Annual Comprehensive Financial Report
Year Ended December 31, 2025

City of Steamboat Springs, Colorado

Prepared by the Finance Department

City of Steamboat Springs, Colorado

Table of Contents

December 31, 2025

Introductory Section

Letter of Transmittal I

GFOA Certificate of Achievement VI

Organizational Chart VII

Principal Officers VIII

Financial Section

Independent Auditor's Report 1

Management's Discussion and Analysis 5

Basic Financial Statements

- Government-Wide Financial Statements
  - Statement of Net Position 18
  - Statement of Activities 19
- Fund Financial Statements
  - Governmental Funds
    - Balance Sheet 20
    - Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 21
    - Statement of Revenues, Expenditures, and Changes in Fund Balances 22
    - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 23
  - Proprietary Funds
    - Statement of Net Position 24
    - Statement of Revenues, Expenses and Changes in Fund Net Position 25
    - Statement of Cash Flows 26
  - Fiduciary Fund
    - Statement of Fiduciary Net Position 27
    - Statement of Changes in Fiduciary Net Position 28

Notes to Financial Statements 29

Required Supplementary Information

- Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
  - General Fund 69
  - Major Special Revenue Funds
    - Steamboat Springs Redevelopment Authority Fund 70
    - Fire and EMS Tax Fund 71
    - Community Housing Fund 72
    - Short-Term Rental Tax Fund 73
- Notes to the Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual 74
- Statewide Retirement Pension Plan
  - Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset) 75
  - Schedule of Pension Contributions 76
  - Notes to the Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset) and Schedule of Pension Contributions 77
- Volunteer Fire Department Pension Plan
  - Schedule of Changes in Net Pension Liability and Related Ratios 78
  - Schedule of Contributions 79

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Contributions 80
Other Supplementary Information
Schedules of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Capital Projects Funds
Capital Projects Fund 81
Accommodations Tax Capital Projects Fund 82
Schedules of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual (Non-GAAP Budgetary Basis)
Enterprise Funds
Utility Fund 83
Airport Fund 84
Golf Fund 85
Internal Service Fund
Fleet Fund 86
Steamboat Springs Local Marketing District Component Unit Fund Financial Statements
Balance Sheet 87
Statement of Revenues, Expenditures, and Changes in Fund Balances 88
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual 89
Local Highway Finance Report 90
Statistical Section
Introduction to Statistical Section 92
Financial Trends
Components of Net Position – Accrual Basis of Accounting 93
Changes in Net Position – Accrual Basis of Accounting 94
Fund Balances of Governmental Funds – Modified Accrual Basis of Accounting 96
Changes in Fund Balances of Governmental Funds – Modified Accrual Basis of Accounting 97
Revenue Capacity
Taxable Retail Sales by Industry 98
Direct and Overlapping Sales Tax Rates 99
Sales Tax by Industry, for Tax Returns Filed for the Given Year 100
Debt Capacity
Outstanding Debt by Type and Debt Ratios 101
Computation of Direct and Overlapping Governmental Activities Debt 103
Legal Debt Margin 104
Pledged Revenue Coverage 105
Demographic and Economic Information
Demographic and Economic Statistics 107
Principal Employers 108
Operating Information
Full and Part-Time Equivalent City Government Employees by Function 109
Operating Indicators by Function 110
Capital Assets Statistics by Function 111

Introductory Section
Year Ended December 31, 2025

City of Steamboat Springs, Colorado

City of Steamboat Springs

September 15, 2026

To the City Council and Citizens of the City of Steamboat Springs:

State Law requires that all general-purpose local governments publish within 240 days of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Steamboat Springs for the fiscal year ended December 31, 2025.

This report consists of management's representations concerning the finances of the City of Steamboat Springs (the "City"). Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Eide Bailly LLP, a firm of licensed certified public accountants. The objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2025, are free of material misstatement. The independent audit was conducted in accordance with GAAS and Government Auditing Standards and involved professional judgment and skepticism in identifying and assessing risks to design audit procedures to include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2025, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP 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 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.

General

The City of Steamboat Springs was incorporated in 1900 as a municipal corporation and a statutory town under the constitution and laws of the State of Colorado until 1973, when the electors of the town, pursuant to the home rule provisions of Article XX of the State Constitution, adopted the original Charter of the City. The City is a "home rule" city, and its Charter governs all local and municipal matters.

The Constitution of the State reserves to the City certain powers, including the power to issue, refund and liquidate municipal obligations and the power to assess property in the City for municipal taxation, and the power to levy and collect taxes on such property for municipal purposes.

The City encompasses over 6,500 acres and is located in the northwestern portion of the State at an altitude of 6,700 feet above sea level, on the western slope of the Rocky Mountains, 160 miles northwest of Denver. The City is the population center and county seat of Routt County, Colorado (the "County") with approximately 13,300 residents. The City serves as the headquarters for Routt National Forest. Approximately half of the land in the County is public land, with approximately 40% in the Routt National Forest.

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City Council and Administration
The City operates under a council-manager form of government, whereby the City Council constitutes the City's legislative and governing body. The City Council consists of seven members, with two council members elected from each of the City's three districts and one member elected from the City at large. Each district council member is elected for a four-year term and the council member elected at large is elected for a two-year term. The City Council elects a chairperson who acts as the President of the City Council and serves at the pleasure of City Council for a two-year term. The President is the official head of the City for the purpose of presiding at all meetings of the City Council and executing legal instruments. The Council President is recognized as the head of the City government for all ceremonial and legal purposes.

The City Council appoints boards and commissions, the City Manager, the City Attorney, and the Municipal Judge. The City Manager is the administrative head of the government and is responsible for the administration and execution of all affairs of the City. The City Manager's duties include: enforcing the laws and ordinances of the City; hiring, suspension, and removal of City employees; preparing a balanced budget annually and submitting it to the City Council and administering the budget after its adoption; preparing and submitting to the City Council as of the end of the fiscal year a complete report on finances and administrative activities of the City for the preceding year; keeping the City Council advised of the financial condition of the City; establishing a system of accounting and auditing for the City in accordance with generally accepted accounting principles, exercising supervision and control over all departments, and performing such duties as may be prescribed by the Charter, by ordinance or required by the City Council.

As a supplement to internal controls, the City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. The level of budgetary control at which expenditures cannot legally exceed the appropriated amount is established at the individual fund level. This means that management cannot overspend a fund budget without the approval of City Council.

The City provides its citizens with fire and police protection, emergency medical services, a general aviation airport, parks and recreation, golf course, rodeo arena, ski area, ice arena, parking and traffic management, judicial and legislative services, streets and highways, public works and improvements, planning and zoning, free transit system, cultural events and general administrative services. The City also provides for wastewater treatment and water and sewer distribution services.

The City operates on a calendar year basis. The City Manager is required to prepare and submit to the City Council not less than 75 days prior to the beginning of the fiscal year a balanced budget and accompanying explanation. The budget must provide a complete financial plan of all City funds and activities for the ensuing fiscal year, contain a general summary of its contents, and show comparative figures for income and expenditures of the preceding fiscal year.

A public hearing on the proposed budget and proposed capital program is required to be held by the City Council before the final adoption. After the public hearing, the City Council may adopt the budget with or without amendment. The City Council must adopt the budget by ordinance on or before the first day of the new fiscal year. Adoption of the budget by the City Council constitutes appropriation of the amounts specified therein as expenditures from the funds indicated. For fiscal year 2025, the City adopted budgets for the following funds: General Fund, Steamboat Springs Redevelopment Authority Fund, Fire and EMS Fund, Community Housing Fund, Short-Term Rental Tax Fund, Capital Projects Fund, Accommodations Tax Capital Projects Fund, Utility Fund, Airport Fund, Golf Fund, and Fleet Fund.

Local Economy
The City of Steamboat Springs is a major tourist destination resort known across the country and world as a great place for skiing, biking and other winter and summer outdoor recreation. Tourism is a major revenue driver of many local businesses; however, the City continues to develop a diverse, year-round economy with a variety of strong industry sectors such as energy production and exploration, location-neutral businesses, outdoor recreation equipment and clothing, construction, and regional health care. As the population has grown in the past two decades, the economy continues to expand as residents enjoy a wonderful place to live, work and play. The City serves as the regional economic center for Northwest Colorado as its largest city.

Relevant Financial Policies
The City has a comprehensive set of financial policies. These policies require a Stabilization Reserve equal to 25% of the prior year's General Fund expenditures be held in unassigned fund balance. The Stabilization Reserve is designated for budget stabilization during revenue downturns. The financial policies also include budget policies, revenue policies, investment policies, debt management policies, and a section pertaining to arbitrage compliance.

Long Term Financial Planning and Major Initiatives
The City prepares a six-year capital improvement plan each year that serves as its planning document to ensure that its facilities, equipment and infrastructure are well maintained and in safe operating condition. It is funded from a combination of dedicated taxes, grants, contributions, transfers from the General Fund and reserves. Taxes earmarked for capital improvements are building use and excise taxes and a 1% franchise fee for under-grounding of utilities.

City Council established two-year goals in 2026. Those goals are as follows:

1. Diverse Housing Options
   - Complete the Brown Ranch Community Solutions Project by developing a Brown Ranch governance structure and launch land use scenario planning.

   - Deploy Short-term Rental Tax (STR) Funds and adopt policies expeditiously in accordance with Housing Opportunities Strategic Plan:
     - Develop and launch a Purchase of Deed Restriction Pilot Program.
     - Develop and launch a Short-Term Rental Tax Fund Rolling Solicitation Program.
     - Develop and adopt an Inclusionary Zoning and/or Linkage Program.

   - Position the City to benefit from State funding opportunities for affordable and attainable housing:
     - Complete Housing Needs Assessment.
     - Update Housing Strategic Plan.
     - Amend Steamboat Springs Community Plan to include a Strategic Growth Element and Water Supply Element.

   - Pursue infill development opportunities for affordable/attainable housing:
     - Assemble the Campbell and Colorado Department of Transportation (CDOT) parcels and develop a community-informed master plan of the "Stockbridge Campus" by the first quarter of 2027 to guide future development of affordable housing with consideration for workforce housing, older adult services, and multi-modal transportation.

2. Transportation and Mobility
   - Support Advancement of Regional Transportation Authority (RTA):
     - Assuming the RTA eventually takes over the regional bus service, create a transition plan for assets. Assets include vehicles, spare parts, and the Regional Transit Facility.
     - Begin planning on possible shared resource opportunities with the RTA.

   - Increase intra-city mobility with multi-modal transportation:
     - Utilize 2026 SB-230 funding to increase local bus service frequency and capacity during the summer season.
     - Utilize 2026-2027 SB-230 funding, Steamboat Ski & Resort Corporation (SSRC) and Federal Grants to purchase 7 hybrid/electric buses.
     - Utilize 2027 SB-230 funding to operate the "Copper Zone" micro-transit system in the west side of town within the City limits.

   - Improve pedestrian and bicycle safety throughout the community:
     - Construct the West Steamboat Trail.
     - Utilizing the Sidewalk Master Plan and the Transportation and Mobility Plan, continue consideration of capital improvement projects for pedestrian and bicycle enhancements within the budget cycle.

- Utilizing the Sidewalk Master Plan and the Transportation and Mobility Plan, continue to incorporate pedestrian and bicycle enhancements in all City capital improvement projects.
- Explore traffic control/red light camera options with CDOT to reduce pedestrian related traffic incidents in a measurable manner.

3. Fiscal Sustainability and Financial Stewardship
   - Evaluate revenue generating tools in the context of current taxing structure – look at City finances holistically:
     - Develop the stormwater utility management plan.
     - Work to identify a problem statement with respect to municipal finances. Determine if the goal is greater diversification, additional revenue, stability of revenue sources, and/or dedicated funding for specific items. Evaluate solutions based on identified problem statement.
     - Evaluate consolidating Steamboat Springs Fire Department with the Steamboat Springs Area Fire Protection District.

   - Follow best practices for transparency for government spending:
     - Complete OpenGov integration with Workday and provide expenditure transaction detail online for the community by June 2026.
     - Utilize Enterprise Resource Planning (ERP) Software (Workday) to continue implementation of government best practices.
     - City Council updates during City Manager's Report (quarterly) beginning in second quarter of 2026.
     - Create a quarterly financial report published for the community by the end of 2026.

   - Codify the dimensional/development standard recommendations in the Downtown Plan to ensure continued economic vibrancy in downtown Steamboat Springs.

4. Environmental Sustainability
   - Implement the Climate Action Plan (CAP) and water conservation measures:
     - Hire a water conservation coordinator.
     - Update the landscaping code to strengthen water conservation and wildfire resiliency and provide technical assistance and training.
     - Develop a unified water conservation program with Mt. Werner Water with an updated website, branding, and resourced/materials.
     - Implement the Water Smart Parks Strategy improving irrigation efficiency and reducing outdoor water use in all City parks, medians, etc.
     - Implement Decarbonization Roadmap for City Facilities:
       - Complete Geothermal Feasibility Study for Public Works and Howelsen Ice Arena/Parks and Recreation Office.
       - Implement geothermal projects according to the findings of the feasibility study.
       - Complete building electrification projects/HVAC upgrades including Centennial Hall, Community Center, Public Works Shop, and Transit Operations.
       - Implement energy efficiency improvements for aging City facilities.
       - Continue implementation of the Electric Vehicle Readiness Plan approved in 2021 and the Electric Vehicle Policy approved in August of 2024.

   - Build environmental sustainability into systems and decision making:
     - Establish a policy for publicly funded projects to incorporate sustainability/resiliency design criteria subject to funding constraints.

5. Community Engagement & Public Outreach
   - Develop and implement communications and engagement strategic plan:
     - Develop and implement communications and engagement strategic plan to strengthen transparency, trust, and civic engagement across the organization.

- Humanize the City by focusing on purposeful and consistent engagement through existing efforts, including Coffee with Council, Farmer's Market, Civic Connections, City Newsletter, and the proposed monthly Pilot column.
- Continue ongoing community engagement efforts to connect with vulnerable communities and to educate the public.

Awards and Acknowledgements

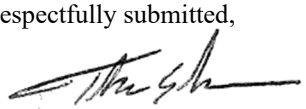
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Steamboat Springs for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2024. This was the thirty-sixth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes the current report continues to conform to the Certificate of Achievement Program requirements and will submit this ACFR to the GFOA to determine eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the City's finance department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report.

A special thanks to you, the reader, for taking an interest in the City of Steamboat Springs.

Respectfully submitted,





Tom Leeson
City Manager

Kim Weber
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Steamboat Springs
Colorado

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

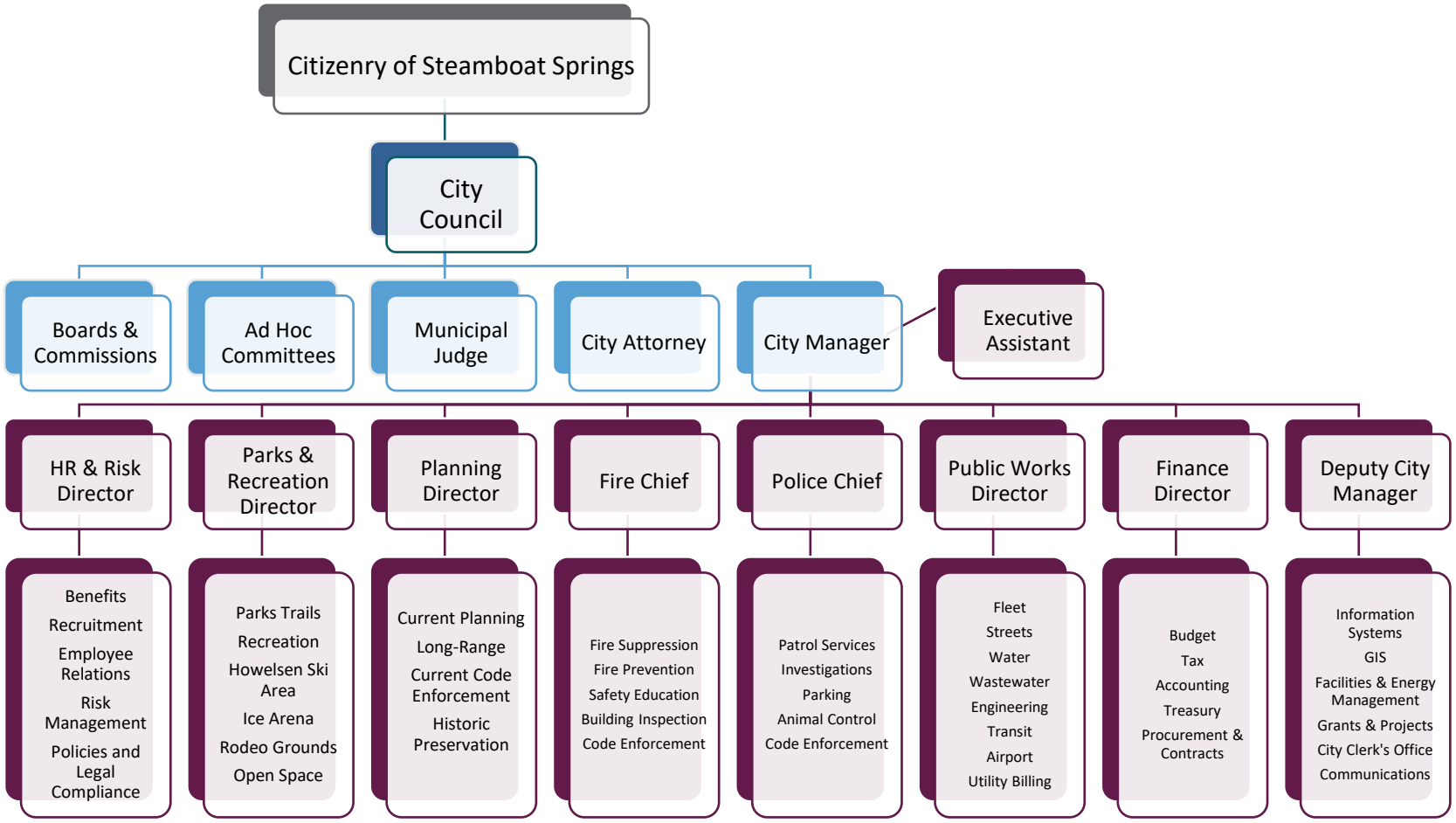
Christopher P. Morrill

Executive Director/CEO

City of Steamboat Springs, Colorado

Organizational Chart

December 31, 2025



City of Steamboat Springs, Colorado

Principal Officers

December 31, 2025

City Council

Steve Muntean
Council President
District II

Bryan Swintek
Council Member
District I

Amy Dickson
Council Member
District III

Gail Garey
President Pro Tem
District I

John Agosta
Council Member
District III

Michael Buccino
Council Member
District II

Dave Barnes
Council Member
At-Large

City Administration

Tom Leeson
City Manager

Teresa Long
Executive Assistant/Special Events Coordinator

Kelly Romero-Heaney
Deputy City Manager

Michael Lane
Marketing & Communications Manager

Mark Beckett
Police Chief

Tasha Murphy
HR & Risk Director

Rebecca Bessy
Director of Planning Services & Community Development

Stephanie Munro
Interim Director of Parks and Recreation

Chuck Cerasoli
Fire Chief

Jon Snyder
Director of Public Works

Julie Franklin
City Clerk

Kim Weber
Director of Financial Services

Legal and Court

Dan Foote
City Attorney

Paul Sachs
Municipal Court Judge

Financial Section
Year Ended December 31, 2025

City of Steamboat Springs, Colorado

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

Independent Auditor's Report

To the City Council
City of Steamboat Springs, 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 Steamboat Springs, Colorado (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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 audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 one year after the date that the financial statements are available to be issued, 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 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, budgetary comparison information and pension schedules 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 individual fund financial statements and schedules and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information as referred to above is 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 and statistical section 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 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 September 15, 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.

