT</u>	<u>City Sales Tax</u>	<u>City Use Tax</u>	<u>County Shared Sales Tax</u>	<u>Franchise & Business</u>	<u>Lodgers Tax</u>	<u>Other Taxes</u>	<u>Total</u>
2016	\$ 1,382,357	\$ 23,152,987	\$ 1,307,583	\$ 3,854,966	\$ 1,688,010	\$ 1,062,509	\$ 2,074,366	\$ 34,522,778
2017	\$ 1,424,827	\$ 23,719,956	\$ 1,791,040	\$ 4,077,966	\$ 1,722,803	\$ 1,067,684	\$ 2,152,795	\$ 35,957,071
2018	\$ 2,977,475	\$ 23,809,794	\$ 1,611,519	\$ 4,045,539	\$ 1,672,067	\$ 1,035,151	\$ 2,182,558	\$ 37,334,103
2019	\$ 3,011,855	\$ 26,945,036	\$ 1,488,385	\$ 4,432,322	\$ 1,692,419	\$ 1,098,958	\$ 2,309,797	\$ 40,978,772
2020	\$ 3,207,880	\$ 29,048,819	\$ 1,849,062	\$ 5,055,318	\$ 1,760,040	\$ 750,023	\$ 2,187,356	\$ 43,858,498
2021	\$ 3,271,933	\$ 34,302,037	\$ 1,692,238	\$ 5,945,741	\$ 1,845,991	\$ 2,428,667	\$ 2,284,529	\$ 51,771,136
2022	\$ 3,273,181	\$ 36,318,924	\$ 1,631,858	\$ 6,324,980	\$ 1,801,135	\$ 4,335,457	\$ 3,201,232	\$ 56,886,767
2023	\$ 3,039,906	\$ 36,966,440	\$ 2,564,909	\$ 6,461,453	\$ 1,666,089	\$ 3,857,523	\$ 2,931,237	\$ 57,487,557
2024	\$ 3,422,947	\$ 37,911,790	\$ 2,231,981	\$ 6,503,753	\$ 1,588,570	\$ 4,005,891	\$ 3,392,556	\$ 59,057,488
2025	\$ 3,822,034	\$ 38,999,220	\$ 2,170,558	\$ 6,716,169	\$ 1,513,956	\$ 4,022,697	\$ 3,911,351	\$ 61,155,985

Notes:

- Effective June 1, 2018, the City increased the city mill levy rate from 2.5007 to 5.0007.
- Effective July 1, 2021, the City increased the Lodgers' Tax percentage from 2.0% to 5.25%.

City of Durango, Colorado
City Sales and Use Tax Revenue
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

Fiscal Year	General City Sales and Use Tax	Recreation Complex/Trails Sales and Use Tax	Open Space, Parks and Trails Sales and Use Tax	Capital Improvements Sales and Use Tax	Streets Improvements Sales and Use Tax	Total Revenue	Total Direct Tax Rate
2016	\$ 16,308,028	\$ 4,077,494	\$ 2,037,524	\$ 2,037,524	\$ -	\$ 24,460,570	3.0%
2017	\$ 16,775,259	\$ 4,194,347	\$ 2,095,914	\$ 2,095,914	\$ -	\$ 25,161,434	3.0%
2018	\$ 15,873,878	\$ 3,969,148	\$ 1,983,384	\$ 1,983,384	\$ -	\$ 23,809,794	3.0%
2019	\$ 17,423,706	\$ 4,348,889	\$ 2,173,024	\$ 2,173,023	\$ 2,314,779	\$ 28,433,421	3.5%
2020	\$ 17,754,153	\$ 4,382,264	\$ 2,189,600	\$ 2,189,600	\$ 4,382,264	\$ 30,897,881	3.5%
2021	\$ 20,617,505	\$ 5,126,787	\$ 2,561,598	\$ 2,561,598	\$ 5,126,787	\$ 35,994,275	3.5%
2022	\$ 21,568,747	\$ 5,423,894	\$ 2,782,536	\$ 2,740,436	\$ 5,499,489	\$ 38,015,102	3.5%
2023	\$ 22,598,099	\$ 5,645,733	\$ 2,820,891	\$ 2,820,891	\$ 5,645,735	\$ 39,531,349	3.5%
2024	\$ 22,937,217	\$ 5,736,855	\$ 2,866,422	\$ 2,866,422	\$ 5,736,855	\$ 40,143,771	3.5%
2025	\$ 26,508,321	\$ 5,865,404	\$ 2,930,649	\$ 2,930,649	\$ 5,865,404	\$ 44,100,427	3.5%

Notes:

- The Recreation Complex/Trails sales and use tax (0.5%) became effective on June 1, 1999 and sunsets on December 31, 2019.
- The Open Space, Parks and Trails sales and use tax (0.25%) and the Capital Improvements sales and use tax (0.25%) were effective July 1, 2005 and sunset on December 31, 2026.

City of Durango, Colorado
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>La Plata County</u>	<u>State of Colorado</u>
2016	3.0%	2.0%	2.9%
2017	3.0%	2.0%	2.9%
2018	3.0%	2.0%	2.9%
2019	3.5%	2.0%	2.9%
2020	3.5%	2.0%	2.9%
2021	3.5%	2.0%	2.9%
2022	3.5%	2.0%	2.9%
2023	3.5%	2.0%	2.9%
2024	3.5%	2.0%	2.9%
2025	3.5%	2.0%	2.9%

Note:

The city sales tax rate may be increased only with the approval of the city voters.

City of Durango, Colorado
Principal Sales Tax Remitters
Last Ten Fiscal Years (Unaudited)

<u>Classification of Individual Business</u>	<u>2025 Sales Tax Remitted</u>	<u>Percentage of Total Tax Remitted</u>	<u>2025 Rank</u>	<u>2016 Sales Tax Remitted</u>	<u>Percentage of Total Tax Remitted</u>	<u>2016 Rank</u>
Department Stores	4,123,343	9.12%	1	2,688,721	11.06%	1
Hardware & Lumber	3,243,896	7.18%	2	995,876	4.10%	3
Grocery & Drug	2,004,367	4.44%	3	1,162,448	4.78%	2
Grocery & Drug	973,667	2.15%	4	921,744	3.79%	4
Hotels & Motels	926,008	2.05%	5	429,012	1.76%	7
Grocery & Drug	717,834	1.59%	6	500,844	2.06%	6
Utilities & Telecom	703,729	1.56%	7	537,478	2.21%	5
Automotive	612,914	1.36%	8	273,911	1.13%	10
Grocery & Drug	507,227	1.12%	9	411,504	1.69%	8
Hotels & Motels	467,292	1.03%	10	302,449	1.24%	9
Total City Sales Tax Collected by 10 Largest Businesses	<u><u>\$ 14,280,277</u></u>	<u><u>31.6%</u></u>		<u><u>\$ 8,223,987</u></u>	<u><u>33.8%</u></u>	
Total City Sales Tax Collected by All Businesses	<u><u>\$ 45,192,475</u></u>	<u><u>100%</u></u>		<u><u>\$ 24,310,846</u></u>	<u><u>100%</u></u>	

Source: City of Durango Finance Department

Notes: Figures are based on cash basis remittances. Includes Sales Tax, Use Tax, and Lodgers Tax

The names of the ten largest remitters are confidential pursuant to the City Charter.

The business classification has been substituted for the name of the business.

City of Durango, Colorado
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities				Business-type Activities	Total	Percentage of Estimated Actual Taxable	
	Sales and Use	Certificates	Energy Performance Contract Lease	Lease	Water & Sewer		Value of	Per
	Tax Revenue	of	Purchase	Agreements	Fund	Primary	Property ¹	Capita ²
	Bonds	Participation	Agreement		Loans	Government		
2016	\$ 24,181,490	\$ 2,500,000	\$ -	\$ -	\$ 65,660,219	\$ 92,341,709	2.45%	5,101
2017	\$ 21,745,726	\$ 2,400,000	\$ -	\$ -	\$ 63,137,297	\$ 87,283,023	2.28%	4,717
2018	\$ 18,670,000	\$ 2,295,000	\$ -	\$ -	\$ 6,513,091	\$ 27,478,091	2.13%	4,413
2019	\$ 16,675,000	\$ 2,185,000	\$ -	\$ -	\$ 57,837,153	\$ 76,697,153	1.86%	4,154
2020	\$ 14,615,000	\$ 2,070,000	\$ -	\$ -	\$ 55,110,240	\$ 71,795,240	1.71%	3,763
2021	\$ 12,515,000	\$ 1,955,000	\$ -	\$ -	\$ 52,338,480	\$ 66,808,480	1.54%	3,475
2022	\$ 10,360,000	\$ 1,835,000	\$ -	\$ 416,971	\$ 46,759,644	\$ 59,371,615	1.09%	3,065
2023	\$ 8,155,000	\$ 1,710,000	\$ 4,174,462	\$ 294,078	\$ 44,959,018	\$ 59,292,558	1.18%	2,727
2024	\$ 5,905,000	\$ 1,580,000	\$ 4,086,140	\$ 380,558	\$ 42,168,247	\$ 54,119,945	0.83%	1,251
2025	\$ 66,925,040	\$ 1,445,000	\$ 4,013,644	\$ 940,307	\$ 39,333,990	\$ 112,657,981	1.59%	2,605