Eide Bailly LLP

Denver, Colorado
September 15, 2026

As the financial management team of the City of Steamboat Springs, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here as well as the information in the letter of transmittal found earlier in this document.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $435,102,264 (*net position*). Of this amount, $95,660,597 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by $33,509,039 from the prior year. $19,260,783 of this increase is attributable to an increase in the City's investment in capital assets. This includes a significant investment in Phase 1 of the Pine Grove Road reconstruction, the Grit Bay building improvement project, the Parks & Recreation Smart irrigation project, Airport runway rehabilitation, water main replacements, and wastewater treatment facility improvements.
- The City's governmental funds reported a combined ending fund balance of $130,277,199 which is an increase of $16,614,345 from the prior year. The increase in total governmental funds at fiscal year-end is primarily due to a $18,925,990 increase in the short-term rental tax fund.
- The general fund unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) increased by $3,216,716 bringing it from $23,690,243 to $26,906,969. The increase is attributable to spending being less than was budgeted. Overall, general fund revenues were $1,674,809 greater than budgeted and general fund expenditures were less than budget by $3,801,429.The unrestricted fund balance for the capital projects fund decreased by $10,099,725 bringing it from $45,872,431 to $35,772,706. The decrease is attributable to the commitment of fund balance to complete the major capital projects described above.
- The City's total outstanding long-term debt and unamortized premium increased by $403,062 (1.2%) due to regular debt service payments offset by the recording of a new subscription-based IT agreement (SBITA) for the implementation of Workday, a new City-wide enterprise resource planning (ERP) application.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the City's assets, liabilities, deferred inflows/outflows 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 is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid time off).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, transportation services, parks and recreation, planning and interest on long-term debt. The major business-type activities of the City include water and wastewater utilities, an airport, and a golf course.

The government-wide financial statements include not only the City of Steamboat Springs itself (known as the *primary government*), but also the Local Marketing District, a legally separate entity, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Steamboat Springs Redevelopment Authority, although also legally separate, functions for all practical purposes as a department of the City and therefore is included as an integral part of the primary government.

Fund Financial Statements

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

Governmental Funds

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

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

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, Accommodations Tax Capital Projects Fund, the Steamboat Springs Redevelopment Authority, the Fire and EMS Tax Fund, and the Community Housing Fund and Short-Term Rental Tax Fund, all of which are considered major funds.

The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for each of the governmental funds to demonstrate compliance with these budgets. The City also adopts annual appropriated budgets for all its proprietary funds. Budgetary comparison statements have been provided for these funds in the Individual Fund Financial Statements and Schedules section to demonstrate compliance with their respective budgets.

Proprietary Funds

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 to account for its utility activities, its airport operation, and a golf course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its fleet of vehicles and major equipment. Because fleet services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City collects a half-cent sales tax to be used for educational purposes and forwards these funds to the Steamboat Springs Education Fund, a private non-profit organization.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At December 31, 2025, assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources.

City of Steamboat Springs' Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	$ 157,598,077	$ 140,855,222	$ 25,750,925	$ 24,838,263	$ 183,349,002	$ 165,693,485
Capital assets	213,056,965	199,342,525	86,958,011	83,728,662	300,014,976	283,071,187
Total assets	370,655,042	340,197,747	112,708,936	108,566,925	483,363,978	448,764,672
Deferred Outflows of Resources	1,714,528	2,027,836	2,152,272	2,074,979	3,866,800	4,102,815
Liabilities						
Other liabilities	9,978,477	9,409,441	1,790,409	2,560,021	11,768,886	11,969,462
Long-term liabilities	25,364,270	24,318,170	7,308,001	7,951,039	32,672,271	32,269,209
Total liabilities	35,342,747	33,727,611	9,098,410	10,511,060	44,441,157	44,238,671
Deferred Inflows of Resources	7,376,346	6,827,769	311,011	207,822	7,687,357	7,035,591
Net position						
Net investment in capital assets	189,150,436	174,129,606	80,760,067	76,520,114	269,910,503	250,649,720
Restricted	67,320,414	42,570,080	2,210,750	2,210,750	69,531,164	44,780,830
Unrestricted	73,179,627	84,970,517	22,480,970	21,192,158	95,660,597	106,162,675
Total net position	$ 329,650,477	$ 301,670,203	$ 105,451,787	$ 99,923,022	$ 435,102,264	$ 401,593,225

The largest portion of the City's net position ($269,910,503 or 62.0%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related outstanding debt used to acquire those assets. The City uses these tangible capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves are not expected to be used to liquidate these liabilities.

The remaining 38.0% of the City's net position can be broken down into two categories. The City's restricted net position of $69,531,164 (16.0%) represents resources that are subject to external restrictions on how they may be used. These include restrictions for specific purposes such as debt service, capital projects, or emergency reserves restricted by law. The remaining net position of $95,660,597 (22.0%) is unrestricted which may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is reporting positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

City of Steamboat Springs' Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024*	2025	2024	2025	2024*
Revenues						
Program revenues						
Charges for services	$ 8,872,316	$ 7,116,760	$ 16,929,095	$ 13,463,172	$ 25,801,411	$ 20,579,932
Operating grants and contributions	6,062,186	5,200,745	334,772	334,947	6,396,958	5,535,692
Capital grants and contributions	1,788,754	9,751,484	2,018,511	3,541,168	3,807,265	13,292,652
General revenues						
Sales and use taxes	49,907,224	51,741,734	-	-	49,907,224	51,741,734
Accommodations taxes	17,622,891	17,410,261	-	-	17,622,891	17,410,261
Other taxes	11,045,193	12,716,083	-	-	11,045,193	12,716,083
Unrestricted investment earnings	5,960,137	6,816,907	866,662	1,010,018	6,826,799	7,826,925
Miscellaneous	-	150,715	-	56,723	-	207,438
Total revenues	101,258,701	110,904,689	20,149,040	18,406,028	121,407,741	129,310,717
Expenses						
General government	19,799,201	20,445,755	-	-	19,799,201	20,445,755
Public safety	16,583,162	15,732,294	-	-	16,583,162	15,732,294
Public works	12,779,651	8,745,540	-	-	12,779,651	8,745,540
Transportation services	8,525,721	7,961,475	-	-	8,525,721	7,961,475
Parks and recreation	12,543,071	11,312,147	-	-	12,543,071	11,312,147
Planning	2,214,662	1,858,324	-	-	2,214,662	1,858,324
Interest	689,827	648,802	-	-	689,827	648,802
Utility	-	-	8,832,210	11,291,253	8,832,210	11,291,253
Airport	-	-	2,053,904	1,952,483	2,053,904	1,952,483
Golf	-	-	3,877,293	2,652,806	3,877,293	2,652,806
Total expenses	73,135,295	66,704,337	14,763,407	15,896,542	87,898,702	82,600,879
Excess before transfers	28,123,406	44,200,352	5,385,633	2,509,486	33,509,039	46,709,838
Transfers	(143,132)	(525,862)	143,132	525,862	-	-
Change in net position	27,980,274	43,674,490	5,528,765	3,035,348	33,509,039	46,709,838
Beginning net position	301,670,203	257,995,713	99,923,022	96,887,674	401,593,225	354,883,387
Ending net position	$ 329,650,477	$ 301,670,203	$ 105,451,787	$ 99,923,022	$ 435,102,264	$ 401,593,225

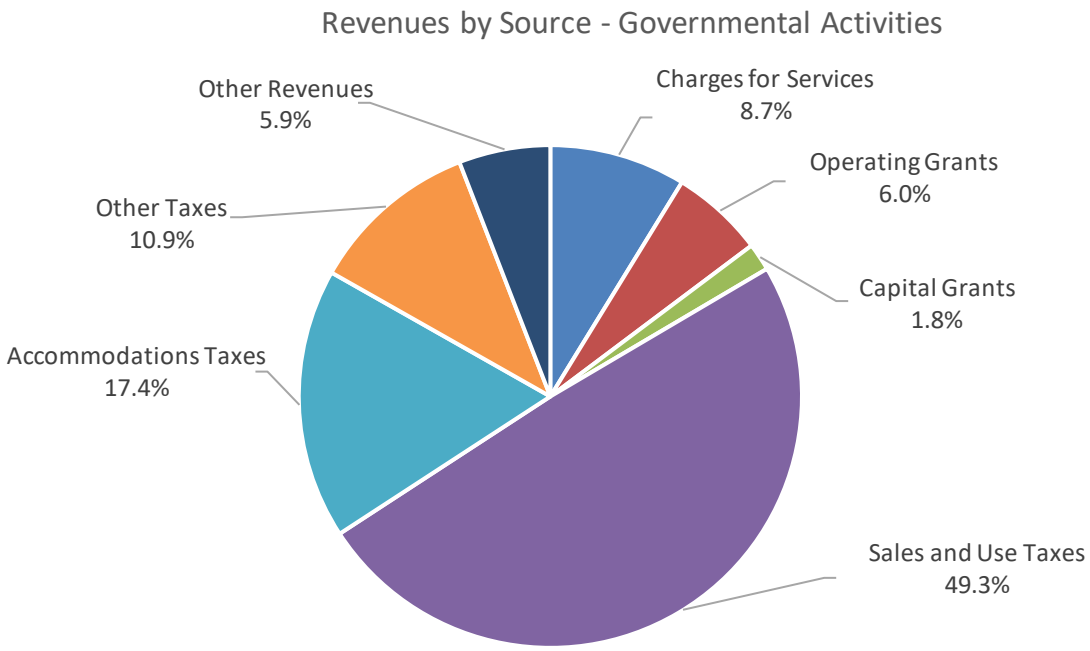
*Certain prior-year amounts of the governmental activities have been reclassified to conform to the current-year presentation. These reclassifications were made to improve financial statement presentation and comparability and had no effect on previously reported total change in net position.

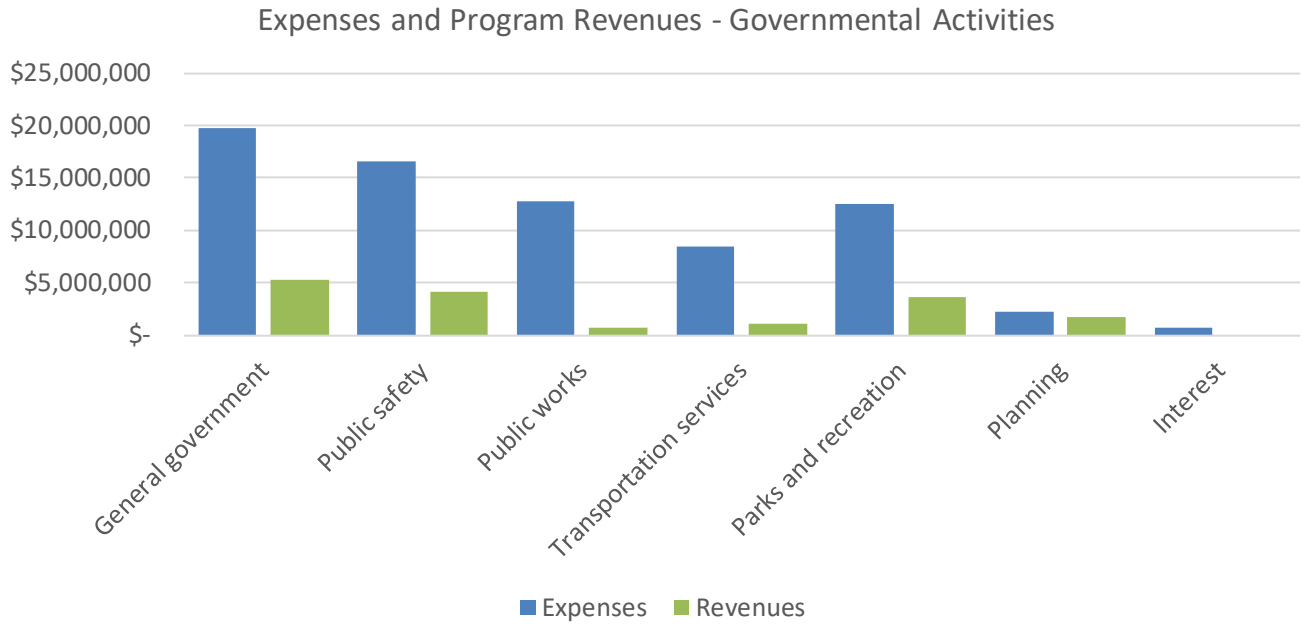
Governmental Activities

During the current fiscal year, net position for governmental activities increased $27,980,274 from the prior fiscal year for an ending balance of $329,650,477. Some key highlights from the statement of activities during 2025 include the following items:

- Short-term rental tax revenue increased by $3,130,645 over the prior year. Spending has been limited to a couple of projects with the anticipation of the majority of the funds being utilized on infrastructure related to a potential annexation and housing project on the west end of Steamboat Springs (see further explanation in the Governmental Funds section below).
- Although total revenues decreased by $7,902,976, the decrease was primarily due to capital grants and contributions. Capital grants and contributions fluctuate based on state and federal grants awarded for specific projects. Significant funding was received for the completion of the new city hall building and public works and transit projects in prior years.

- Total unrestricted investment earnings decreased by $856,770 due to less favorable interest rates and the timing of investments held throughout the year.

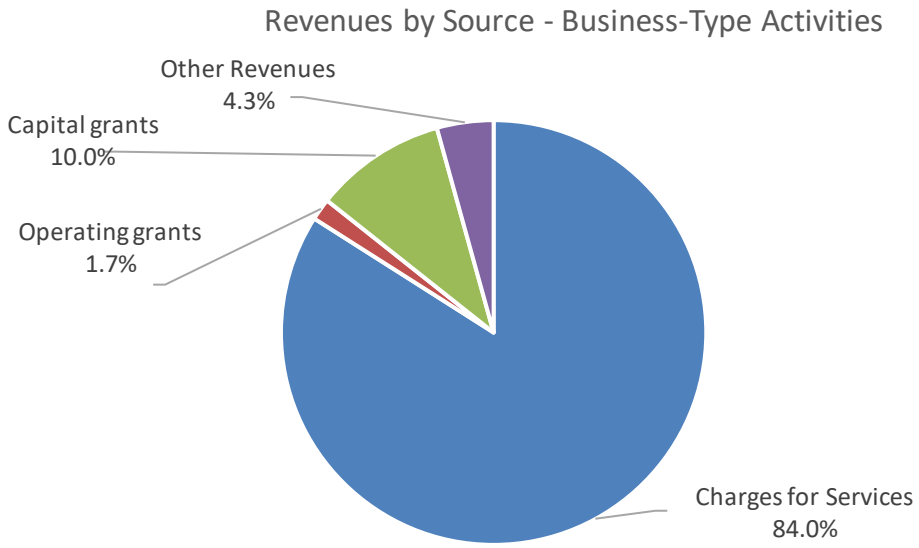


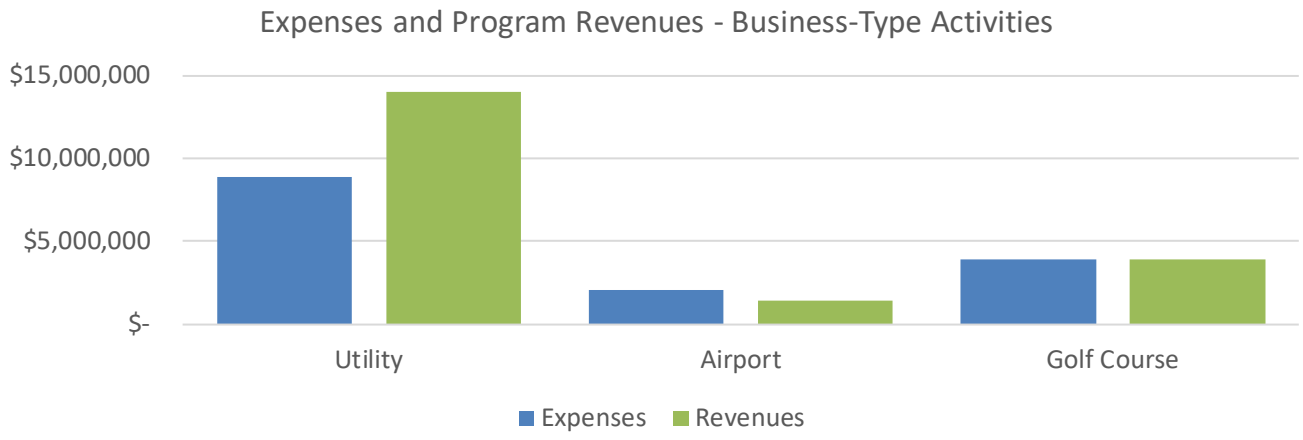


Business-Type Activities

During the fiscal year business-type activities increased in net position $5,528,765 from the prior fiscal year for an ending balance of $105,451,787. Some key elements of this increase are as follows:

- The Utility Fund net position increased by $5,889,056 comprised of a net income before capital contributions of $3,870,545 and capital contributions of $2,018,511. Charges for services increased $2,314,756 primarily due to utility fund rate increases that were applied in January 2025 after the completion of a water and sewer utility rate study.
- Airport revenues and operating expenses remained consistent with prior year results. Net position decreased by approximately $500,000 because less amounts were transferred in from other funds during the year.
- The Golf Fund net position increased by $145,478 after a busy golf season in 2025 due to favorable weather conditions.





FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City of Steamboat Springs uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to budget resources.

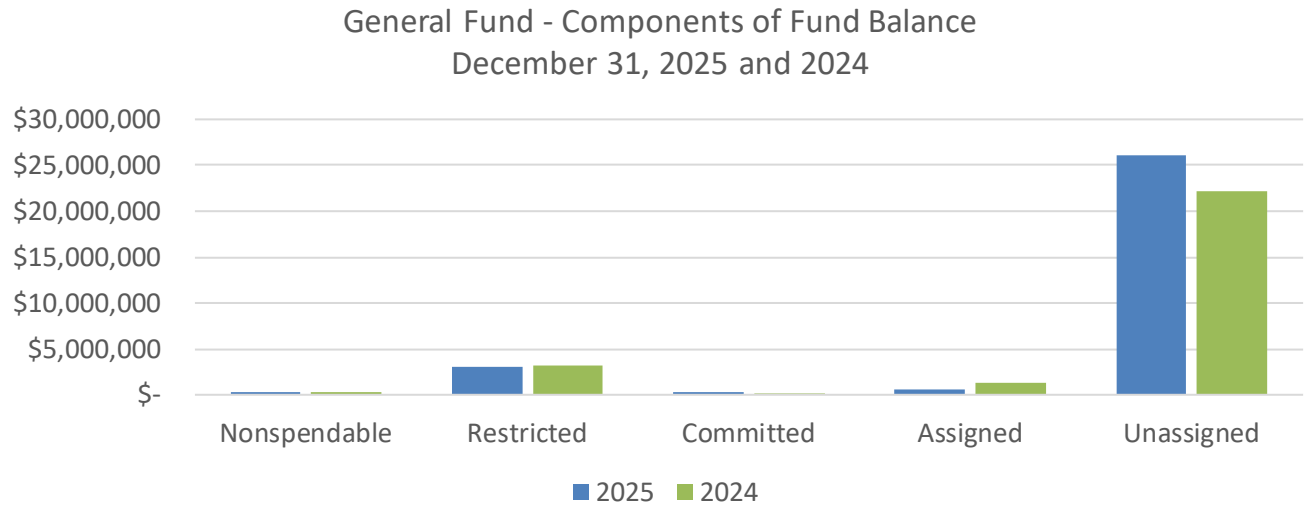
Governmental Funds

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

At the end of the current fiscal year, the City's governmental funds reported ending fund balances of $130,277,199. Of this amount, $62,414,079 (47.9%) represents assigned and unassigned fund balance, which is available for spending at the City's discretion. Within assigned fund balance, the City has encumbered $18,687,266 for spending in 2026. Within unassigned fund balance, the City has designated $15,006,568 as a fiscal policy stabilization reserve.

The remainder of fund balance is non-spendable, restricted, or committed, and is not available for new spending. Restricted fund balance includes: 1) a TABOR emergency reserve as required by state law of $3,010,478, 2) $8,097,418 restricted for capital projects, 3) $14,441,177 restricted for redevelopment with the Steamboat Springs Redevelopment Authority, 4) $1,420,004 restricted for Fire and EMS purposes, and 5) $39,168,753 for community housing.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the assigned and unassigned fund balance of the General Fund totaled $26,641,373 and total fund balance was $30,194,557. As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures including transfers made to other funds. Assigned and unassigned fund balance represents 44.2% of total General Fund expenditures and transfers, while total fund balance represents 50.1% of total General Fund expenditures and transfers.



The fund balance of the City's general fund increased by $2,985,061 during the fiscal year, which was attributable to increased licenses and permits revenue of $1,140,474 along with an increase in investment income of $1,262,208 due to a larger balance of investments held in the General Fund throughout the year.

The City's Capital Projects Fund had a total fund balance of $37,774,644 at the end of the current fiscal year, representing a decrease of $11,482,479 from the prior year, mostly due to significant spending and progress on completion of major capital projects such as the new city hall in January and the major capital asset projects discussed later in the Capital Asset and Debt Administration section.

The City's Accommodations Tax Capital Projects Fund had a total fund balance of $6,095,480 at the end of the current fiscal year, representing an increase of $1,228,553 from the prior year, due to tax collections of $2,151,755 and minimal capital outlays during the year.

The Steamboat Springs Redevelopment Authority (SSRA) had a total fund balance of $15,549,177 at the end of the current fiscal year, representing an increase of $4,643,385 from the prior year. SSRA fund balance, along with current and future revenue, is earmarked primarily for a large capital project referred to as the Gondola Transit Center. The SSRA is partnering with Steamboat Ski and Resort Corporation to redesign and build a new transit center for the City of Steamboat Springs Transit division and private shuttles to enhance traffic flow and safety near the Steamboat ski area.

The City's Fire and EMS Tax Fund had a total fund balance of $1,420,004 at the end of the current fiscal year, representing an increase of $329,648 from the prior year. This fund is used to record a 2-mill property tax and other associated revenue restricted to Fire and EMS operating and capital costs. The associated expenses are recorded in the General Fund and Capital Projects fund. There was $2,530,275 transferred to the General Fund and Capital Projects Fund for additional personnel and capital purchases related to Fire and EMS operations.

The City's Community Housing Fund had a total fund balance of $108,502 at the end of the current fiscal year, representing a decrease of $15,813 from the prior year, mostly due to a community support payment to the Yampa Valley Housing Authority. The primary revenue source for this fund was initially inclusionary zoning and other developer fees for community housing. The ordinance that established these fees was repealed by City Council several years ago and therefore there is little activity in this fund. However, City Council continues to discuss reintroducing the revenue source, and therefore the fund is still considered a major fund.

The City's Short-Term Rental Tax Fund had a total fund balance of $39,134,835 at the end of the current fiscal year, representing an increase of $18,925,990. These funds were previously earmarked for a large annexation including a housing development called Slate Creek (formerly Brown Ranch), however the annexation was not approved in a special election in 2024. The City Council, Yampa Valley Housing Authority, and the community are developing a plan for next steps for these funds.

Proprietary Funds

Information on the proprietary funds provides the same type of information found in the government-wide statements. Factors concerning the finances of these funds have been discussed above in the business-type activities section.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget Compared to Final Budget.

The City's budgeted revenues decreased by $1,588,284 due to generationally low snowfall totals and anticipated loss of additional charges for services netted against grant revenues. As a policy, the City does not budget for grant revenue until it is awarded unless it is a grant that is received annually (formula grant). Although the City's budgeted expenditures showed a net increase of $688,623, the budgeted increases in expenses due to additional grants awarded and debt service obligations were offset by a decrease to the general government budget of $1,012,141 (7%) and a decrease to the transportation services budget of $239,604 (3%).

Final Budget Compared to Actual Results

General Fund total revenues were $1,674,809 over final budget for the current fiscal year. The significant reasons for the variance were:

- Taxes and assessments came in $1,142,954 (3%) under final budget along with charges for services $857,193 (17%) being behind budget due to lower visitor turnout because of the record low snowfall.
- The decreases were partially offset by an increase in net investment income of $1,361,059 (59%) due to timing of when investments were held throughout the year compared to timing of expenditures.
- Charges for licenses and permits came in $428,835 (51%) higher than budget along with fines and forfeits which were $523,056 (151%) above budget.
- The remaining increases to actual results compared to budgeted amounts were due to various miscellaneous revenue sources that are not reliable in nature and are not considered within the City's budget.

General Fund total operating expenditures were $3,801,429 under final budget for the current fiscal year primarily due to:

- Several departments continue to experience difficulties hiring staff which creates vacancy savings. This was primarily evident for full-time positions in the Police Department and Public Works, and for seasonal staff in Transit and Parks and Recreation.
- In anticipation for lower than budgeted sales tax revenue and charges for services, City departments were asked to hold spending during the last quarter of the year. This resulted in expenditure savings over most areas of operations.
- $1.5 million is attributed to budgeted funds that were unspent, but obligated to projects that will be completed in 2026. These funds were approved to be supplementally budgeted in 2026.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's governmental and business-type activities had $300,014,976 invested in capital assets including construction in progress, net of depreciation/amortization, as of December 31, 2025. The investment in capital assets includes land improvements, road, sidewalk and utility collection line improvements, machinery and equipment purchases, and parks improvements.

Major capital asset events during the year included the following:

- The Grit Bay building improvement project is nearing completion at $3.1 million.
- Phase 1 of the Pine Grove Road reconstruction and sidewalk improvements of $4.9 million.
- Parks and Recreation water conservation and Smart irrigation project improvements of $2.6 million.
- Alexandre Way water main replacement totaling $1.2 million.
- Ongoing water and wastewater meter replacement of $1.2 million.
- Wastewater Treatment Facility improvements of $1 million.
- Airport runway rehabilitation totaling $4.9 million.

City of Steamboat Springs' Capital Assets
(net of depreciation/amortization where applicable)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 21,128,347	$ 20,693,163	$ 9,137,208	$ 9,137,208	$ 30,265,555	$ 29,830,371
Construction in progress	38,037,162	53,094,314	15,467,646	24,147,303	53,504,808	77,241,617
Land improvements	20,905,563	21,007,529	8,775,626	4,277,889	29,681,189	25,285,418
Parks and fields	8,317,807	8,128,266	-	-	8,317,807	8,128,266
Roads and bridges	35,011,817	36,110,426	-	-	35,011,817	36,110,426
Trails	4,389,725	4,674,326	-	-	4,389,725	4,674,326
Utility transmission lines	-	-	17,952,024	17,663,361	17,952,024	17,663,361
Buildings and improvements	60,490,423	35,852,665	25,599,870	26,523,171	86,090,293	62,375,836
Machinery and equipment	18,537,000	18,954,318	10,025,637	1,979,730	28,562,637	20,934,048
Intangible assets	118,285	260,712	-	-	118,285	260,712
Right-of-use lease assets	203,857	381,348	-	-	203,857	381,348
Right-of-use subscription IT assets	5,916,979	185,458	-	-	5,916,979	185,458
Total capital assets	$ 213,056,965	$ 199,342,525	$ 86,958,011	$ 83,728,662	$ 300,014,976	$ 283,071,187

Additional information on the City's capital assets can be found in Note 4 of this report.

Long-term Liabilities

At the end of the current fiscal year the City had $12,480,000 in certificates of participation outstanding, a $6,000,000 loan secured by specific revenue sources generated by the Steamboat Springs Redevelopment Authority, and $4,875,000 in loans outstanding with the Colorado Water Resources and Power Development Authority that are secured by specific revenue sources.

City of Steamboat Springs' Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Certificates of participation	$ 12,480,000	$ 13,195,000	$ -	$ -	12,480,000	13,195,000
Tax increment revenue loan	6,000,000	7,455,000	-	-	6,000,000	7,455,000
CWRPDA loans	-	-	4,875,000	5,565,000	4,875,000	5,565,000
Unamortized premiums	466,399	540,228	47,719	63,886	514,118	604,114
Leases payable	76,729	333,868	-	-	76,729	333,868
Subscription-based IT agreements	3,285,375	164,705	-	-	3,285,375	164,705
Compensated absences	2,736,729	2,501,906	233,010	247,174	2,969,739	2,749,080
Asset retirement obligation	-	-	2,152,272	2,074,979	2,152,272	2,074,979
Net pension liability	319,038	127,463	-	-	319,038	127,463
Total long-term liabilities	$ 25,364,270	$ 24,318,170	$ 7,308,001	$ 7,951,039	$ 32,672,271	$ 32,269,209

During 2025, the City increased total long-term liabilities by $403,062, primarily due to entering into a new SBITA agreement, offset by regular debt service payments, as well as increases in compensated absences payable and increases in the net pension liability driven by changes in actuarial assumptions.

On June 1, 2023 Moody's Investors Service upgraded the City's credit rating to Aa1 from Aa2. There have been no subsequent changes to the City's credit rating.

The City's Charter does not impose a legal restriction on debt issuance; however, the Taxpayer's Bill of Rights (TABOR) imposes certain restrictions on issuing debt depending upon whether the issuance is backed by the full faith and credit of the City, taxes or backed by enterprise revenues.

Detailed information about the City's long-term liabilities is presented in Note 5 to the financial statements. Detailed information about the City's asset retirement obligation is presented in Note 6 to the financial statements. Detailed information about the City's net pension liability is presented in Note 7 to the financial statements.

ECONOMIC FACTORS, CONDITIONS AND NEXT YEAR'S BUDGET AND RATES

As the City of Steamboat Springs developed the 2026 budget several economic factors and conditions were taken into consideration. The pressures of inflation on expenditure, hiring challenges, and the potential of a recession were all considered when establishing forecasts and budgets. Beyond the aforementioned factors includes the generational low snowfall that impacted the City and surrounding community.

Sales Tax is the largest revenue source for the City representing approximately 71% of the General Fund revenue. As the City approached the 2026 budget, it was recognized that tourism would likely be lower than 2024 and 2025, however given inflation and the fact that sales tax is a function of price, the City budgeted for sales tax to decrease by 2% in 2026.

Sales tax collected through June 2026 was approximately 3.6% down from 2025 collections for the same period. This is trending lower than budget, therefore staff is actively monitoring collections and identifying areas of savings to ensure balanced spending with revenue collections. This includes delaying hiring of vacant positions where appropriate.

The City implemented the Workday Enterprise Resource Planning (ERP) software for Human Capital Management, Financial Management and other business processes. This was the largest software implementation the City had undertaken and it met the go-live goal during 2025. Additional staffing resources were budgeted for personnel in Finance, Human Resources, and Information Technology departments as part of the 2025 and 2026 budget.

After the failed annexation in 2024, the City Council has contracted with a consultant to help facilitate a community solutions process, create meaningful community involvement, strengthen the partnership between the City and Yampa Valley Housing Authority, and create a shared vision for a future housing development west of Steamboat Springs. Affordable and attainable housing continues to be a priority goal for City Council and was taken into consideration in the budgeting process.

The local growth percentage used in our TABOR reserve calculation, based on property valuation and construction, was 1.46% in 2025 and the Denver-Aurora-Lakewood CPI was 2.6% in 2025. The combined total growth was 4.06%.

Affordable housing in Steamboat Springs continues to be an issue with the median home price above $1.3 million in 2026. This contributes to the difficulty in recruiting employees to fill the critical roles across the organization and businesses throughout the town.

As of December 2025, Routt County unemployment was 3.2% which is lower than the national rate of 4.3% and lower than Colorado's unemployment rate at year-end of 4.0%. The local unemployment rate remains low as we move into 2026, with March coming in at 2.9%. This is reflected in the difficulty of finding employees for many of the City's positions especially for seasonal jobs.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Steamboat Springs' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Steamboat Springs Finance Department, 115 10th Street, Steamboat Springs, CO 80487.

City of Steamboat Springs, Colorado
Statement of Net Position
December 31, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Local Marketing District
Assets				
Cash and investments	$ 97,915,178	$ 21,943,118	$ 119,858,296	$ 5,727,115
Restricted cash	38,271,916	2,210,750	40,482,666	-
Receivables				
Taxes	14,920,537	-	14,920,537	-
Accounts	5,574,084	1,209,429	6,783,513	503,581
Notes	515,630	-	515,630	-
Leases	30,967	329,563	360,530	-
Inventories	39,780	51,393	91,173	-
Prepaid items	329,985	6,672	336,657	-
Capital assets, not being depreciated/amortized	59,165,509	24,604,854	83,770,363	-
Capital assets, net of accumulated depreciation/amortization	153,891,456	62,353,157	216,244,613	-
Total assets	370,655,042	112,708,936	483,363,978	6,230,696
Deferred Outflows of Resources				
Unamortized loss on debt refunding	4,229	-	4,229	-
Pension plans	1,710,299	-	1,710,299	-
Asset retirement obligation	-	2,152,272	2,152,272	-
Total deferred outflows of resources	1,714,528	2,152,272	3,866,800	-
Liabilities				
Accounts payable	5,305,442	1,380,392	6,685,834	233,116
Retainage payable	756,430	75,103	831,533	-
Health insurance payable	765,492	108,376	873,868	-
Accrued interest payable	51,451	98,940	150,391	-
Deposits payable	950,752	22,725	973,477	-
Unearned revenue	2,148,910	104,873	2,253,783	-
Noncurrent liabilities				
Asset retirement obligation	-	2,152,272	2,152,272	-
Due within one year	3,391,518	791,992	4,183,510	-
Due in more than one year, other than pension	21,653,714	4,363,737	26,017,451	-
Due in more than one year, net pension liability	319,038	-	319,038	-
Total liabilities	35,342,747	9,098,410	44,441,157	233,116
Deferred Inflows of Resources				
Property taxes	7,181,669	-	7,181,669	-
Related to leases	26,702	311,011	337,713	-
Pension plans	167,975	-	167,975	-
Total deferred inflows of resources	7,376,346	311,011	7,687,357	-
Net Position				
Net investment in capital assets	189,150,436	80,760,067	269,910,503	-
Restricted for				
Emergency reserves	3,010,478	-	3,010,478	-
Operations and maintenance	-	1,250,000	1,250,000	-
Debt service	-	960,750	960,750	-
Capital projects	2,001,938	-	2,001,938	-
Accommodations tax capital projects	6,095,480	-	6,095,480	-
Affordable housing	39,243,337	-	39,243,337	-
Steamboat Springs Redevelopment Authority	15,549,177	-	15,549,177	-
Fire & EMS	1,420,004	-	1,420,004	-
Unrestricted	73,179,627	22,480,970	95,660,597	5,997,580
Total net position	$ 329,650,477	$ 105,451,787	$ 435,102,264	$ 5,997,580

City of Steamboat Springs, Colorado
Statement of Activities
Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit: Local Marketing District
Primary government								
Governmental activities								
General government	$ 19,799,201	$ 3,278,499	$ 1,690,302	$ 359,926	$ (14,470,474)	$ -	$ (14,470,474)	$ -
Public safety	16,583,162	1,308,639	2,614,125	203,987	(12,456,411)	-	(12,456,411)	-
Public works	12,779,651	65,897	25,000	658,860	(12,029,894)	-	(12,029,894)	-
Transportation services	8,525,721	350,596	750,766	-	(7,424,359)	-	(7,424,359)	-
Parks and recreation	12,543,071	2,476,754	575,799	565,981	(8,924,537)	-	(8,924,537)	-
Planning	2,214,662	1,391,931	406,194	-	(416,537)	-	(416,537)	-
Interest	689,827	-	-	-	(689,827)	-	(689,827)	-
Total governmental activities	73,135,295	8,872,316	6,062,186	1,788,754	(56,412,039)	-	(56,412,039)	-
Business-type activities								
Utility	8,832,210	11,697,276	277,328	2,018,511	-	5,160,905	5,160,905	-
Airport	2,053,904	1,343,151	57,444	-	-	(653,309)	(653,309)	-
Golf	3,877,293	3,888,668	-	-	-	11,375	11,375	-
Total business-type activities	14,763,407	16,929,095	334,772	2,018,511	-	4,518,971	4,518,971	-
Total primary government	$ 87,898,702	$ 25,801,411	$ 6,396,958	$ 3,807,265	(56,412,039)	4,518,971	(51,893,068)	-
Component Units								
Local Marketing District	$ 2,758,722	$ -	$ -	$ -				(2,758,722)
General revenues								
Sales taxes					43,396,357	-	43,396,357	9
Use taxes					6,510,867	-	6,510,867	-
Accommodations taxes					17,622,891	-	17,622,891	3,347,441
Property taxes					6,411,779	-	6,411,779	-
Development excise tax					2,693,265	-	2,693,265	-
Franchise fees					1,782,388	-	1,782,388	-
Other taxes					157,761	-	157,761	-
Unrestricted investment earnings					5,960,137	866,662	6,826,799	242,057
Transfers					(143,132)	143,132	-	-
Total general revenue and transfers					84,392,313	1,009,794	85,402,107	3,589,507
Change in net position					27,980,274	5,528,765	33,509,039	830,785
Net position - beginning					301,670,203	99,923,022	401,593,225	5,166,795
Net position - ending					$ 329,650,477	$ 105,451,787	$ 435,102,264	$ 5,997,580