¹ Personal income data is not available at the municipal level for the City of Durango. The estimated taxable value of property has been used instead. Data for actual taxable value was obtained from the La Plata County Assessor's Office and is detailed on the schedule of Property Value and Construction.

² See the Schedule of Demographic and Economic Statistics for population data.

Note:

- Details regarding the city's outstanding debt can be found in the notes to the financial statements.

City of Durango, Colorado
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2016	\$	- \$	- \$	- \$	-
2017	\$	- \$	- \$	- \$	-
2018	\$	- \$	- \$	- \$	-
2019	\$	- \$	- \$	- \$	-
2020	\$	- \$	- \$	- \$	-
2021	\$	- \$	- \$	- \$	-
2022	\$	- \$	- \$	- \$	-
2023	\$	- \$	- \$	- \$	-
2024	\$	- \$	- \$	- \$	-
2025	\$	- \$	- \$	- \$	-

Notes:

- Details regarding the city's outstanding debt can be found in the notes to the financial statements.
- The city did not have any general obligation bonds outstanding in the last ten fiscal years.

City of Durango, Colorado
Direct and Overlapping Governmental Activities Debt
As of December 31, 2025 (Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u> ¹	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
School District 9-R	\$ 219,820,000	44.1%	\$ 96,940,620
Other debt			
La Plata County Certificates of Participation	\$ 138,460	34.8%	\$ 48,184
Subtotal, overlapping debt			\$ 96,988,804
City direct debt			\$ 11,951,698
Total direct and overlapping debt			\$ 108,940,502

¹ The estimated percentage applicable for debt repaid with property taxes is calculated using the property value of the overlapping area and the overlapping government. The estimated percentage applicable for other debt is calculated using the estimated population totals for the overlapping area and the overlapping government.

Source:

Assessed valuation data was obtained from the LaPlata County Assessor's certificates of value.

Notes:

- Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city.
- This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Durango.
- This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.
- This does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Durango, Colorado
Legal Debt Margin Information
Last Ten Fiscal Years (Unaudited)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Debt limit	\$ 52,671,610	\$ 54,941,624	\$ 55,446,342	\$ 55,463,420	\$ 59,460,416	\$ 59,907,752	\$ 59,882,242	\$ -	\$ 67,514,988	\$ 68,337,232
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 52,671,610</u>	<u>\$ 54,941,624</u>	<u>\$ 55,446,342</u>	<u>\$ 55,463,420</u>	<u>\$ 59,460,416</u>	<u>\$ 59,907,752</u>	<u>\$ 59,882,242</u>	<u>\$ -</u>	<u>\$ 67,514,988</u>	<u>\$ 68,337,232</u>
Legal debt margin as a percentage of the debt limit	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed value	
Debt limit (10% of assessed valuation)	-
Debt applicable to limit:	-
General obligation bonds	-
Less: amount set aside for repayment	-
Total net debt applicable to limit	-
Legal Debt Margin	\$ -

Note:

Under the provisions of the City of Durango Charter, Article IV, Section 21, the aggregate amount of bonds or other forms of indebtedness payable in whole or in part from the proceeds of ad valorem taxes, or to which the full faith and credit of the City are pledged (excluding such debt relating to water and excluding securities issued under Section 23) shall not exceed ten.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Bonds- Series 2007
Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>Pledged Sales Tax</u>	<u>Pledged Use Tax</u>	<u>Revenue Available for Debt Service</u>	<u>Debt Service</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2016	-	-	-	-	- \$	-	-
2017	-	-	-	-	- \$	-	-
2018	-	-	-	-	- \$	-	-
2019	-	-	-	-	- \$	-	-
2020	-	-	-	-	- \$	-	-
2021	-	-	-	-	- \$	-	-
2022	-	-	-	-	- \$	-	-
2023	-	-	-	-	- \$	-	-
2024	-	-	-	-	- \$	-	-
2025	-	-	-	-	- \$	-	-