The Notes to Financial Statements are an integral part of this statement

City of Steamboat Springs, Colorado
Balance Sheet
Governmental Funds
December 31, 2025

	General	Capital Projects	Accommodations Tax Capital Projects	Steamboat Springs Redevelopment Authority	Fire and EMS Tax	Community Housing	Short-Term Rental Tax	Total Governmental Funds
Assets								
Cash and investments	$ 27,373,332	$ 39,563,128	$ 5,858,661	$ 14,595,116	$ 1,405,574	$ 58,502	$ -	$ 88,854,313
Receivables								
Taxes	5,451,790	3,068	261,258	4,385,860	2,795,809	-	2,022,752	14,920,537
Accounts	4,675,343	743,057	-	141,254	14,430	-	-	5,574,084
Notes	-	-	-	-	-	515,630	-	515,630
Leases	30,967	-	-	-	-	-	-	30,967
Inventories	21,709	-	-	-	-	-	-	21,709
Prepaid items	255,401	-	-	-	-	50,000	24,584	329,985
Restricted cash	33,156	17	-	1,108,000	-	-	37,130,743	38,271,916
Total assets	$ 37,841,698	$ 40,309,270	$ 6,119,919	$ 20,230,230	$ 4,215,813	$ 624,132	$ 39,178,079	$ 148,519,141
Liabilities, Deferred Inflows of Resources, and Fund Balance								
Liabilities								
Accounts payable	$ 3,145,578	$ 2,534,626	$ 24,439	$ 294,579	$ -	$ -	$ 43,244	$ 6,042,466
Health insurance payable	748,874	-	-	614	-	-	-	749,488
Deposits payable	950,752	-	-	-	-	-	-	950,752
Unearned revenues	2,148,910	-	-	-	-	-	-	2,148,910
Total liabilities	6,994,114	2,534,626	24,439	295,193	-	-	43,244	9,891,616
Deferred Inflows of Resources								
Unavailable revenue - property taxes	-	-	-	4,385,860	2,795,809	-	-	7,181,669
Unavailable revenue - other	626,325	-	-	-	-	515,630	-	1,141,955
Lease related	26,702	-	-	-	-	-	-	26,702
Total deferred inflows of resources	653,027	-	-	4,385,860	2,795,809	515,630	-	8,350,326
Fund Balance								
Nonspendable	277,110	-	-	-	-	50,000	24,584	351,694
Restricted	3,010,478	2,001,938	6,095,480	15,549,177	1,420,004	58,502	39,110,251	67,245,830
Committed	265,596	-	-	-	-	-	-	265,596
Assigned	548,583	35,772,706	-	-	-	-	-	36,321,289
Unassigned	26,092,790	-	-	-	-	-	-	26,092,790
Total fund balance	30,194,557	37,774,644	6,095,480	15,549,177	1,420,004	108,502	39,134,835	130,277,199
Total liabilities, deferred inflows of resources, and fund balances	$ 37,841,698	$ 40,309,270	$ 6,119,919	$ 20,230,230	$ 4,215,813	$ 624,132	$ 39,178,079	$ 148,519,141

The Notes to Financial Statements are an integral part of this statement

City of Steamboat Springs, Colorado
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2025

Total Fund Balances - Governmental Funds	$ 130,277,199
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of depreciation and amortization used in governmental activities are not financial resources and, therefore, are not reported in the funds (excludes internal service fund capital assets of $5,041,490).	208,015,475
Long-term notes receivable and other miscellaneous receivables are not an available resource to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	1,141,955
Internal service funds are used by management to charge the costs of fleet management and insurance programs to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	14,046,597
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	1,542,324
Long-term liabilities and related items are not due and payable in the current period and therefore, are not reported in the funds. The details of this difference are as follows:	
Certificates of participation	(12,480,000)
Loans payable	(6,000,000)
Unamortized premium	(466,399)
Unamortized deferred refunding loss	4,229
Leases payable	(76,729)
Subscription-based IT agreements payable	(3,285,375)
Compensated absences (excludes internal service fund compensated absences of $38,419)	(2,698,310)
Net pension liability	(319,038)
Accrued interest payable	(51,451)
Net Position of Governmental Activities	$ 329,650,477

City of Steamboat Springs, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2025

	General	Capital Projects	Accommodations Tax Capital Projects	Steamboat Springs Redevelopment Authority	Fire and EMS Tax	Community Housing	Short-Term Rental Tax	Total Governmental Funds
Revenues								
Taxes and assessments	$ 43,938,335	$ 7,890,296	$ 2,151,755	$ 6,476,897	$ 2,666,664	$ -	$ 15,471,136	$ 78,595,083
Licenses and permits	1,268,890	-	-	-	-	-	-	1,268,890
Intergovernmental	5,077,162	1,083,281	-	116,795	-	-	-	6,277,238
Charges for services	4,214,113	-	-	-	-	-	-	4,214,113
Fines and forfeits	869,706	-	-	-	-	-	-	869,706
Net investment income	3,680,559	1,253	221,913	565,592	67,638	11,485	1,093,868	5,642,308
Contributions	692,493	360,598	-	-	175,736	-	-	1,228,827
Voluntary assessments	494,981	-	-	-	-	-	-	494,981
Miscellaneous	1,678,575	8,409	-	11,531	-	22,702	2,672,232	4,393,449
Total revenues	61,914,814	9,343,837	2,373,668	7,170,815	2,910,038	34,187	19,237,236	102,984,595
Expenditures								
Current								
General government	17,405,163	231,070	505,200	-	-	50,000	61,246	18,252,679
Public safety	15,474,381	51,675	-	-	50,115	-	-	15,576,171
Public works	5,621,871	3,291,778	-	709,450	-	-	-	9,623,099
Transportation services	6,942,188	-	-	-	-	-	-	6,942,188
Parks and recreation	10,330,435	8,371	5,202	-	-	-	-	10,344,008
Planning	2,205,715	-	-	-	-	-	-	2,205,715
Debt service								
Principal	1,146,033	-	-	1,455,000	-	-	-	2,601,033
Interest	586,304	-	-	93,933	-	-	-	680,237
Administrative fees	6,000	-	-	70,732	-	-	-	76,732
Capital outlay	308,180	21,907,632	634,713	198,315	-	-	250,000	23,298,840
Total expenditures	60,026,270	25,490,526	1,145,115	2,527,430	50,115	50,000	311,246	89,600,702
Excess (Deficiency) of Revenues over (under) Expenditures	1,888,544	(16,146,689)	1,228,553	4,643,385	2,859,923	(15,813)	18,925,990	13,383,893
Other Financing Sources (Uses)								
Insurance proceeds	79,020	-	-	-	-	-	-	79,020
Issuance of long-term debt	70,945	3,223,619	-	-	-	-	-	3,294,564
Transfers in	1,190,275	1,440,591	-	-	-	-	-	2,630,866
Transfers out	(243,723)	-	-	-	(2,530,275)	-	-	(2,773,998)
Total other financing sources (uses)	1,096,517	4,664,210	-	-	(2,530,275)	-	-	3,230,452
Net Change in Fund Balance	2,985,061	(11,482,479)	1,228,553	4,643,385	329,648	(15,813)	18,925,990	16,614,345
Fund Balance, Beginning of Year	27,209,496	49,257,123	4,866,927	10,905,792	1,090,356	124,315	20,208,845	113,662,854
Fund Balance, End of Year	$ 30,194,557	$ 37,774,644	$ 6,095,480	$ 15,549,177	$ 1,420,004	$ 108,502	$ 39,134,835	$ 130,277,199

The Notes to Financial Statements are an integral part of this statement

City of Steamboat Springs, Colorado

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended December 31, 2025

Net Change in Fund Balances - Total Governmental Funds	$ 16,614,345
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 capital assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. The details of the difference are as follows:	
Capital outlay	23,298,840
Developer dedications	325,100
Depreciation/amortization (excluding $928,689 of depreciation on internal service funds).	(7,962,830)
The net effect of the disposal of capital assets results in a decrease to net position.	(1,528,460)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,447,846)
Internal service funds are used by management to charge the costs of fleet management and insurance programs to individual funds. The net revenue of the internal service funds is reported with the governmental activities.	954,533
In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(228,943)
In the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as expense.	(418,076)
In the statement of activities interest expense is recognized as it accrues. In the governmental funds, however, the expenditure is measured by the amount of financial resources used.	3,770
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(630,159)
Change in Net Position of Governmental Activities	$ 27,980,274

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

	Business-type Activities				Governmental Activities
	Enterprise Funds				Internal Service Fund
	Utility	Airport	Golf	Total	Fleet
Assets					
Current Assets					
Cash and investments	$ 17,589,355	$ 858,765	$ 3,494,998	$ 21,943,118	$ 9,060,865
Receivables					
Accounts	1,178,011	31,418	-	1,209,429	-
Leases	162,117	167,446	-	329,563	-
Inventories	-	51,393	-	51,393	18,071
Prepaid items	5,777	895	-	6,672	-
Restricted cash	2,210,750	-	-	2,210,750	-
Total current assets	21,146,010	1,109,917	3,494,998	25,750,925	9,078,936
Noncurrent Assets					
Capital assets					
Land	2,996,939	910,298	5,229,971	9,137,208	-
Construction in progress	15,111,633	356,013	-	15,467,646	-
Utility transmission lines	48,042,779	-	-	48,042,779	-
Land improvements	625,591	17,758,776	628,642	19,013,009	-
Buildings and improvements	36,095,518	4,761,809	4,551,097	45,408,424	-
Furniture and equipment	11,674,239	924,003	2,177,225	14,775,467	11,548,728
Net of accumulated depreciation/amortization	(46,615,847)	(13,466,147)	(4,804,528)	(64,886,522)	(6,507,238)
Total capital assets, net of accumulated depreciation/amortization	67,930,852	11,244,752	7,782,407	86,958,011	5,041,490
Total noncurrent assets	67,930,852	11,244,752	7,782,407	86,958,011	5,041,490
Total assets	89,076,862	12,354,669	11,277,405	112,708,936	14,120,426
Deferred Outflows of Resources					
Asset retirement obligation	2,152,272	-	-	2,152,272	-
Liabilities					
Current Liabilities					
Accounts payable	1,318,951	28,103	33,338	1,380,392	19,406
Retainage payable	75,103	-	-	75,103	-
Health insurance payable	63,966	20,236	24,174	108,376	16,004
Accrued interest payable	98,940	-	-	98,940	-
Unearned revenue	-	50,619	54,254	104,873	-
Current portion of compensated absences	32,481	6,321	19,451	58,253	9,605
Current portion of long-term debt	733,739	-	-	733,739	-
Total current liabilities	2,323,180	105,279	131,217	2,559,676	45,015
Noncurrent Liabilities					
Asset retirement obligation	2,152,272	-	-	2,152,272	-
Security deposit	-	22,725	-	22,725	-
Compensated absences	97,444	18,961	58,352	174,757	28,814
Long-term debt, net of current portion	4,188,980	-	-	4,188,980	-
Total noncurrent liabilities	6,438,696	41,686	58,352	6,538,734	28,814
Total liabilities	8,761,876	146,965	189,569	9,098,410	73,829
Deferred Inflows of Resources					
Lease related	144,849	166,162	-	311,011	-
Net Position					
Net investment in capital assets	61,732,908	11,244,752	7,782,407	80,760,067	5,041,490
Restricted for:					
Operations and maintenance	1,250,000	-	-	1,250,000	
Debt service	960,750	-	-	960,750	
Unrestricted	18,378,751	796,790	3,305,429	22,480,970	9,005,107
Total net position	$ 82,322,409	$ 12,041,542	$ 11,087,836	$ 105,451,787	$ 14,046,597

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

	Business-type Activities				Governmental Activities
	Enterprise Funds				Internal Service Fund
	Utility	Airport	Golf	Total	Fleet
Operating Revenues					
Charges for services	$ 11,635,966	$ 1,282,077	$ 3,884,006	$ 16,802,049	$ 3,100,992
Miscellaneous	61,310	61,074	4,662	127,046	15,000
Total operating revenues	11,697,276	1,343,151	3,888,668	16,929,095	3,115,992
Operating Expenses					
Personnel services	2,249,566	594,237	1,379,818	4,223,621	705,864
Operating expenses	3,978,929	921,037	2,064,659	6,964,625	844,735
Depreciation/amortization	2,365,825	538,630	432,816	3,337,271	928,689
Total operating expenses	8,594,320	2,053,904	3,877,293	14,525,517	2,479,288
Operating Income (Loss)	3,102,956	(710,753)	11,375	2,403,578	636,704
Nonoperating Revenues (Expenses)					
Net investment income	728,151	4,408	134,103	866,662	317,829
Intergovernmental operating grants	277,328	57,444	-	334,772	-
Interest expense and bond fees	(237,890)	-	-	(237,890)	-
Total nonoperating revenues (expenses)	767,589	61,852	134,103	963,544	317,829
Income (Loss) before Transfers and Capital Contributions	3,870,545	(648,901)	145,478	3,367,122	954,533
Transfers and Capital Contributions					
Transfers in	-	143,132	-	143,132	-
Tap and development fees	2,018,511	-	-	2,018,511	-
Total transfers and capital contributions	2,018,511	143,132	-	2,161,643	-
Change in Net Position	5,889,056	(505,769)	145,478	5,528,765	954,533
Total Net Position, Beginning of Year	76,433,353	12,547,311	10,942,358	99,923,022	13,092,064
Total Net Position, End of Year	$ 82,322,409	$ 12,041,542	$ 11,087,836	$ 105,451,787	$ 14,046,597

City of Steamboat Springs, Colorado
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2025

	Business-type Activities				Governmental Activities
	Enterprise Funds				Internal Service Fund
	Utility	Airport	Golf	Total	Fleet
Operating Activities					
Receipts for services provided	$ 11,530,652	$ 1,541,338	$ 3,886,798	$ 16,958,788	$ 3,115,162
Miscellaneous receipts	61,310	61,074	4,662	127,046	15,000
Payments to suppliers	(4,545,742)	(923,326)	(2,061,016)	(7,530,084)	(890,385)
Payments to and on behalf of employees	(2,237,576)	(570,899)	(1,352,972)	(4,161,447)	(689,648)
Net Cash from Operating Activities	4,808,644	108,187	477,472	5,394,303	1,550,129
Noncapital Financing Activities					
Transfers from other funds	-	143,132	-	143,132	-
Intergovernmental operating grants	277,328	57,444	-	334,772	-
Net Cash from Noncapital Financing Activities	277,328	200,576	-	477,904	-
Capital and Related Financing Activities					
Tap and development fees	2,018,511	-	-	2,018,511	-
Lease proceeds	(2,616)	3,461	-	845	-
Acquisition of capital assets	(6,687,263)	(45,850)	(100,121)	(6,833,234)	(510,479)
Debt service					
Principal	(690,000)	-	-	(690,000)	-
Interest	(265,912)	-	-	(265,912)	-
Net Cash Used for Capital and Related Financing Activities	(5,627,280)	(42,389)	(100,121)	(5,769,790)	(510,479)
Investing Activities					
Investment income received	728,151	4,408	134,103	866,662	317,829
Change in Cash and Cash Equivalents	186,843	270,782	511,454	969,079	1,357,479
Cash and Cash Equivalents, Beginning of Year	19,613,262	587,983	2,983,544	23,184,789	7,703,386
Cash and Cash Equivalents, End of Year	$ 19,800,105	$ 858,765	$ 3,494,998	$ 24,153,868	$ 9,060,865
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position					
Cash and investments	$ 17,589,355	$ 858,765	$ 3,494,998	$ 21,943,118	$ 9,060,865
Restricted cash	2,210,750	-	-	2,210,750	-
Total cash and cash equivalents, end of year	$ 19,800,105	$ 858,765	$ 3,494,998	$ 24,153,868	$ 9,060,865
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities					
Operating income (loss)	$ 3,102,956	$ (710,753)	$ 11,375	$ 2,403,578	$ 636,704
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation/amortization	2,365,825	538,630	432,816	3,337,271	928,689
Changes in assets and liabilities					
Accounts receivable	(105,314)	263,187	-	157,873	14,170
Inventories	-	(14,425)	-	(14,425)	(4,171)
Prepaid items	(5,042)	19,492	863	15,313	-
Accounts payable	(561,771)	(7,356)	2,780	(566,347)	(41,479)
Accrued payroll and benefits	43,302	15,948	17,088	76,338	10,335
Unearned revenue	-	28,931	2,792	31,723	-
Compensated absences	(31,312)	7,390	9,758	(14,164)	5,881
Deposits payable	-	(32,857)	-	(32,857)	-
Net Cash from Operating Activities	$ 4,808,644	$ 108,187	$ 477,472	$ 5,394,303	$ 1,550,129
Supplemental Schedule of Noncash Capital and Related Financing Activities					
Accounts payable for capital activities	$ 1,200,122	$ -	$ -	$ 1,200,122	$ -
Retainage payable	$ 75,103	$ -	$ -	$ 75,103	$ -

City of Steamboat Springs, Colorado
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2025

	Custodial Fund
Assets	
Accounts receivable	$ 379,703
Liabilities	
Accounts Payable	379,703
Net Position	
Restricted for	
Funds held for others	-
Total net position	$ -

City of Steamboat Springs, Colorado
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2025

	Custodial Fund
Additions	
Taxes collected	$ 6,257,957
Deductions	
Disbursements to a non-profit organization	6,195,377
Management fee	62,580
Total deductions	6,257,957
Change in Fiduciary Net Position	-
Net Position, Beginning	-
Net Position, Ending	$ -

Note 1 - Summary of Significant Accounting Policies

Description of the Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. Fiduciary activities are reported only in the fund financial statements. Governmental activities, normally supported by taxes, intergovernmental revenues, and nonexchange transactions are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Reporting Entity

The City of Steamboat Springs was incorporated in 1900 as a municipal corporation and a statutory town under the constitution and laws of the State of Colorado until 1973 when it became a home rule municipality under authority of the Constitution of the State of Colorado and the Municipal Home Rule Act of 1971. The Home Rule Charter was adopted by the voters of Steamboat Springs on November 6, 1973 and provides for a City Council-Manager form of government with seven elected council members. The accompanying financial statements present the City and its component units, entities for which the City is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize legal separation from the City.

Blended Component Unit

The Steamboat Springs Redevelopment Authority (Authority) serves the ski area base of the City and is governed by a board comprised of the City's elected City Council, therefore the component unit's governing body is substantively the same as the governing body of the primary government. The primary government also has an operational responsibility for the common base area maintenance. The Authority was formed to provide infrastructure improvements within its boundaries. The Authority is presented as a governmental fund and does not issue separate financial statements.

Discretely Presented Component Unit

The Steamboat Springs Local Marketing District is responsible for providing assistance in funding airline revenue guarantees and marketing for the City of Steamboat Springs' merchants and ski area. The members of the District's governing board are appointed by the Steamboat Springs City Council. The Council has the ability to remove board members as well. The Steamboat Springs Local Marketing District does not issue separate financial statements.

Basis of Presentation: Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from government-wide financial statements.

As discussed earlier, the City reports one discretely presented component unit. The Steamboat Springs Local Marketing District is shown as a separate column in the government-wide financial statements. As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the City's utility functions, and other departments of the City. Elimination of these charges would distort the direct costs and program revenues reported.

Basis of Presentation: Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary fund and blended component unit. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of the fund financial statements is on major governmental and enterprise funds, each displayed in a separate column in the fund financial statements.

The City reports the following major governmental funds:

- *General Fund* - The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
- *Capital Projects Fund* – The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of major capital projects. It is not required that all capitalized assets are accounted for in this fund.
- *Accommodations Tax Capital Projects Fund* – This Fund is primarily used to account for accommodations tax collections and corresponding expenditures for major capital projects. The total amount of the Accommodations Tax is restricted per the 1986 public accommodations tax ballot question. The 2013 2A Accommodations Tax ballot language further obligates the City of Steamboat Springs to allocate the first $600,000 of tax revenues for the development of trails, with the next $60,000 of tax revenues to be split on a 50%-50% basis between (I) marketing of tourist related improvements constructed with this tax revenue and (II) reserves for the Haymaker golf course capital improvements. The City has determined that although some of the expenditures for capital related activities will not become City Capital Assets, that by definition a Capital Projects Fund not a Special Revenue Fund is the appropriate designation of the fund.
- *Steamboat Springs Redevelopment Authority Fund* – This fund is used to account for all operations of the Steamboat Springs Redevelopment Authority (SSRA), a blended component unit of the City of Steamboat Springs. The Authority was formed to provide infrastructure improvements at the City's ski area base. Tax incremental financing defined in the urban renewal plan adopted by the Authority is made up of municipal sales tax and property tax from all taxing entities is the revenue source for the fund.

- *Fire and EMS Tax Fund* – The Fire and EMS Tax Fund accounts for the revenue and spending approved by the qualified electors of the City of Steamboat Springs at the regular municipal election held on November 5, 2019 for the imposition of a property tax at a rate of up to two (2) mills for the purpose of fire and emergency medical services.
- *Community Housing Fund* – The Community Housing Fund accounts for collecting and spending inclusionary zoning fees in lieu of construction, the residential and commercial linkage fees for affordable housing and funds the Yampa Valley Housing Authority's Down Payment Assistance program and other workforce housing projects.
- *Short-Term Rental Tax Fund* – This fund was created in 2023 to account for Short-Term Rental tax collections. The Short-Term Rental tax was imposed by the City for a period of twenty years, from 2023 to 2042. This revenue is restricted, per the 2022 ballot question, to the purpose of increasing the stock of affordable and attainable housing at locations including, but not limited to, Brown Ranch (aka Slate Creek) by providing incentives, contributions, and funding infrastructure associated with affordable and attainable housing, including, without limitation, energy, stormwater, water, wastewater, and multi-modal transportation. A further restriction was added, per the 2023 ballot question, that authorizes the City to enter multiple-fiscal year obligations and to allocate 75% of the City's Short-Term Rental tax revenues to the Yampa Valley Housing Authority (YVHA) through 2042 contingent on YVHA's timely completion of affordable and attainable housing units as set forth in the Brown Ranch annexation agreement.

The City reports the following major proprietary funds:

- *Utility Fund* – The Utility Fund is responsible for water treatment and distribution, and wastewater collection and treatment. This fund is considered an "enterprise" for purposes of the state's Taxpayer Bill of Rights (TABOR).
- *Airport Fund* – The Airport Fund is responsible for the Steamboat Springs Airport, a general aviation facility.
- *Golf Fund* - The Golf Fund is responsible for the operation and maintenance of the Haymaker Golf Course. This fund is considered an "enterprise" for purposes of the state's Taxpayer Bill of Rights (TABOR).
- *Internal Service Fund* – The City's Internal Service Fund accounts for fleet management services provided to other departments of the City on a cost reimbursement basis.

In addition, the City reports the following fund types:

- *Fiduciary Fund* –The school sales tax custodial fund accounts for the collection and distribution of the City's ½ cent sales tax passed through to a private non-profit organization.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the e*conomic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Earned investment interest will be recognized as revenue only as it becomes available. Expenditure-driven grants and intergovernmental billings are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or is considered available for this revenue source but may be in excess of 60 days.

The proprietary funds and fiduciary fund are reported using the e*conomic resources measurement focus* and the *accrual basis of accounting*.

Budgetary Information

Prior to January 1, the City's budget is legally adopted through enactment of a budget ordinance. This ordinance appropriates expenditure levels by fund. This then becomes the level of control upon which expenditures may not legally exceed appropriations. The City Council may, if revenues are in excess of estimates, amend the adopted budget through enactment of a supplemental budget appropriation ordinance. Management may transfer funds between departments as long as the fund appropriation is not exceeded. Transfers between funds would require enactment of a supplemental budget ordinance. Appropriations lapse at year end.

Budgets for the General Fund, Special Revenue Funds and the Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that no expenditure or other financing source is recognized under the budgetary basis of accounting when the City enters into a subscription-based information technology arrangement (SBITA) or lessee lease. Budgets for the Enterprise and Internal Service Funds are adopted on a basis consistent with GAAP except that bond principal payments and capital outlay are budgeted as expenditures and depreciation is not budgeted.

The City uses encumbrance accounting and year-end encumbrances are included in assigned reserves in the ending fund balance. Any outstanding commitment to receive goods or services at year end is authorized by a re-appropriation in the succeeding year’s budget ordinance.

Cash and Investments

The City’s cash and cash equivalents include cash on hand, demand deposits, investment pools and short-term investments with an original maturity of three months or less from the date of acquisition. The City’s investments are reported at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Receivables

All trade and tax receivables are shown net of an allowance for uncollectible items as deemed necessary. Sales tax and utility receivables are considered to be fully collectible and therefore no allowance is reported. Allowances for other trade receivables are determined based upon the age of the account and the type of service rendered.

Leases Receivable

Leases receivable are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City charges the lessee.

Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of fuel for various departments. The cost of fuel is expensed when purchased rather than when consumed or sold and reported on the balance sheet if significant.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments in both the government-wide and fund financial statements. The consumption method is used to account for these prepayments in the governmental funds.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 for equipment, $20,000 for software, and more than $25,000 for property, plant and infrastructure and an estimated life in excess of two years. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Intangible assets follow the same capitalization policies as tangible assets and are reported in the appropriate capital asset class. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend assets' lives are not capitalized.

Capital assets are recorded in the government-wide and proprietary fund financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the City, no salvage value is taken into consideration for depreciation purposes. Useful lives are as follows:

Land improvements	30-40 years
Buildings and improvements	30-40 years
Public domain infrastructure	30-40 years
Sewer and water transmission and distribution lines	40 years
Furniture and equipment	2-20 years

Land and construction in progress are not depreciated.

The City recognizes lease liabilities and intangible right-to-use lease assets in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more for equipment leases, and an initial, individual value of $25,000 or more property, plant and infrastructure leases. Right-of-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-of-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 lease asset into service. Right-of-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 2 to 5 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the City's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 10 years.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the period the debt is issued. The face amount of the debt issued is reported as other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. It is the City's policy to permit employees to accumulate earned but unused paid time off (PTO) benefits. This amount is accrued in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Employees are limited in the amount of time they are allowed to accrue depending on position and years of service. Upon separation, an employee will be paid for earned but unused PTO at the employee's current rate of pay, excluding overtime or temporary upgrade pay.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Fire & Police Pension Association Plans (FPPA) and additions to/deductions from FPPA's fiduciary net position have been determined on the same basis as they are reported by FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position includes 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second represents deferred charges related to defined benefit pension plans; these charges will be amortized according to the benefit terms of the plans. The third is an asset retirement obligation related to the City's Wastewater Treatment Plant.

In addition to liabilities, the statement of net position includes 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 three items in this category, the first two of which arise only under the current financial resources measurement focus and modified accrual basis of accounting. Accordingly, the first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from four sources: Accounts Receivable, Special Assessments Receivable, Property Taxes, and Promissory Notes Receivable. These amounts are deferred and recognized as an inflow of resources in the period during which the amounts become available.

The second item, deferred inflows related to leases, is reported in both the governmental funds balance sheet and the government-wide statement of net position.

The third item, which arises only under the economic resources measurement focus and accrual basis of accounting represents deferred inflows of resources related to defined benefit pension plans. This income will be recognized according to the benefit terms of the plans.

Net Position

Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows. The net position component, "net investment in capital assets", consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining balance of the net position is reported as unrestricted.

Net Position Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted net position is applied.

Net Investment in Capital Assets Calculation

	Governmental Activities	Business-type Activities
Capital assets not depreciated/amortized	$ 59,165,509	$ 24,604,854
Capital assets, net of accumulated depreciation/amortization	153,891,456	62,353,157
Deferred outflow of resources - asset retirement obligation	-	2,152,272
Unamortized charges on debt refunding	4,229	-
Capital asset purchases included in accounts payable	(845,825)	(1,200,122)
Retainage payable	(756,430)	(75,103)
Current portion of long-term debt	(2,707,335)	(733,739)
Asset retirement obligation	-	(2,152,272)
Long-term debt, net of current portion	(19,601,168)	(4,188,980)
	$ 189,150,436	$ 80,760,067

Fund Balance

In the fund financial statements, governmental funds report categories of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Certain categories of fund balance represent tentative management plans that are subject to change. Fund balance classifications in order of hierarchy are:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or it is legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* – The portion of fund balance constrained by formal action of the government's highest level of decision-making authority. The City Council is the government's highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the constraint may be removed or changed only through similar action of the City Council.
- *Assigned fund balance* – The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the City Council or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the above criteria. The City will only report a positive unassigned fund balance in the General Fund.

The City Council by resolution granted the City Manager, or the City Manager's Designee, authority to designate the assigned fund balance for each fund based on the intended use of such resources. Any fund balance not restricted will be used in the following order: committed, assigned, and then unassigned.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Program Revenues

Amounts reported as program revenues include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported instead as general revenues.

Property Taxes

Property taxes to be collected by Routt County are levied on or before December 22 and attach as an enforceable lien on the property the following January 1st. Taxes are payable either in full on April 30 or in two installments due on February 28 and June 15. The Steamboat Springs Redevelopment Authority (Authority), a blended component unit of the City, receives property tax increment funds (TIF) given to the Authority to offset costs incurred for the base area redevelopment. There is no mill levy by the Authority. The Authority receives the property TIF through Routt County and the amount to be collected in 2026 is recorded as a receivable and a deferred inflow of resources at December 31, 2025. At the regular municipal election held on November 5, 2019, the qualified electors of the City of Steamboat Springs authorized and approved the imposition of a property tax at a rate of up to two (2) mills for the purpose of funding fire and emergency medical services. This property tax to be collected in 2026 has been recorded as a receivable and as a deferred inflow of resources in both the funds and the government-wide reporting at December 31, 2025.

Proprietary Funds Operating and Non-Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the City's Utility Fund, Airport Fund and Golf Fund are charges to customers for sales and services. The principal operating revenues of the City's internal service fund are charges to other City departments for services. Operating expenses for these same funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Estimates

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

Related Parties

The City may from time to time enter into contracts for services with companies whose ownership includes members of City Council. All such contractual arrangements are subject to the City's competitive bidding process.

Adoption of New Accounting Standard

As of December 31, 2025, the City adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There was no effect of the implementation of this standard on disclosures during the year.

Note 2 - Cash and Investments

Cash and investments at December 31, 2025, are reported in the financial statements as follows:

Cash and investments	
Primary Government	$ 119,858,296
Component Unit	5,727,115
Restricted cash and investments	
Primary Government	40,482,666
Total	$ 166,068,077

Cash and investments at December 31, 2025, consisted of the following:

Deposits with financial institutions	$ 2,048,978
Cash held by third party	44,735
Investments	163,967,664
Cash on hand	6,700
Total	$ 166,068,077

Deposits

Colorado Statutes require the City to make deposits only in eligible public depositories as defined by the Public Deposit Protection Act (PDPA) of 1989. The Act requires the eligible depository with public deposits in excess of federal insurance levels to create single institution collateral pools of defined eligible assets. Eligible collateral includes obligations of the United States, the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The fair value of the pool must be at least equal to 102% of the uninsured deposits. Because of controls in place as part of the Public Deposit Protection Act of 1989, deposits are adequately secured as if they were collateralized with securities held by the entity or by its agent in the entity's name. Additionally, because deposits covered by PDPA are collateralized by investment pools, the City's deposits are not subject to custodial risk.

The City's deposits are considered to be entirely insured or collateralized with securities held by the City or its agent in the City's name as follows:

FDIC insured deposits ($250,000 per bank)	$ 500,000
Amounts PDPA collateralized as described above	1,548,978
Deposits at December 31, 2025	$ 2,048,978

Investments

The City's investment policy requires that investment activities be in accordance with Colorado State Statutes. City funds shall be managed in a manner that maximizes safety of principal while ensuring that funds are available to meet the operating needs and unanticipated cash demands of the City while earning the highest possible return within the parameters of state and local law. The City manages its interest rate risk, credit risk, and concentration of credit risk for different investment instruments as described below.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment portfolio is managed in accordance with investment guidelines which limits exposure to interest rate risk by limiting the maturity date of investment securities to 5 years.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the City. Credit risk exposure is managed in accordance with Colorado State Statutes. As per Section 24-54-112 of the Colorado Revised Statutes (C.R.S.), the City's assets will be invested using the "Colorado Uniform Prudent Investor Act" found in the provisions of Part 3 of Article 1 of Title 15, C.R.S. The City's assets shall be invested and managed as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances. In satisfying this standard, all fiduciaries shall exercise reasonable care, skill and caution. Investment decisions should be evaluated within the context of the entire portfolio, rather than on an individual investment basis, and as part of an overall investment strategy having risk and return objectives reasonably suited to the City's purpose.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no formal policy for custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City does not have a policy that addresses limitations on the amount that can be invested in any one issuer.

The City's investments include an Allspring Government money market mutual fund account to which operating funds are transferred via a daily sweep, with a balance at December 31, 2025, of $10,046,716.

In addition, the City and its component unit maintain accounts in The Colorado Government Liquid Asset Trust (COLOTRUST). The City's balance in COLOTRUST at December 31, 2025, is $147,006,147. The Local Marketing District's balance in COLOTRUST at December 31, 2025, is $5,731,065. COLOTRUST is an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds for investment purposes and is registered with the State Securities Commissioner. The pool operates similarly to money market funds and each share is equal in value to $1.00. COLOTRUST measures its investments at fair value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of Statement 31, and therefore the City's investment in COLOTRUST is not required to be categorized within the fair value hierarchy for purposes of Paragraph 91a(2) of Statement 72. COLOTRUST has a daily redemption frequency period, and a 1-day redemption notice period. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the participating governments. COLOTRUST is rated AAAm by S&P Global Ratings.

The City also maintains an account in the Colorado Surplus Asset Fund Trust (CSAFE). The City's balance in CSAFE at December 31, 2025, is $1,183,736. CSAFE is an investment vehicle established by state statute for local governmental entities in Colorado to pool surplus funds for investment purposes and is registered with the State Securities Commission. The pool operates similarly to money market funds and each share of CSAFE Cash is equal in value to $1.00. Investments 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 the participating governments. CSAFE Cash meets the criteria in GASB 79 Paragraph 4 and measures all of its investment at amortized cost. There are no redemption restrictions or redemption notice periods. CSAFE Cash is rated AAAmmf by Fitch Ratings.

Fair Value of Investments - The City categorizes 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 the asset. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Inputs are quoted prices for identical investments in active markets.
- Level 2: Observable inputs other than quoted market prices.
- Level 3: Unobservable inputs.

For investments categorized as Level 1, prices are determined using quoted prices in active markets for identical securities. For investments categorized as Level 2, prices are determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use by pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted market prices for similar assets, quoted prices for identical or similar assets in markets that are not active or other quoted prices that are not observable. For investments categorized as Level 3, prices are determined using inputs that are unobservable. The City had no investments measured at fair value for the year ended December 31, 2025.

Restricted Cash

Of the Cash and Investments listed above, certain assets of the City are classified as restricted assets because their use is completely restricted by the terms of various loan agreements and legal requirements, the restricted assets are as follows:

General Fund	
Restricted for federal grant advances	$ 11
Restricted for opioid settlement funds	33,145
Total general fund	$ 33,156
Capital Projects Fund	
Restricted for conservation	$ 17
Steamboat Springs Redevelopment Authority Fund	
Restricted for debt service	$ 1,108,000
Short-Term Rental Tax Fund	
Restricted for housing purposes	37,130,743
Utility Fund	
Restricted for operations and maintenance	$ 1,250,000
Restricted for debt service	960,750
	$ 2,210,750

Note 3 - Receivables

Property Taxes

Property taxes from Routt County are not due and payable until after the assessment year has ended. Thus, they are not included in the revenues or net position of the assessment year. They are recorded in the relevant funds as taxes receivable net of an allowance and deferred inflow of resources at December 31, 2025. An allowance for uncollectible property taxes of 0.09% of the SSRA property tax receivable has been determined based on prior actual collections versus assessed amounts. An allowance for uncollectible property taxes of 1.04% of the Fire/EMS property tax receivable has been determined based on prior actual collections versus assessed amounts.

Ambulance Billings

Accounts receivable for total outstanding ambulance billings are recorded net of a 60% allowance for amounts deemed uncollectible.

Notes Receivable

In 2007 the City made a loan to the Yampa Valley Housing Authority for the Fish Creek Mobile Home Park. The original amount of the loan was $954,000. In 2014 the City authorized Resolution No. 2014-15 to amend the loan, commencing in 2019 the interest is 1.5%. The balance of the receivable recorded in the Community Housing Fund at December 31, 2025, was $515,630. Principal reduction payments are to be paid annually beginning January 2015 until January 2044.

In 2024 the City made a loan to a private developer for a housing project with a restrictive covenant for eleven units of the property to be offered to City employees, employees of local nonprofits or schools, or employees of any local business. The original amount of the loan was $2,600,000 with an interest rate of 2.0%. Interest began accruing at the issuance date; however no payment was due until 2028. During the current year, the full amount of the loan and accrued interest was repaid.

Leases Receivable

As of December 31, 2025, the City had four active lessor leases. The leases have receipts that range from $3,450 to $102,264 and interest rates that range from 2.45% to 4.00%. As of December 31, 2025, the total combined value of the lease receivable is $360,530, the total combined value of the short-term lease receivable is $147,002, and the combined value of the deferred inflow of resources is $337,713.

Principal and interest receipts expected to maturity are as follows:

Years Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	$ 3,327	$ 723	$ 143,675	$ 7,197
2027	4,016	634	44,995	4,218
2028	4,268	531	12,231	3,741
2029	4,375	425	12,573	3,399
2030	4,483	317	12,925	3,047
2031-2035	10,498	303	75,978	9,339
2036-2037	-	-	27,186	631
	$ 30,967	$ 2,933	$ 329,563	$ 31,572

Airport Fund Regulated Leases

The City has 37 long-term leases that are excluded from the capitalization requirements of GASB 87 due to being regulated by the Federal Aviation Administration (FAA). These are ground leases for airport hangars used to store aircraft, and all of the leases have either 30-year or 35-year terms. The total amount of revenue recognized during the current fiscal year from these agreements is $80,119.