Note:

- The pledged revenue for the Series 2007 issue is fifty percent of a one-half cent sales and use tax increase that became effective in July 2005. The pledged taxes sunset December 31, 2026. These are held in the Capital Improvements Fund. These bonds were refinanced in 2016.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Bonds- Series 2008
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Pledged Sales Tax	Pledged Use Tax	Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2016	\$ 15,436,263	\$ 871,765	\$ 16,308,028	\$ 1,040,000	\$ 133,238	\$ 1,173,238	13.90
2017	\$ 15,581,172	\$ 1,194,087	\$ 16,775,259	\$ 1,085,000	\$ 91,638	\$ 1,176,638	14.26
2018	\$ 15,873,878	\$ 1,074,400	\$ 16,948,278	\$ 1,135,000	\$ 48,238	\$ 1,183,238	14.32
2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

Note:

- The pledged revenue for the Series 2008 issue is the General Fund two percent sales and use tax.
- The bonds were paid in full during 2018.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Bonds- Series 2009
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Pledged Sales Tax	Pledged Use Tax	Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2016	\$ 15,436,263	\$ 871,765	\$ 16,308,028	\$ 775,000	\$ 554,198	\$ 1,329,198	12.27
2017	\$ 15,581,172	\$ 1,194,087	\$ 16,775,259	\$ 800,000	\$ 529,010	\$ 1,329,010	12.62
2018	\$ 15,873,878	\$ 1,074,400	\$ 16,948,278	\$ 830,000	\$ 65,525	\$ 895,525	18.93
2019	\$ 16,381,884	\$ 1,009,212	\$ 17,391,096	\$ 860,000	\$ 34,400	\$ 894,400	19.44
2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

Note:

- The pledged revenue for the Series 2009 issue the General Fund two percent sales and use tax.
- The bonds were paid in full in 2019.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Bonds- Series 2017
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Pledged Sales Tax	Pledged Use Tax	Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2018	\$ 15,873,878	\$ 716,267	\$ 16,590,145	\$ 100,000	\$ 249,758	\$ 349,758	47.43
2019	\$ 16,381,884	\$ 576,693	\$ 16,958,577	\$ 120,000	\$ 241,977	\$ 361,977	46.85
2020	\$ 19,211,723	\$ 579,571	\$ 19,791,294	\$ 1,020,000	\$ 239,133	\$ 1,259,133	15.72
2021	\$ 22,789,259	\$ 457,420	\$ 23,246,679	\$ 1,040,000	\$ 214,960	\$ 1,254,960	18.52
2022	\$ 24,095,557	\$ 440,366	\$ 24,535,923	\$ 1,070,000	\$ 190,331	\$ 1,260,331	19.47
2023	\$ 24,644,292	\$ 856,744	\$ 25,501,036	\$ 1,095,000	\$ 164,952	\$ 1,259,952	20.24
2024	\$ 25,274,528	\$ 668,355	\$ 25,942,883	\$ 1,120,000	\$ 139,001	\$ 1,259,001	20.61
2025	\$ 25,999,480	\$ 627,425	\$ 26,626,905	\$ 4,745,000	\$ 56,228	\$ 4,801,228	5.55

Note:

-The pledged revenue for the Series 2017 issue the General Fund two percent sales and use tax.

-These bonds were paid in full in 2025.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Note- Series 2016
Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>Pledged Sales Tax</u>	<u>Pledged Use Tax</u>	<u>Revenue Available for Debt Service</u>	<u>Debt Service</u>		<u>Total</u>	<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>		
2015	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
2016	\$ 1,928,602	\$ 108,922	\$ 2,037,524	\$ -	\$ -	-	-
2017	\$ 1,946,721	\$ 149,493	\$ 2,096,214	\$ 980,000	\$ 195,432	1,175,432	1.78
2018	\$ 1,983,384	\$ 134,239	\$ 2,117,623	\$ 1,000,000	\$ 175,440	1,175,440	1.80
2019	\$ 2,046,925	\$ 126,098	\$ 2,173,023	\$ 1,015,000	\$ 155,040	1,170,040	1.86
2020	\$ 2,057,577	\$ 132,023	\$ 2,189,600	\$ 1,040,000	\$ 133,334	1,173,334	1.87
2021	\$ 2,440,772	\$ 120,826	\$ 2,561,598	\$ 1,070,000	\$ 190,312	1,260,312	2.03
2022	\$ 2,593,849	\$ 116,198	\$ 2,710,047	\$ 1,085,000	\$ 91,494	1,176,494	2.30
2023	\$ 2,637,757	\$ 183,134	\$ 2,820,891	\$ 1,110,000	\$ 69,360	1,179,360	2.39
2024	\$ -	\$ -	\$ -	\$ 1,160,000	\$ 46,716	1,206,716	2.43