The table below shows expected future minimum payments under these agreements for each of the subsequent five years and in five-year increments thereafter.

Years Ending December 31,	Minimum Receipts
2026	$ 91,526
2027	94,016
2028	96,211
2029	89,587
2030	89,471
2031-2035	485,451
2036-2040	410,184
2041-2045	189,321
2046-2050	198,668
2051	1,597
	$ 1,746,032

Note 4 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated/amortized				
Land	$ 20,693,163	$ 435,184	$ -	$ 21,128,347
Construction in progress	53,094,314	10,889,105	25,946,257	38,037,162
Total capital assets, not being depreciated/amortized	73,787,477	11,324,289	25,946,257	59,165,509
Capital assets, being depreciated/amortized				
Land improvements	31,194,601	951,194	-	32,145,795
Parks and fields	17,634,082	768,909	-	18,402,991
Roads and bridges	52,674,184	658,518	-	53,332,702
Trails	9,633,983	-	-	9,633,983
Buildings and improvements	57,576,714	26,325,422	-	83,902,136
Machinery and equipment	40,563,095	2,611,755	282,489	42,892,361
Intangible assets	1,543,414	-	-	1,543,414
Right to use leased buildings	539,856	70,945	-	610,801
Right to use leased equipment	76,040	-	12,464	63,576
Right to use subscription IT assets	328,689	5,841,184	-	6,169,873
Total capital assets, being depreciated/amortized	211,764,658	37,227,927	294,953	248,697,632
Less accumulated depreciation/amortization for				
Land improvements	10,187,072	1,053,160	-	11,240,232
Parks and fields	9,505,816	579,368	-	10,085,184
Roads and bridges	16,563,758	1,757,127	-	18,320,885
Trails	4,959,657	284,601	-	5,244,258
Buildings and improvements	21,724,049	1,687,664	-	23,411,713
Machinery and equipment	21,608,777	3,029,073	282,489	24,355,361
Intangible assets	1,282,702	142,427	-	1,425,129
Right to use leased buildings	192,910	237,310	-	430,220
Right to use leased equipment	41,638	11,126	12,464	40,300
Right to use subscription IT assets	143,231	109,663	-	252,894
Total accumulated depreciation/amortization	86,209,610	8,891,519	294,953	94,806,176
Total capital assets, being depreciated/amortized, net	125,555,048	28,336,408	-	153,891,456
Governmental Activities Capital Assets, Net	$ 199,342,525	$ 39,660,697	$ 25,946,257	$ 213,056,965

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

Governmental activities	
General government	$ 899,486
Public safety	1,006,992
Public works - including depreciation of general infrastructure assets	2,264,809
Transportation services	1,583,533
Parks and recreation	2,199,063
Planning	8,947
Internal service funds (allocated to multiple functions)	928,689
Total depreciation/amortization expense - governmental activities	$ 8,891,519

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated				
Land	$ 9,137,208	$ -	$ -	$ 9,137,208
Construction in progress	24,147,303	5,198,759	13,878,416	15,467,646
Total capital assets, not being depreciated/amortized	33,284,511	5,198,759	13,878,416	24,604,854
Capital assets, being depreciated				
Land improvements	14,033,158	4,979,851	-	19,013,009
Utility transmission lines	46,685,383	1,357,396	-	48,042,779
Buildings and improvements	45,408,424	-	-	45,408,424
Machinery and equipment	5,866,437	8,909,030	-	14,775,467
Total capital assets, being depreciated	111,993,402	15,246,277	-	127,239,679
Less accumulated depreciation for				
Land improvements	9,755,269	482,114	-	10,237,383
Utility transmission lines	29,022,022	1,068,733	-	30,090,755
Buildings and improvements	18,885,253	923,301	-	19,808,554
Machinery and equipment	3,886,707	863,123	-	4,749,830
Total accumulated depreciation	61,549,251	3,337,271	-	64,886,522
Total capital assets, being depreciated, net	50,444,151	11,909,006	-	62,353,157
Business-Type Activities Capital Assets, Net	$ 83,728,662	$ 17,107,765	$ 13,878,416	$ 86,958,011

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

Business-type activities	
Utility	$ 2,365,825
Airport	538,630
Golf	432,816
Total depreciation expense - business-type activities	$ 3,337,271

Note 5 - Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Certificates of participation	$ 13,195,000	$ -	$ 715,000	$ 12,480,000	$ 745,000
Loans payable	7,455,000	-	1,455,000	6,000,000	1,470,000
Unamortized premium	540,228	-	73,829	466,399	67,963
Leases payable	333,868	70,945	328,084	76,729	24,484
Subscription-based IT arrangements	164,705	3,223,619	102,949	3,285,375	399,888
Compensated absences*	2,501,906	234,823	-	2,736,729	684,183
	$ 24,190,707	$ 3,529,387	$ 2,674,862	$ 25,045,232	$ 3,391,518
Business-Type Activities					
Loans payable	$ 5,565,000	$ -	$ 690,000	$ 4,875,000	$ 720,000
Unamortized premium	63,886	-	16,167	47,719	13,739
Compensated absences*	247,174	-	14,164	233,010	58,253
	$ 5,876,060	$ -	$ 720,331	$ 5,155,729	$ 791,992

*Change in compensated absences is presented as the net change for the year.

Certificates of Participation (COPS)

December 21, 2016 – Certificates of Participation Series 2016A - $3,750,000

The Series 2016A Certificates were issued for the purpose of improving downtown infrastructure along Yampa Street and Oak Street. Interest rates vary from 4.0% to 5.0% and mature annually beginning December 1, 2026 through December 1, 2036, in amounts ranging from $80,000 to $440,000. Total annual payments vary from $153,567 to $467,200 and are serviced by the General Fund. The outstanding principal balance at December 31, 2025, was $3,750,000.

December 21, 2016 – Certificates of Participation Series 2016B - $2,470,000

The Series 2016B Certificates were issued for the purpose of refunding the City's Series 2007 Certificates in order to reduce total debt service payments by $1,978,342. The economic gain on the refunding was $684,761 in net present value savings. Interest rates vary from 1.7% to 3.75% and mature annually through December 1, 2026, in amounts ranging from $215,000 to $285,000. Total annual payments vary from $223,063 to $304,803 and are serviced by the General Fund. The outstanding principal balance at December 31, 2025, was $215,000.

March 29, 2018 – Certificates of Participation Series 2018 - $5,920,000

The Series 2018 Certificates were issued for the purpose of constructing the combined law enforcement facility. Interest rates vary from 3.0% to 4.0% and mature annually beginning December 1, 2018 through December 1, 2037, in amounts ranging from $145,000 to $420,000. Total annual payments vary from $291,813 to $441,000 and are serviced by the General Fund. The outstanding principal balance at December 31, 2025, was $4,080,000.

July 12, 2023 – Certificates of Participation Series 2023 - $5,045,000

The Series 2023 Certificates were issued for the purpose of constructing the city hall building. Interest rates vary from 4.0% to 5.0% and mature annually beginning December 1, 2023 through December 1, 2042, in amounts ranging from $155,000 to $365,000. Total annual payments vary from $377,700 to $382,950 and are serviced by the General Fund. The outstanding principal balance at December 31, 2025, was $4,435,000.

Each of the Certificates of Participation listed above have terms specified in their respective agreements that if on or before the December 31 prior to the beginning of any Fiscal Year of the City, the City fails to budget and appropriate sufficient funds to pay all Base Rentals and all reasonably estimated Additional Rentals, the City will be considered to have terminated the Lease. In the event of termination, the City is required to vacate and surrender the Leased Property by March 1 of any Renewal Term in respect of which an Event of Non-appropriation or an Event of Lease Default has occurred.

Debt service requirements to maturity for the certificates of participation are as follows:

Years Ending December 31,	Governmental Activities	
	Principal	Interest
2026	$ 745,000	$ 541,813
2027	765,000	510,800
2028	810,000	478,400
2029	835,000	444,100
2030	870,000	408,700
2031-2035	4,930,000	1,453,850
2036-2040	2,810,000	424,600
2041-2042	715,000	43,200
	$ 12,480,000	$ 4,305,463

Loans Payable

September 22, 2020 - Tax Increment Revenue Refunding Loan - $11,080,000

The Series 2020 Loan was issued for the purpose of refunding the Steamboat Springs Development Authority's outstanding Tax Increment Adjustable Rate Revenue Bonds Series 2010, which were originally issued for the purpose of financing public improvements. The refunding reduced total debt service payments by $2,042,609. Interest is paid semi-annually at a rate of 1.26%. Principal payments ranging from $365,000 to $1,530,000 are paid on December 1 each year through 2029. Total annual payments vary from $531,366 to $1,549,278 and are serviced by the Steamboat Springs Redevelopment Authority. Pledged revenues, consisting of property tax revenue, sales tax revenue, and investment earnings thereon, less any collection fee charged by the County and less any expenses of collecting and enforcing the Sales Tax attributable to the Plan Area, are committed to servicing the debt through 2029. The amount of pledged revenue varies year to year. During 2025 pledged revenues totaling $6,476,897 were available to pay debt service of $1,619,665 on the Series 2020 Bonds. The outstanding principal balance on the Series 2020 Loan at December 31, 2025, was $6,000,000.

June 21, 2011 – Colorado Water Resources and Power Development Authority Loan - $12,350,000

The 2011 loan was entered into for various drinking water and wastewater projects including water line additions, water main replacement and additions, reservoir enlargement, water meter upgrades, and wastewater collection main replacements. The Authority issued bonds to fund the loan and the City assumed the issue costs. Interest rates vary from 3% to 5%. Principal payments vary from $365,000 to $915,000 semi-annually through August 1, 2031. Total annual payments vary from $955,913 to $986,484 and are serviced by the Utility Fund. Pledged revenues, consisting of System Revenues less Operating and Maintenance Expenses, are committed to servicing the debt through 2031. During 2025 pledged net revenues totaling $6,474,260 were available to pay debt service of $955,913. The outstanding principal balance at December 31, 2025, was $4,875,000.

Each of the loans listed above have terms specified in their respective agreements in which an "Event of Default" would declare the principal of all "Bonds then Outstanding" to be due and payable.

Debt service requirements to maturity for the loans are as follows:

Years Ending	Tax Increment Revenue Bonds		Business-Type Activities	
December 31,	Principal	Interest	Principal	Interest
2026	$ 1,470,000	$ 75,600	$ 720,000	$ 237,450
2027	1,490,000	57,078	750,000	207,750
2028	1,510,000	38,304	790,000	170,250
2029	1,530,000	19,278	830,000	130,750
2030	-	-	870,000	89,250
2031	-	-	915,000	45,750
	$ 6,000,000	$ 190,260	$ 4,875,000	$ 881,200

Leases Payable

As of December 31, 2025, the City had six active leases payable. The leases have payments that range from $1,110 to $266,500 and interest rates that range from 2.470% to 3.922%. December 31, 2025, the total combined value of the lease liability is $76,729, and the total combined value of the short-term lease liability is $24,484. The combined value of the right to use asset, as of December 31, 2025, of $674,377 with accumulated amortization of $470,520, is included within the right to use leased buildings and right to use leased equipment included in Note 4.

The future principal and interest lease payments as of December 31, 2025, are as follows:

Years Ending December 31,	Governmental Activities	
	Principal	Interest
2026	$ 24,484	$ 2,211
2027	23,484	1,516
2028	14,178	822
2029	14,583	417
	$ 76,729	$ 4,966

Subscription-Based IT Arrangements (SBITAs)

As of December 31, 2025, the City had five active subscriptions. The subscriptions have payments that range from $0 to $52,140 annually and interest rates that range from 2.3633% to 2.9530%. As of December 31, 2025, the total combined value of the subscription liability is $3,285,375, and the total combined value of the short-term subscription liability is $399,888. The combined value of the right to use asset, as of December 31, 2025, of $6,169,873 with accumulated amortization of $252,894 is included within the right to use subscription IT assets included in Note 4.

Remaining principal and interest payments on subscriptions are as follows:

Years Ending December 31,	Governmental Activities	
	Principal	Interest
2026	$ 399,888	$ 81,406
2027	350,261	85,477
2028	369,324	75,088
2029	389,121	64,134
2030	409,685	52,592
2031-2035	1,367,096	82,473
	$ 3,285,375	$ 441,170

Compensated Absences

Compensated absences consists of earned but unused PTO as described in Note 1.

Note 6 - Asset Retirement Obligations

The City's domestic Wastewater Treatment Plant (WWTP) utilizes an extended aeration activated sludge treatment process that consists of an arrangement of processes, equipment, and structures for treating, neutralizing, stabilizing, or disposing of domestic wastewater and the intermediate byproducts of the treatment process. An extended aeration activated sludge domestic wastewater treatment plant is one type of domestic wastewater treatment works. When a domestic wastewater treatment works is decommissioned, the decommissioning efforts must be completed in a way that ensures protection of waters of the state and the surrounding environment in accordance with appropriate environmental regulations. Biosolids must be completely removed from a decommissioned wastewater treatment works and managed in accordance with federal requirements in 40 CFR 503 and the Colorado Biosolids Regulations 5 CCR 1002-64. Waste materials at a decommissioned wastewater treatment works must be properly managed in accordance with Regulations Pertaining to the Solid Waste Sites and Facilities 6 CCR 1007-2 and the Solid Wastes Disposal Site and Facilities Act, Title 30, Article 20, Part 1, Colorado Revised Statutes (CRS), as amended.

The City's Wastewater Distribution and Collection Manager estimated the asset retirement obligation using a probability weighting method, which measures the liability as the sum of probability-weighted amounts in a range of possible estimated mean amounts. Using this method and based upon experience in decommissioning similar sites, the City's Distribution and Collection Manager believes a reasonable estimate to retire the WWTP in accordance with the aforementioned regulations is $2,152,272 and that the estimated remaining useful life of the asset is 25 years. No assets have been set aside to provide for the retirement.

Changes in the City's asset retirement obligation for the year ended December 31, 2025, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Asset Retirement Obligation	$ 2,074,979	$ 77,293	$ -	$ 2,152,272	$ -

Note 7 - Defined Benefit Pension Plans

The City contributes to two separate defined benefit pension plans which cover substantially all full-time public safety employees and former volunteer firefighters. They are the Colorado Statewide Retirement Plan and the Steamboat Springs Volunteer Fire Department Pension Fund. Both plans are defined benefit pension systems.

For the year ended December 31, 2025, the City reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the plans as follows:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense
Statewide Plan	$ 1,660,156	$ -	$ 167,975	$ 615,727
Volunteer Fire Department Plan	50,143	319,038	-	251,129
Total all plans	$ 1,710,299	$ 319,038	$ 167,975	$ 866,856

Statewide Retirement Plan

Plan Description

The City of Steamboat Springs contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). The plan covers substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980. As of January 1, 2023 the Statewide Defined Benefit Plan and the Statewide Hybrid Plan have merged to form the Statewide Retirement Plan (SRP) and the Statewide Defined Benefit Plan becomes the Defined Benefit Component of the Statewide Retirement Plan. This change did not have a material impact on the City's financial statements.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund. Assets from the Deferred Retirement Option Plan (DROP) and Separate Retirement Account assets from eligible retired members are in the Fire & Police Members' Self-Directed Investment Fund. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at: http://www.FPPAco.org.

Benefits Provided

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually.

Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions

Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2025, members of the SRP plan and their employers contributed at the rate of 12 percent and 10.5 percent, respectively, of pensionable earnings for a total contribution rate of 22.5 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

Employer contributions are recognized by the City in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the Plan. Employer contributions recognized by the Plan from the City were $419,780 for the year ended December 31, 2025.

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2025 , the City reported a net pension liability of $0 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The proportionate share is defined as the proportionate relationship of one employer to all employers of the plan. The basis for the employer's proportion should be determined consistent with the manner in which contributions to the pension plan are determined. Only employer contributions are used to calculate the proportion (member contributions are not considered). The proportionate share is used to calculate the City's share of collective net pension liability, collective pension expense and collective deferrals. These proportionate share amounts will then be combined with the City's specific deferrals and amortization of deferrals to report net pension liability, pension expense and other required disclosure items. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating departments, actuarially determined. At December 31, 2024, the City's proportion was 0.3441 percent, which was a decrease of 0.0117 percent from its proportion measured as of December 31, 2023.

For the fiscal year ended December 31, 2025, the City recognized pension expense of $615,727. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 826,945	$ 25,866
Changes of assumptions	295,956	-
Net difference between projected and actual investment earnings on pension plan investments	117,475	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	142,109
City contributions subsequent to the measurement date	419,780	-
	$ 1,660,156	$ 167,975

The $419,780 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an adjustment against the net pension liability in the year ended December 31, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense
2026	$ 298,642
2027	441,268
2028	31,210
2029	46,288
2030	101,731
Thereafter	153,262

Actuarial Assumptions

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ended December 31, 2024. The valuation used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2025	January 1, 2024
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return, Net*	7.00%	7.00%
Projected Salary Increases*	4.25% - 11.75%	4.25% - 11.75%
Cost of Living Adjustment (COLA)	0.00%	0.00%
*Includes Inflation at	2.50%	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2023 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2024. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	33.00%	7.00%
Equity Long/Short	6.00%	6.20%
Private Markets	34.00%	8.80%
Fixed Income - Rates	7.00%	5.00%
Fixed Income - Credit	7.00%	6.50%
Absolute Return	9.00%	5.70%
Cash	4.00%	4.20%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Statewide Retirement Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

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 expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.08 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

Pension Liability Sensitivity

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Plan's net pension liability, calculated using a single discount rate of 7.00 percent, as well as what the SWDB 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability (asset)	$ 1,679,333	$ -	$ -

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

Defined Benefit Plan for Volunteer Firefighters

Plan Description

The City maintains a defined benefit pension plan covering its volunteer firefighters. The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available annual comprehensive financial report that can be obtained at www.FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

Benefits Provided

The plan provides retirement, disability and death benefits to plan members and beneficiaries. Benefits for normal retirement, a volunteer member having (20) years of active service may retire on the first day of the month immediately following the member's fiftieth (50th) birthday and receive a pension not to exceed $715 per month unless state law requires a minimum amount greater than this amount or an actuarial review indicates that a greater amount can be paid. A Member who meets the requirements for a normal retirement pension shall receive a monthly annuity for the remainder of the member's life.

The pension board may pension any volunteer member early retirement based on having ten (10) years of active service or more and being above the age of fifty (50) years. Such pension being pro-rated in accordance with the number of years of service and the amount of pension being paid for normal retirement explained above. Any member having at least ten (10) years of active service and not having reached the age of fifty (50), may be granted a leave of absence and retain all rights to pension annuity, and on attaining the age of fifty (50), shall be entitled to pension benefits as described herein.