Note:

- The pledged revenue for the Series 2007 issue is fifty percent of a one-half-cent sales and use tax increase that became effective in July 2005.
- The pledged taxes sunset on December 31, 2026. They are held in the Capital Improvements Fund.
- These bonds were paid in full in 2025.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Bonds- Series 2025
Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>Pledged Sales Tax</u>	<u>Pledged Use Tax</u>	<u>Revenue Available for Debt Service</u>	<u>Debt Service</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2025	452,842.00	2,776.00	\$ 455,618		\$	-	

Note:

Principle and Interest are not payable until June 1, 2026 and semiannually thereafter on each December 1 and June 1.

The Bonds are special, limited obligations of the City payable solely from and secured by an irrevocable lien (but not an exclusive lien) on the Pledged Revenues (defined herein). Pledged Revenues consist of revenues derived from a combined 2.25% sales and use tax consisting of the City's 2.0% base sales and use tax and by an additional 0.25% Capital Improvements sales and use tax which was extended at the Election.

City of Durango, Colorado
Demographic and Economic Statistics
Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>City Population¹</u>	<u>La Plata County Population¹</u>	<u>La Plata Co. Personal Income²</u>	<u>La Plata Co Per capita Personal Income²</u>	<u>Durango Per capita Personal Income²</u>	<u>Unemployment Rate³</u>	<u>Median Age⁴</u>	<u>K-12 Enrollment⁵</u>	<u>Higher Education Enrollment⁶</u>
2016	18,101	55,623	2,925,107	52,588		2.4%	38.8	5,053	3,585
2017	18,503	55,589	2,932,803	52,795		2.6%	39.0	5,251	3,598
2018	18,465	56,310	3,142,492	55,807		3.1%	40.0	5,419	3,356
2019	19,117	56,221	3,272,944	58,216		2.5%	39.8	5,545	3,310
2020	19,078	55,638	2,271,199	40,821		7.3%	40.8	6,931	3,443
2021	19,223	56,250	2,279,756	40,529		3.5%	41.3	5,797	3,550
2022	19,531	68,794	3,893,740	56,600		2.8%	36.0	6,980	3,360
2023	19,743	56,407	2,529,064	44,836		3.0%	36.5	5,595	3,425
2024	19,811	56,823	2,597,777	45,717	43,252	4.0%	37.2	5,267	3,392
2025	19,733	56,898	2,808,087	49,353	48,642	3.8%	38.3	4282	3457

¹ U.S. Census Bureau

² U.S. Census Bureau - Per capita income for La Plata County in past 12 months (in 2025 dollars),

³ U.S. Bureau of Labor Statistics - data for La Plata County as of December 2025

⁵ Colorado Department of Education pupil membership data Durango 9-R

⁶ Higher Education Enrollment is for Fort Lewis College only

City of Durango, Colorado
Principal Employers
Current Year and Nine Years Ago (Unaudited)

<u>Employer</u>	<u>Type of Business</u>	2025			2016		
		<u>FT & PT Number of Employees</u>	<u>Percentage of Total County Employment</u>	<u>Rank</u>	<u>Number of Employees</u>	<u>Percentage of Total County Employment</u>	<u>Rank</u>
Southern Ute Tribe	Government	1,228	3.46%	1	795	2.75%	4
City of Durango	Government	1,097	3.09%	2	546	1.89%	7
CommonSpirit - Mercy Medical Center	Health	901	2.54%	3	860	2.98%	2
Fort Lewis College	Government-Education	675	1.90%	5	660	2.29%	6
Durango School District 9R	Government-Education	650	1.83%	4	853	2.96%	3
La Plata County	Government	450	1.27%	6	434	1.50%	8
Wal-Mart	Retailer	437	1.23%	7			
Purgatory Recreational Management	Recreation	394	1.11%	8	1,000	3.46%	1
Southwest Conservation Corps	Nonprofit Organization	300	0.85%	9			
Durango&Silverton Narrow Gauge RR	Retailer	250	0.70%	10			
Southern Ute Lodge & Casino	Government				425	1.47%	9
Mercury Payments (Later Vantiv)	Finance	-	-	-	365	1.26%	10
Crossfire	Energy	-	-	-	705	2.44%	5
Total		6,382	17.98%		6,643	23.02%	
Total Employment for La Plata County		35,502	100%		28,861	100%	