No firefighter transferring from another Volunteer Fire Department in Colorado shall receive retirement benefits from the Pension Fund for service after June 2, 1977 unless they shall have served at least five years for the Department. In the event of the death of a retired Member who, regardless of age, has served the requisite number of years for retirement, and who leaves a surviving spouse, the Board may grant a monthly annuity to such spouse in accordance with applicable Colorado statutes (C.R.S., 31-30-1127), in the amount of fifty percent (50%) of the current pension payment for a retired member if the fund is actuarially sound. If the Member has less than twenty years of active service, the annuity to the surviving spouse shall be prorated based upon the number of years of service. These payments shall remain in effect until the death or remarriage of such spouse.

Disability benefits shall pay a monthly annuity to said firefighter in an amount that is proper and equitable, the financial condition of the funds considered, but not to exceed $357 per month, for a period of up to but not to exceed, one (1) year.

Death benefits shall pay a monthly annuity to their survivor(s) not to exceed $357.50 per month for a period of up to, but not to exceed, one (1) year. A one-time funeral benefit of $1,430 shall be paid to the surviving spouse or family upon the death of any active or retired firefighter. Upon the death of a pensioned firefighter, a monthly annuity of up to fifty (50%) of the current retirement benefit may be paid to the surviving spouse if the Pension Fund is actuarially sound.

Members Covered by Benefit Terms

Plan membership consists of inactive volunteer firefighters and their beneficiaries. At the valuation date of January 1, 2025, plan membership consisted of the following:

Retirees and beneficiaries	24
Inactive, nonretired members	-
Active members	-
Total	24

Per resolution of the City Council 2011-29, the plan is closed to new members. A volunteer firefighter who was not a member of the plan as of September 20, 2011, is not entitled to become a member of the plan or receive benefits from the plan.

Contributions

Contributions into the pension fund can come from two sources: contributions directly from the department and contributions from the State based on assessed property values and other formulas. The volunteers serve without receiving any compensation for their services and therefore there is no covered payroll.

The volunteers make no contribution to the plan. The contribution by the State of Colorado toward volunteer fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State. The State will provide matching contributions at 90% of City contributions up to a maximum of ½ mill on the assessed valuation of the City. The State contribution for 2025 was $21,600. The annual contribution from the City for 2025 was $29,000 and was authorized by adoption of the City's annual budget.

For 2025, the City's annual required contribution for FPPA was $15,896. The required annual contribution was determined as part of the January 1, 2023 actuarial valuation using the entry age actuarial cost method. Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2023, determines the contribution amounts for 2024 and 2025.

Actuarial Assumptions

The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year Smoothed Fair Value
Investment Rate of Return	6.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Projected Salary Increases	N/A
Cost of Living Adjustments	None

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

The following mortality rates were adopted:

- Pre-retirement: Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality.
- Post-retirement: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale.
- Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024, are summarized in the following table:

Asset Class	Allocation at Measurement Date	Long-Term Expected Nominal Rate of Return
Liquidity	4.0%	4.2%
Fixed Income - Rates	7.0%	5.0%
Fixed Income - Credit	7.0%	6.5%
Diversifiers	9.0%	5.7%
Long Short	6.0%	6.2%
Global Public Equity	33.0%	7.0%
Private Markets	34.0%	8.8%
Totals	100.0%	

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 6.00%; the municipal bond rate is 4.08% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 6.00%.

Projected cash flows used in determining the Single Discount Rate are available upon request.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, the City reported a net pension liability of $319,038, measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined based on the January 1, 2024, actuarial valuation. For the year ended December 31, 2024, changes in the net pension liability of the City were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at January 1, 2024	$ 1,461,321	$ 1,333,858	$ 127,463
Service cost	-	-	-
Interest on total pension liability	97,488	-	97,488
Benefit changes	150,812	-	150,812
Differences between expected and actual experience	(16,454)	-	(16,454)
Changes of assumptions	133,609	-	133,609
Contributions - employer	-	29,000	(29,000)
State of Colorado supplemental discretionary payment	-	27,540	(27,540)
Net investment income	-	125,669	(125,669)
Benefit payments	(139,620)	(139,620)	-
Administrative expense	-	(8,329)	8,329
Net Changes	225,835	34,260	191,575
Balances at December 31, 2024	$ 1,687,156	$ 1,368,118	$ 319,038

For the year ended December 31, 2025, the City recognized pension expense for this plan of $251,129. At December 31, 2025, the City reported deferred outflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 21,143	$ -
Contributions subsequent to measurement date	29,000	-
Total	$ 50,143	$ -

The $29,000 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 ending December 31, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,	Pension Expense
2026	$ 10,197
2027	31,798
2028	(13,764)
2029	(7,088)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's net pension liability calculated using the discount rate of 6.00%, as well as the City's net pension liability if it were calculated using a discount that is one percentage point lower (5.00%) or one percentage point higher (7.00%) than the current rate, as follows:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net pension liability	$ 475,160	$ 319,038	$ 185,429

Note 8 - Defined Contribution Retirement Plans

Police Retirement Defined Contribution Plan

The City provides retirement benefits for all of its full-time police officers through a defined contribution plan administered by MissionSquare Retirement. There is not a separate audited financial report for this plan. In the defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by Resolution #82-30 of the City Council, all employees of the City's Police Department not covered by another plan must participate in this plan from the date of hire. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after five (5) years of continuous service. A portion of City contributions for, and interest forfeited by, employees who leave employment before becoming fully vested are used to reduce the City's current period contribution requirement and to pay expenses of the plan. The City Council has the authority to approve amendments to the plan.

The City's total payroll for the year ended December 31, 2025 was $32,880,131. The City's contribution was calculated using the covered payroll of $3,021,084. The City contributed the required amount, net of forfeitures, of $368,572 (12.2% of covered payroll) and the covered employees contributed the required amount of $277,940 (9.2% of covered payroll), for a total of $646,512 (21.4% of covered payroll).

Paid Firefighter Defined Contribution Plan

The City provides pension benefits for all of its full-time firefighters through a non-contributory defined contribution plan administered by MissionSquare Retirement. There is not a separate audited financial report for this plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

As established by Ordinance #469 of the City Council, all full-time paid firefighters participate in this plan from the date of hire. The City's contribution for each employee (and interest allocated to the employee's account) is fully vested after 5 years of continuous service. City contributions for, and interest forfeited by, employees who leave employment before becoming fully vested are used to reduce the City's current period contribution requirement and pay expenses of the plan.

The City's total payroll for the year ended December 31, 2025 was $32,880,131. The City's contribution was calculated using the covered payroll of $4,675,612 and the City made the required contribution of 4.2% amounting to $196,357.

City Employee Defined Contribution Plan

The City provides pension benefits for all of its full-time employees, except police officers and paid firefighters, through a non-contributory defined contribution plan administered by MissionSquare Retirement. There is not a separate audited financial report for this plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

As established by Ordinance #469 of the City Council, all full-time and continuous part-time employees of the City, except full-time police officers and paid firefighters, participate in this plan from the date of hire. The City's contribution for each employee (and interest allocated to the employee's account) is fully vested after 5 years of continuous service. City contributions for, and interest forfeited by, employees who leave employment before becoming fully vested are used to reduce the City's current period contribution requirement and pay expenses of the plan. The City Council has the authority to approve amendments to the plan.

The City's total payroll for the year ended December 31, 2025 was $32,880,131. The City's contribution was calculated using the covered payroll of $19,778,486 and the City made the required contribution of 6% amounting to $1,186,709.

Note 9 - Fund Balances

The City classified fund balances within the governmental funds as follows at December 31, 2025:

	General	Capital Projects	Accommodations Tax Capital Projects	Steamboat Springs Redevelopment Authority	Fire and EMS Tax	Community Housing	Short-Term Rental Tax	Total
Fund Balances								
Nonspendable								
Inventory	$ 21,709	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,709
Prepaid items	255,401	-	-	-	-	50,000	24,584	329,985
Total nonspendable	277,110	-	-	-	-	50,000	24,584	351,694
Restricted								
TABOR 3% emergency	3,010,478	-	-	-	-	-	-	3,010,478
Debt service	-	-	-	1,108,000	-	-	-	1,108,000
Specific capital projects	-	2,001,938	6,095,480	-	-	-	-	8,097,418
Urban revitalization	-	-	-	14,441,177	-	-	-	14,441,177
Fire and rescue	-	-	-	-	1,420,004	-	-	1,420,004
Affordable housing	-	-		-	-	58,502	39,110,251	39,168,753
Total restricted	3,010,478	2,001,938	6,095,480	15,549,177	1,420,004	58,502	39,110,251	67,245,830
Committed								
Waste reduction	121,718	-	-	-	-	-	-	121,718
Miscellaneous other uses	143,878	-	-	-	-	-	-	143,878
Total committed	265,596	-	-	-	-	-	-	265,596
Assigned								
Specific projects	12,392	-	-	-	-	-	-	12,392
Subsequent year expenditures	536,191	18,151,075	-	-	-	-	-	18,687,266
Future capital projects	-	17,621,631	-	-	-	-	-	17,621,631
Total assigned	548,583	35,772,706	-	-	-	-	-	36,321,289
Unassigned	26,092,790	-	-	-	-	-	-	26,092,790
Total Fund Balances	$ 30,194,557	$ 37,774,644	$ 6,095,480	$ 15,549,177	$ 1,420,004	$ 108,502	$ 39,134,835	$ 130,277,199

The City Financial Policy requires a Stabilization Reserve equal to 25% of the prior year's General Fund operating expenditures to be held in unassigned fund balance. The reserve is designed to provide the City with budget stabilization during revenue downturns. The funds, if needed for stabilization, would be appropriated by City Council via ordinance. The stabilization reserve balance at December 31, 2025, was $15,006,568, and this forms part of the general fund's unassigned fund balance.

Note 10 - Interfund Activity

Interfund Transfers

The following interfund transfers occurred during the year ended December 31, 2025.

	Transfer in			
	General Fund	Capital Projects Fund	Airport Fund	Total
Transfer out				
General Fund	$ -	$ 100,591	$ 143,132	$ 243,723
Fire and EMS Tax Fund	1,190,275	1,340,000	-	2,530,275
Total	$ 1,190,275	$ 1,440,591	$ 143,132	$ 2,773,998

Transfers were made from the General Fund and Fire and EMS Tax Fund to the Capital projects fund to support ongoing capital projects. Transfers were made from the Fire and EMS Tax Fund to the General Fund to support current service level provided by the fire department. Other transfers include a transfer into the airport fund from the general fund to support airport's current service level.

Note 11 - Risk Management

The City is subject to various risks of loss, including theft of, or damage to assets; errors and omissions; and natural disasters for which the City carries insurance. A liability is reported when a loss has been incurred and the amount of the loss can be reasonably estimated.

A Colorado statute provides municipalities with immunity from liability in excess of $424,000 for any injury to one person in any single occurrence. $1,195,000 for any injury to two or more persons in any single occurrence; except that, in such instance, no person may recover in excess of $424,000.

The City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for property, liability and workers' compensation coverage. CIRSA was formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, 29-1-201 et seq., 29-13-102, 8-44-101(1)(c) and (3), and 8-44-204, C.R.S., as amended, and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members the coverage authorized by law, through joint self-insurance, insurance, reinsurance, or any combination thereof, to provide claims services related to such coverage, and to provide risk management and loss control services to assist members in preventing and reducing losses and injuries. The deductible amounts paid by the City for each incident in 2025 are: $50,000 General Liability, $50,000 Public Officials Errors and Omissions Liability, $50,000 Law Enforcement Liability, $50,000 Auto Liability, $50,000 Auto Physical Damage and $50,000 Property.

It is the intent of the members of CIRSA to create an entity in perpetuity, which will administer and use funds contributed by the members to defend and indemnify, in accordance with the by-laws, any member of CIRSA against stated liability or loss, to the limit of the financial resources of CIRSA available to pay such liability or loss. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

A seven-member board of directors, elected by the members of CIRSA, is responsible for budgeting and financing under the existing policies and by-laws of CIRSA. Amendments to the by-laws require a 2/3 vote of the members present at a meeting. The City does not have the ability to significantly influence operations. CIRSA issues separate financial statement information that can be obtained at www.CIRSA.org.

Medical and Dental Coverage

Medical and dental coverage for employees is provided by UMR and Delta Dental. The City has a partially self-insured medical plan with the maximum liability of the City per employee per year at $150,000. The City's total maximum liability per year is based on the number of employees participating in the plan. The health insurance liability of $765,492 reported in the General Fund at December 31, 2025, includes an estimated amount for medical and dental claims that have been incurred but not yet reported (IBNRs). The estimate is based on an average of three years past experience of claims paid in January and February expressed as a percentage of total paid claims in the later year.

Changes in the balance of claims liabilities during the past two years are as follows:

	2025	2024
Claims liability, beginning of year	$ 465,649	$ 367,213
Incurred claims (including IBNR)	5,246,116	4,608,639
Claim payments	(4,946,273)	(4,510,203)
Claim liability, end of year	$ 765,492	$ 465,649

Note 12 - Deferred Compensation Plan

The City offers a deferred compensation plan in accordance with Internal Revenue Code, Section 457. The plan permits employees to defer a portion of their salary to future years. During 1997 the plan was amended to provide that assets of the Plan are held in trust, with the City serving as trustee, for the exclusive benefit of the Plan participants (employees) and their beneficiaries. Due to this change in the trustee relationship, the City no longer records the activity of the Plan, or records the Plan assets or liabilities.

Note 13 - Commitments and Contingencies

Grants

The City receives funding from the federal government for various programs and projects. These funds are subject to review and audit by the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. City management estimates that such amounts, if any, will be immaterial.

Legal Contingencies

The City is a defendant in several lawsuits. Although the outcome of these lawsuits is not determinable, it is the opinion of the City's legal counsel that the costs to the City will not be substantial.

Commitments and Encumbrances

The City is committed under the terms of various purchase, engineering, and construction contracts at December 31, 2025. These contracts are anticipated to be completed in 2026.

Governmental Activities	
General Fund	$ 2,920,080
Capital Projects Fund	3,799,729
Accommodation Tax Capital Projects Fund	55,210
Steamboat Springs Redevelopment Authority Fund	508,436
Short-Term Rental Tax Fund	52,103
Total governmental activities	7,335,558
Business-Type Activities	
Utility Fund	1,155,639
Total encumbrances	$ 8,491,197

Note 14 - Taxpayer Bill of Rights (TABOR)

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including increasing revenues, spending abilities, and other specific requirements of state and local governments. On November 4, 1997, in the General Municipal Election, voters approved a measure to permit the City of Steamboat Springs to "collect, retain and expend the full proceeds of the City's sales and use tax, accommodations tax, non-federal grants and all other revenues, notwithstanding any state restriction on fiscal year spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution, from the 1997 fiscal year and thereafter".

Note 15 - Emergency Reserve

On November 3, 1992 Amendment 1, the Taxpayer Bill of rights (TABOR) was approved by Colorado taxpayers. As part of the requirements of this amendment, the City has calculated its December 31, 2025, emergency reserve to be $3,010,478.

Required Supplementary Information
December 31, 2025

City of Steamboat Springs, Colorado

City of Steamboat Springs, Colorado

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues				
Taxes and assessments	$ 45,081,289	$ 45,081,289	$ 43,938,335	$ (1,142,954)
Licenses and permits	840,055	840,055	1,268,890	428,835
Intergovernmental	4,478,551	5,246,432	5,077,162	(169,270)
Charges for services	7,427,471	5,071,306	4,214,113	(857,193)
Fines and forfeits	346,650	346,650	869,706	523,056
Net investment income	2,319,500	2,319,500	3,680,559	1,361,059
Contributions	630,143	630,143	692,493	62,350
Voluntary assessments	475,000	475,000	494,981	19,981
Miscellaneous	229,630	229,630	1,678,575	1,448,945
Total revenues	61,828,289	60,240,005	61,914,814	1,674,809
Expenditures				
Current				
General government	18,034,324	17,022,183	17,405,163	(382,980)
Public safety	16,636,567	16,851,709	15,474,381	1,377,328
Public works	5,865,010	5,954,827	5,621,871	332,956
Transportation services	7,495,161	7,255,557	6,942,188	313,369
Parks and recreation	11,351,157	11,904,173	10,330,435	1,573,738
Planning	2,063,997	2,850,847	2,205,715	645,132
Debt service				
Principal	766,313	1,044,636	1,146,033	(101,397)
Interest	569,902	587,122	586,304	818
Administrative fees	8,500	8,500	6,000	2,500
Capital outlay	277,200	277,200	237,235	39,965
Total expenditures	63,068,131	63,756,754	59,955,325	3,801,429
Excess (Deficiency) of Revenues over (under) Expenditures	(1,239,842)	(3,516,749)	1,959,489	5,476,238
Other Financing Sources (Uses)				
Insurance proceeds	100,000	100,000	79,020	(20,980)
Transfers in	3,790,266	3,731,596	1,190,275	(2,541,321)
Transfers out	(2,649,453)	(2,262,598)	(243,723)	2,018,875
Total other financing sources (uses)	1,240,813	1,568,998	1,025,572	(543,426)
Net Change in Fund Balances	$ 971	$ (1,947,751)	2,985,061	$ 4,932,812
Fund Balance, Beginning of Year			27,209,496	
Fund Balance, End of Year			$ 30,194,557	

City of Steamboat Springs, Colorado

Steamboat Springs Redevelopment Authority Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues				
Taxes	$ 6,280,000	$ 6,280,000	$ 6,476,897	$ 196,897
Intergovernmental	-	249,650	116,795	(132,855)
Net investment income	412,332	412,332	565,592	153,260
Miscellaneous	-	-	11,531	11,531
Total revenues	6,692,332	6,941,982	7,170,815	228,833
Expenditures				
Current				
Personnel services	50,000	50,000	15,345	34,655
Operating expenditures	619,654	623,299	694,105	(70,806)
Debt service				
Principal	1,455,000	1,455,000	1,455,000	-
Interest	93,933	93,933	93,933	-
Administrative fees	-	70,732	70,732	-
Capital outlay	1,595,000	2,366,394	198,315	2,168,079
Total expenditures	3,813,587	4,659,358	2,527,430	2,131,928
Net Change in Fund Balances	$ 2,878,745	$ 2,282,624	4,643,385	$ 2,360,761
Fund Balance, Beginning of Year			10,905,792	
Fund Balance, End of Year			$ 15,549,177	

City of Steamboat Springs, Colorado

Fire and EMS Tax Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	$ 2,590,460	$ 2,590,460	$ 2,666,664	$ 76,204
Net investment income	24,000	24,000	67,638	43,638
Contributions	175,000	175,000	175,736	736
Total revenues	2,789,460	2,789,460	2,910,038	120,578
Expenditures				
Current	55,309	55,309	50,115	5,194
Excess of Revenues over Expenditures	2,734,151	2,734,151	2,859,923	125,772
Other Financing Uses				
Transfers out	(2,672,985)	(2,672,985)	(2,530,275)	142,710
Net Change in Fund Balances	$ 61,166	$ 61,166	329,648	$ 268,482
Fund Balance, Beginning of Year			1,090,356	
Fund Balance, End of Year			$ 1,420,004	

City of Steamboat Springs, Colorado
Community Housing Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Net investment income	$ 12,075	$ 12,075	$ 11,485	$ (590)
Miscellaneous	30,777	30,777	22,702	(8,075)
Total revenues	42,852	42,852	34,187	(8,665)
Expenditures				
Current	50,000	50,000	50,000	-
Net Change in Fund Balances	$ (7,148)	$ (7,148)	(15,813)	$ (8,665)
Fund Balance, Beginning of Year			124,315	
Fund Balance, End of Year			$ 108,502	

City of Steamboat Springs, Colorado

Short-Term Rental Tax Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues				
Taxes	$ 14,373,520	$ 14,373,520	$ 15,471,136	$ 1,097,616
Net investment income	680,000	680,000	1,093,868	413,868
Miscellaneous	-	-	2,672,232	2,672,232
Total revenues	15,053,520	15,053,520	19,237,236	4,183,716
Expenditures				
Current	-	5,673,850	61,246	5,612,604
Capital outlay	-	-	250,000	(250,000)
Total expenditures	-	5,673,850	311,246	5,362,604
Net Change in Fund Balances	$ 15,053,520	$ 9,379,670	18,925,990	$ 9,546,320
Fund Balance, Beginning of Year			20,208,845	
Fund Balance, End of Year			$ 39,134,835	

Note 1 Budgetary Information

Prior to January 1, the City's budget is legally adopted through enactment of a budget ordinance. This ordinance appropriates expenditure levels by fund. This then becomes the level of control upon which expenditures may not legally exceed appropriations. The City Council may, if revenues are in excess of estimates, amend the adopted budget through enactment of a supplemental budget appropriation ordinance. Management may transfer budgeted amounts between departments within a fund as long as the total fund appropriation is not exceeded. Transfers between funds would require enactment of a supplemental budget ordinance. Appropriations lapse at year end.