Notes:

- Employer data is not available at the municipal level, so data presented is for La Plata County.

- Number of employees are estimates according to websites

Source: US Census Bureau for Total employment for La Plata County.

City of Durango, Colorado
Property Value and Construction
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Property Value ¹			Commercial Construction ²		New Residential & Other Construction ²	
	<u>Commercial</u>	<u>Residential</u>	<u>Total</u>	<u>Number of Permits</u>	<u>Value</u>	<u>Number of Permits(Units)</u>	<u>Value</u>
2016	\$ 1,039,534,330	\$ 2,729,145,880	\$ 3,768,680,210	7	\$ 2,164,878	434 (111)	\$ 37,586,147
2017	\$ 1,047,965,070	\$ 2,786,167,240	\$ 3,834,132,310	12	\$ 27,641,356	533 (355)	\$ 56,964,095
2018	\$ 1,047,711,180	\$ 2,786,423,670	\$ 3,834,134,850	10	\$ 21,990,065	571 (124)	\$ 37,190,578
2019	\$ 1,104,836,000	\$ 3,017,104,310	\$ 4,121,940,310	9	\$ 7,092,303	539 (89)	\$ 45,984,765
2020	\$ 1,117,497,080	\$ 3,076,277,520	\$ 4,193,774,600	56	\$ 18,311,601	399 (96)	\$ 20,249,153
2021	\$ 1,084,916,620	\$ 3,254,749,280	\$ 4,339,665,900	40	\$ 13,651,770	485 (130)	\$ 49,335,624
2022	\$ 1,182,346,740	\$ 3,387,930,680	\$ 4,570,277,420	10	\$ 373,587	145(185)	\$ 35,012,082
2023	\$ 1,348,198,110	\$ 4,111,989,590	\$ 5,460,187,700	31	\$ 45,225,654	140 (260)	\$ 37,317,666
2024	\$ 2,303,764,520	\$ 4,197,064,240	\$ 6,500,828,760	31	\$ 32,187,893	262(177)	\$ 85,918,636
2025	\$ 2,331,295,220	\$ 4,751,563,260	\$ 7,082,858,480	79	\$ 26,507,772	289 (219)	\$ 45,936,911

¹ Estimated actual value was obtained from the La Plata County Assessor's Office.

² Per the City of Durango Planning and Community Development Department.

City of Durango, Colorado
Full-time Regular City Government Employees by Function/Program
Last Ten Fiscal Years (Unaudited)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Function/Program										
General Government	69.42	72.55	72.55	79.75	82.75	96.00	93.90	85.00	115.00	87.00
Public Safety	87.00	88.00	88.00	88.00	89.00	73.00	95.79	87.50	77.00	80.00
Public Works	23.00	23.10	24.10	24.10	24.10	43.00	35.30	43.40	34.00	49.00
Parks and Recreation	32.00	33.00	38.00	38.00	39.00	43.00	39.80	41.00	46.00	44.00
Library	20.50	20.50	20.00	20.00	21.00	20.00	21.00	18.00	21.00	21.00
911 Communications										17.00
Joint Venture Airport	23.00	23.00	23.00	23.00	23.00	21.00	22.00	21.00	22.00	22.00
Water Utility	21.80	21.35	20.25	18.00	18.00	21.00	17.75	15.30	25.00	21.00
Sewer Utility	17.80	21.35	23.45	21.90	21.90	18.00	20.50	17.30	16.00	25.00
Sustainable Services	13.34	13.15	13.15	12.00	12.00	12.00	13.00	12.00	12.00	17.00
Parking & Transportation Services	32.00	32.25	27.25	26.00	26.00	35.00	33.00	35.50	38.00	41.00
Prosperity Office										15.00
Total	339.86	348.25	349.75	350.75	356.75	382.00	392.04	376.00	406.00	439.00

Source:
City Finance Department

Notes:

- The General Government function includes internal service funds full-time employees. Represents full time, benefited positions for each year presented.
- The Airport is jointly owned by the City and the County. The City took over the management responsibility for operations of the airport in 2003.
- In 2025 Prosperity Office was established and merged from Durango Tourism

City of Durango, Colorado
Operating Indicators by Function/Program
Last Ten Fiscal Years (Unaudited)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Government										
Building permits issued	441	545	581	515	455	456	400	333	293	368
Value of buildings (millions of dollars)	40	85	59	80	39	40	25	87	63	72
Building construction inspections	1,126	1,100	1,177	1,139	901	1,137	823	746	841	2,863
Acres annexed	3,655.90	91.41	1,994.80	3.21	3.21	3.03	9.59	1,870.95	1,928.00	14.70
Area in square miles	19.57	13.98	17.07	17.10	17.10	17.10	17.12	20.03	20.09	20.11
Public Safety										
Total number of police incidents	40,673	38,705	37,106	32,233	32,682	39,163	43,695	43,877	43,604	47,639
Number of 911 calls received	20,195	19,644	19,995	20,169	21,967	18,136	21,544	21,419	19,112	18,060
Public Works										
Street miles swept	12,100	13,594	12,286	11,093	11,886	10,134	5,885	10,250	10,900	11,284
Tons hot mix applied	339	407	360	345	197	158	102	236	135	42
Signs replaced/installed	1,933	1,750	1,314	1,314	1,589	1,142	1,046	1,110	1,709	1,881
Snow hauled (cubic yards)	17,620	11,970	566	27,161	1,775	10,810	2,260	19,508	6,921	3,055
Parks and Recreation										
Recreation Center admissions	370,376	370,385	386,613	379,483	141,231	211,502	305,645	341,527	366,177	361,551
Program participants	38,373	42,795	88,714	124,725	18,220	61,822	24,650	23,630	29,299	25,023
Park & river permits issued	303	288	226	217	92	178	182	220	160	185
Library										
Number of volumes/materials	116,455	118,413	120,185	114,202	104,067	95,178	98,609	103,720	111,856	94,971
Number of volumes/materials digital										7,958
Collection use	408,506	402,591	412,874	420,978	210,024	263,720	303,486	322,436	397,009	346,497
Water utility										
Gallons of water treated (MG)	1,232	1,225	1,218	1,177	1,253	1,364	1,298	1,248	1,271	1,256
Number of water consumers	6,410	6,432	7,023	7,327	7,450	7,334	7,359	7,512	7,421	7,869
Water main breaks	32	24	61	17	32	26	10	16	24	42
Water service line breaks										31
Sewer utility										
Gallons of wastewater treated (MG)	730	717	542	590	570	599	299	560	528	619
Average daily use (MG)	1.996	1.935	1.488	1.604	14.556	1.637	1,600	1,535	1,442	1,472
Solid waste										
Commercial accounts	571	589	600	617	632	634	698	630	713	771
Commercial Recycle Accounts										729
Residential	4,746	4,991	5,111	5,153	5,187	5,248	5,328	5,350	5,380	5,376
Residential Recycle Accounts										4,873
Cubic yards of refuse hauled	25,146	26,145	25,510	24,300	25,875	25,818	6,848	25,004	24,887	25,623
Tons of recyclables diverted from landfill	4,215	4,260	3,451	3,336	3,223	3,471	425	3,200	3,040	5,602
Utility Accounts										
New additional utility accounts										58.0
Total utility accounts									7,811	7,869
Public transit										
Passengers	470,703	478,358	359,368	373,845	232,798	243,989	329,743	425,244	458,061	470,023
Cost per trip (dollars)	4.95	4.47	6.54	3.77	7.97	8.38	6.65	5.97	6.78	9.00

Sources:

City department managers and December department monthly reports.

City of Durango, Colorado
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years (Unaudited)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Public Safety										
Number of police vehicles	38	39	39	39	36	38	39	41	44	48
Public Works										
Miles of streets	77.2	77.2	77.2	77.2	77.4	79.6	78.0	83.0	83.0	83.0
Parks and Recreation										
Parkland-developed acres	193.7	197.6	197.6	197.5	197.5	197.5	267.0	267.0	309.0	309.0
Parkland- undeveloped acres	109.9	108.1	108.1	108.1	108.1	108.1	7.0	7.0	7.0	7.0
Open space -acres	3,005	4,994	4,994	4,994	3,039	3,349	3,290	3,337	3,410	3,725
Number of playgrounds	19	22	22	22	22	22	23	22	22	22
Library										
Number of libraries	1	1	1	1	1	1	1	1	1	1
Water utility										
Miles of water lines	145.6	146.4	146.4	149.2	149.2	153.2	150.0	151.5	151.6	151.6
Sewer utility										
Miles of sewer lines	104.7	107.1	107.1	107.1	107.1	108.4	105.00	108.80	105.00	105.00
Parking										
Number of parking lots	4	4	4	4	4	4	4	4	4	4
Solid waste										
Transfer station	1	1	1	1	1	1	1	1	1	1
Recycling center	1	1	1	1	1	1	1	1	1	1
Public transit										
Number of buses	16	16	13	13	12	13	13	16	15	16



COMPLIANCE SECTION

LOCAL HIGHWAY FINANCE REPORT			STATE: COLORADO	
THIS INFORMATION FROM THE RECORDS OF:		PREPARED BY:		REPORT YEAR ENDING DATE(mm/yyyy):
City of Durango		Helen Bruckbauer Helen.Bruckbauer@durangoco.gov		12/2025
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Total (1 - (2 through 4))				
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL				
ITEM	AMOUNT	ITEM	AMOUNT	
A.3. Other Local Imposts:		A.4. Miscellaneous Local Receipts:		
a. Property Taxes and Assessments	5,865,404	a. Interest on investments		
b. Non-property Taxes and Assessments Imposts	400,822	b. Other Misc. Local Receipts	4,634,274	
c. Total (a + b)	6,266,226	c. Total (a + b)	4,634,274	
ITEM	AMOUNT	ITEM	AMOUNT	
C. Receipts from State Government		D. Receipts from Federal Government		
1. Highway-user Taxes (from Item I.C.5.)	703,039	1. FHWA (from Item I.D.5.)		
2. State General Funds		2. Other Federal Agencies:		
3. Other State funds:				
a. State Bond Proceeds				
b. Non-State Bond Proceeds	67,925			
c. Total (a + b)	67,925			
4. Total (1 + 2 + 3c)	770,964	3. Total (1 + 2)	\$	-
III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL				
ITEM	AMOUNT			
A.1. Capital outlay:				
a. Right-Of-Way Costs				
b. Engineering Costs				
c. Construction Costs	9,237,450			
d. Total Capital Outlay (a+ b + c)	9,237,450			

LOCAL HIGHWAY FINANCE REPORT

STATE:

COLORADO

REPORT YEAR ENDING DATE(mm/yyyy):

12/2025

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	2,156,216
3. Other Local Imposts (from page 1, Item II.A3.c)	\$ 6,266,226
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	\$ 4,634,274
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a + b + c)	\$ -
7. Total (1 through 6)	\$ 13,056,716
B. Private Contributions	\$ 5,834,740
C. Receipts from State government (from page 1, Item II.C.4)	\$ 770,964
D. Receipts from Federal government (from page 1, Item II.D.3)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 19,662,420

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	\$ 9,237,450.00
2. Maintenance:	2,118,764.00
3. Road and Street Services:	
a. Snow and Ice Removal	827,067.00
b. Other & Traffic Control Operations	387,190.00
c. Total (a + b)	\$ 1,214,257.00
4. General Administration & Miscellaneous	989,561.00
5. Highway Law Enforcement and Safety	241,218.00
6. Total (1 through 5)	\$ 13,801,250.00
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	56,228.00
b. Redemption	4,745,000.00
c. Total (a + b)	\$ 4,801,228.00
2. Notes:	
a. Interest	55,300.00
b. Redemption	135,000.00
c. Total (a + b)	\$ 190,300.00
3. Total (1c + 2c)	\$ 4,991,528.00
C. Payments to State for Highways	
D. Payments to Toll Facilities	
E. Total Expenditures (A6 + B3 + C + D)	\$ 18,792,778.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	4,745,000	\$ -	\$ 4,745,000	\$ -
1. Bonds (Refunding Portion)		\$ -		
B. Notes (Total)	1,580,000	\$ -	\$ 135,000	\$ 1,445,000