Budgets for the General Fund, Special Revenue Funds and the Capital Projects Fund are adopted on a basis consistent with US GAAP, except that no expenditure or other financing source is recognized under the budgetary basis of accounting when the City enters into a subscription-based information technology arrangement (SBITA) or lessee lease. Budgets for the Enterprise and Internal Service Funds are adopted on a basis consistent with GAAP except that bond principal payments and capital outlay are budgeted as expenditures and depreciation is not budgeted.

The City uses encumbrance accounting and year-end encumbrances are included in assigned reserves in the ending fund balance. Any outstanding commitment to receive goods or services at year end is authorized by a re-appropriation in the succeeding year’s budget ordinance.

City of Steamboat Springs, Colorado

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)

Statewide Retirement Plan

Year Ended December 31, 2025

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Employer's Covered-Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/2024	0.3441%	$ -	$ 3,752,330	0.00%	100.00%
12/31/2023	0.3558%	$ -	$ 3,321,027	0.00%	100.00%
12/31/2022	0.3365%	$ 298,695	$ 2,927,711	10.20%	97.60%
12/31/2021	0.2858%	$ (1,548,965)	$ 2,444,739	(63.36%)	116.20%
12/31/2020	0.2697%	$ (585,542)	$ 2,166,342	(27.03%)	106.10%
12/31/2019	0.2864%	$ (161,992)	$ 2,111,049	(7.67%)	101.90%
12/31/2018	0.2765%	$ 349,450	$ 1,851,981	18.87%	95.20%
12/31/2017	0.2947%	$ (423,972)	$ 1,723,984	(24.59%)	106.30%
12/31/2016	0.3247%	$ 117,327	$ 1,661,813	7.06%	98.20%
12/31/2015	0.3230%	$ (5,694)	$ 1,565,875	(0.36%)	100.10%

Data prior to the December 31, 2023, measurement date relates to the FPPA Statewide Defined Benefit Plan

City of Steamboat Springs, Colorado

Schedule of Pension Contributions
Statewide Retirement Plan
Year Ended December 31, 2025

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered-Payroll (c)	Contributions as a Percentage of Covered-Payroll (b/c)
12/31/2025	$ 419,780	$ 419,780	$ -	$ 3,997,905	10.50%
12/31/2024	$ 375,233	$ 375,233	$ -	$ 3,752,330	10.00%
12/31/2023	$ 332,103	$ 332,103	$ -	$ 3,321,027	10.00%
12/31/2022	$ 263,494	$ 263,494	$ -	$ 2,927,711	9.00%
12/31/2021	$ 195,579	$ 195,579	$ -	$ 2,444,739	8.00%
12/31/2020	$ 173,307	$ 173,307	$ -	$ 2,166,342	8.00%
12/31/2019	$ 168,884	$ 168,884	$ -	$ 2,111,049	8.00%
12/31/2018	$ 148,159	$ 148,159	$ -	$ 1,851,981	8.00%
12/31/2017	$ 137,919	$ 137,919	$ -	$ 1,723,984	8.00%
12/31/2016	$ 132,945	$ 132,945	$ -	$ 1,661,813	8.00%

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year ending December 31, 2025:

The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-Term Investment Rate of Return*	7.0%
Projected Salary Increases	4.25% - 11.75%
Cost-of-Living Adjustments	0.0%
* Includes inflation at	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

City of Steamboat Springs, Colorado

Schedule of Changes in Net Pension Liability and Related Ratios

Volunteer Fire Department Pension Plan

Year Ended December 31, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ -	$ -	$ -	$ -	$ 1,719	$ 1,719	$ 1,708	$ 1,708	$ 1,744	$ 1,744
Interest	97,488	100,500	101,369	103,702	103,512	105,551	110,063	111,408	106,963	108,954
Benefit changes	150,812	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(16,454)	-	17,663	-	36,955	-	8	-	41,126	-
Changes of assumption	133,609	-	10,684	-	-	-	60,001	-	44,441	-
Benefit payments	(139,620)	(147,298)	(137,123)	(136,955)	(140,247)	(132,665)	(130,065)	(132,015)	(137,865)	(136,626)
Net change in total pension liability	225,835	(46,798)	(7,407)	(33,253)	1,939	(25,395)	41,715	(18,899)	56,409	(25,928)
Beginning of year	1,461,321	1,508,119	1,515,526	1,548,779	1,546,840	1,572,235	1,530,520	1,549,419	1,493,010	1,518,938
End of year	$ 1,687,156	$ 1,461,321	$ 1,508,119	$ 1,515,526	$ 1,548,779	$ 1,546,840	$ 1,572,235	$ 1,530,520	$ 1,549,419	$ 1,493,010
Plan Fiduciary Net Position										
Employer contributions	$ 29,000	$ 29,000	$ 29,000	$ 29,000	$ 29,000	$ 29,000	$ 29,000	$ 29,000	$ 29,000	$ 29,000
State of Colorado contributions	27,540	15,660	21,600	43,200	21,600	21,600	-	21,600	21,600	21,600
Net investment income	125,669	122,218	(123,097)	204,219	165,911	176,608	1,514	178,088	65,430	24,648
Benefit payments	(139,620)	(147,298)	(137,123)	(136,955)	(140,247)	(132,665)	(130,065)	(132,015)	(137,865)	(136,626)
Administrative expense	(8,329)	(10,767)	(7,237)	(7,380)	(5,873)	(6,808)	(6,238)	(6,276)	(2,243)	(3,017)
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	34,260	8,813	(216,857)	132,084	70,391	87,735	(105,789)	90,397	(24,078)	(64,395)
Beginning of year	1,333,858	1,325,045	1,541,902	1,409,818	1,339,427	1,251,692	1,357,481	1,267,084	1,291,162	1,355,557
End of year	$ 1,368,118	$ 1,333,858	$ 1,325,045	$ 1,541,902	$ 1,409,818	$ 1,339,427	$ 1,251,692	$ 1,357,481	$ 1,267,084	$ 1,291,162
Net Pension Liability	$ 319,038	$ 127,463	$ 183,074	$ (26,376)	$ 138,961	$ 207,413	$ 320,543	$ 173,039	$ 282,335	$ 201,848
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.09%	91.28%	87.86%	101.74%	91.03%	86.59%	79.61%	88.69%	81.78%	86.48%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability 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

See accompanying notes to RSI

City of Steamboat Springs, Colorado
Schedule of Contributions
Volunteer Fire Department Pension Plan
Year Ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution (ADC)	$ 15,896	$ 15,896	$ 23,797	$ 23,797	$ 29,906	$ 29,906	$ 23,084	$ 23,084	$ 16,017	$ 16,017
Contributions in relation to the ADC	(29,000)	(29,000)	(29,000)	(29,000)	(29,000)	(29,000)	(29,000)	(29,000)	(29,000)	(29,000)
Contribution deficiency (excess)	$ (13,104)	$ (13,104)	$ (5,203)	$ (5,203)	$ 906	$ 906	$ (5,916)	$ (5,916)	$ (12,983)	$ (12,983)
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percent of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See accompanying notes to RSI

Valuation Date

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2023 determines the contribution amounts for 2024 and 2025.

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year ending December 31, 2025:

The significant actuarial assumptions used to measure the total pension liability are as follows:

Investment Rate of Return	6.00%
Actuarial Method	Entry Age Normal
Amortization Method	Level dollar, Open *
Amortization Period	20 Years *
Asset Valuation Method	5-Year Smoothed Fair Value
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality:	
Pre-retirement:	Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality.
Post-retirement:	Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale.
Disabled:	Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.
Projected Salary Increases	N/A
Cost-of-Living Adjustments	None

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

Other Supplementary Information
December 31, 2025

City of Steamboat Springs, Colorado

City of Steamboat Springs, Colorado

Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues				
Taxes	$ 6,280,000	$ 6,280,000	$ 7,890,296	$ 1,610,296
Intergovernmental	43,904,960	64,577,276	1,083,281	(63,493,995)
Net investment income	1,600,000	1,600,000	1,253	(1,598,747)
Contributions	3,018,173	3,858,173	360,598	(3,497,575)
Miscellaneous	-	-	8,409	8,409
Total revenues	54,803,133	76,315,449	9,343,837	(66,971,612)
Expenditures				
Current	-	-	3,582,894	(3,582,894)
Capital outlay	61,752,416	112,644,801	18,684,013	93,960,788
Total expenditures	61,752,416	112,644,801	22,266,907	90,377,894
Deficiency of Revenues under Expenditures	(6,949,283)	(36,329,352)	(12,923,070)	23,406,282
Other Financing Sources				
Transfers in	3,482,710	1,422,720	1,440,591	17,871
Total other financing sources	3,482,710	1,422,720	1,440,591	17,871
Net Change in Fund Balances	$ (3,466,573)	$ (34,906,632)	(11,482,479)	$ 23,424,153
Fund Balance, Beginning of Year			49,257,123	
Fund Balance, End of Year			$ 37,774,644	

City of Steamboat Springs, Colorado
Accommodations Tax Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues				
Taxes	$ 1,800,000	$ 1,800,000	$ 2,151,755	$ 351,755
Intergovernmental	-	1,888,679	-	(1,888,679)
Net investment income	200,000	200,000	221,913	21,913
Total revenues	2,000,000	3,888,679	2,373,668	(1,515,011)
Expenditures				
Current	-	52,000	510,402	(458,402)
Capital outlay	-	5,755,051	634,713	5,120,338
Total expenditures	-	5,807,051	1,145,115	4,661,936
Net Change in Fund Balances	$ 2,000,000	$ (1,918,372)	1,228,553	$ 3,146,925
Fund Balance, Beginning of Year			4,866,927	
Fund Balance, End of Year			$ 6,095,480	

City of Steamboat Springs, Colorado

Utility Fund

Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual (Non-GAAP Budgetary Basis) - Enterprise Funds

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Charges for services	$ 9,123,140	$ 9,173,904	$ 11,635,966	$ 2,462,062
Net investment income	531,000	531,000	728,151	197,151
Operating grants	-	61,482	277,328	215,846
Contributions - tap fees	1,735,000	1,735,000	2,018,511	283,511
Debt proceeds	1,000,000	1,000,000	-	(1,000,000)
Miscellaneous	51,823	51,823	61,310	9,487
Total revenues	12,440,963	12,553,209	14,721,266	2,168,057
Expenditures				
Operating expenses				
Personnel services	2,213,977	2,213,977	2,249,566	(35,589)
Operations	3,573,350	3,940,146	3,978,929	(38,783)
Capital outlay	6,587,574	15,214,308	6,432,994	8,781,314
Debt service				
Principal	690,000	690,000	690,000	-
Interest	265,912	265,912	265,912	-
Total expenditures	13,330,813	22,324,343	13,617,401	8,706,942
Excess (Deficiency) of Revenues Over Expenses - Budgetary Basis	$ (889,850)	$ (9,771,134)	1,103,865	$ 10,874,999
Reconciliation to GAAP Basis:				
Debt service - principal			690,000	
Amortization of bond premium			16,167	
Change in accrued interest			11,855	
Capital outlay			6,432,994	
Depreciation			(2,365,825)	
Change in Net Position - GAAP Basis			$ 5,889,056	

City of Steamboat Springs, Colorado

Airport Fund

Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual (Non-GAAP Budgetary Basis) - Enterprise Funds

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Charges for services	$ 1,192,536	$ 1,192,536	$ 1,282,077	$ 89,541
Operating grants	7,000	1,515,267	57,444	(1,457,823)
Net investment income	-	-	4,408	4,408
Miscellaneous	-	-	61,074	61,074
Transfers in	143,132	143,132	143,132	-
Total revenues	1,342,668	2,850,935	1,548,135	(1,302,800)
Expenditures				
Operating expenses				
Personnel services	607,337	607,337	594,237	13,100
Operations	1,008,234	1,053,901	921,037	132,864
Capital outlay	-	2,049,821	33,507	2,016,314
Total expenditures	1,615,571	3,711,059	1,548,781	2,162,278
Excess (Deficiency) of Revenues Over Expenses - Budgetary Basis	$ (272,903)	$ (860,124)	(646)	$ 859,478
Reconciliation to GAAP Basis:				
Capital outlay			33,507	
Depreciation and amortization			(538,630)	
Change in Net Position - GAAP Basis			$ (505,769)	

City of Steamboat Springs, Colorado

Golf Fund

Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual (Non-GAAP Budgetary Basis) - Enterprise Funds

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Charges for services	$ 2,582,600	$ 3,819,600	$ 3,884,006	$ 64,406
Net investment income	80,000	80,000	134,103	54,103
Miscellaneous	4,625	4,625	4,662	37
Total revenues	2,667,225	3,904,225	4,022,771	118,546
Expenditures				
Operating expenses				
Personnel services	1,298,922	1,298,922	1,379,818	(80,896)
Operations	1,088,389	2,190,168	2,064,659	125,509
Capital outlay	140,099	220,099	100,121	119,978
Total expenditures	2,527,410	3,709,189	3,544,598	164,591
Excess (Deficiency) of Revenues Over Expenses - Budgetary Basis	$ 139,815	$ 195,036	478,173	$ 283,137
Reconciliation to GAAP Basis:				
Capital outlay			100,121	
Depreciation and amortization			(432,816)	
Change in Net Position - GAAP Basis			$ 145,478	

City of Steamboat Springs, Colorado

Fleet Fund

Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual (Non-GAAP Budgetary Basis) - Internal Service Fund

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Charges for services	$ 3,100,994	$ 3,100,994	$ 3,100,992	$ (2)
Net investment income	240,000	240,000	317,829	77,829
Miscellaneous	-	-	15,000	15,000
Total revenues	3,340,994	3,340,994	3,433,821	92,827
Expenditures				
Operating expenses				
Personnel services	681,310	681,310	705,864	(24,554)
Operations	867,011	1,085,365	844,735	240,630
Capital outlay	1,105,736	1,139,943	510,479	629,464
Total expenditures	2,654,057	2,906,618	2,061,078	845,540
Excess (Deficiency) of Revenues Over Expenses - Budgetary Basis	$ 686,937	$ 434,376	1,372,743	$ 938,367
Reconciliation to GAAP Basis:				
Capital outlay			510,479	
Depreciation and amortization			(928,689)	
Change in Net Position - GAAP Basis			$ 954,533	

City of Steamboat Springs, Colorado
Steamboat Springs Local Marketing District
Balance Sheet
December 31, 2025

Assets	
Cash and investments	$ 5,727,115
Accounts receivable	503,581
Total assets	$ 6,230,696
Liabilities and Fund Balance	
Liabilities	
Accounts payable	$ 233,116
Fund Balance	
Unassigned	5,997,580
Total liabilities and fund balance	$ 6,230,696

City of Steamboat Springs, Colorado
Steamboat Springs Local Marketing District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2025

Revenues	
Taxes	$ 3,347,450
Net investment income	242,057
Total revenues	3,589,507
Expenditures	
Current	
Air service payments	2,603,944
Operating expenditures	154,778
Total expenditures	2,758,722
Net Change in Fund Balance	830,785
Fund Balance, Beginning of Year	5,166,795
Fund Balance, End of Year	$ 5,997,580

City of Steamboat Springs, Colorado

Steamboat Springs Local Marketing District

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues				
Taxes	$ 3,100,000	$ 3,100,000	$ 3,347,450	$ 247,450
Net investment income	180,000	180,000	242,057	62,057
Total revenues	3,280,000	3,280,000	3,589,507	309,507
Expenditures				
Current				
Air service payments	3,871,518	3,871,518	2,603,944	1,267,574
Operating expenditures	152,500	152,500	154,778	(2,278)
Total expenditures	4,024,018	4,024,018	2,758,722	1,265,296
Net Change in Fund Balance	$ (744,018)	$ (744,018)	830,785	$ 1,574,803
Fund Balance, Beginning of Year			5,166,795	
Fund Balance, End of Year			$ 5,997,580	

City of Steamboat Springs, Colorado

Local Highway Finance Report

Year Ended December 31, 2025

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO
THIS INFORMATION FROM THE RECORDS OF: City of Steamboat Springs	PREPARED BY: Matthew Kotzen mkotzen@steamboatsprings.net	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assesments		a. Interest on investments	
b. Non-property Taxes and Assessments Imposts	12,783,884.00	b. Other Misc. Local Receipts	14,675.00
c. Total (a + b)	$ 12,783,884.00	**c. Total (a + b)**	$ 14,675.00
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	619,583.00	1. FHWA (from Item I.D.5.)	33,722.00
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	59,552.00		
c. Total (a + b)	$ 59,552.00		
4. Total (1 + 2 + 3c)	$ 679,135.00	**3. Total (1 + 2)**	$ 33,722.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	
b. Engineering Costs	252,609.00
c. Construction Costs	7,344,552.00
d. Total Capital Outlay (a+ b + c)	$ 7,597,161.00

Form FHWA-536 (Rev. 02-2025) Page2

City of Steamboat Springs, Colorado

Local Highway Finance Report

Year Ended December 31, 2025

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		***III. EXPENDITURES FOR ROAD AND STREET PURPOSES***	
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
A. Receipts from Local Sources:		**A. Local highway expenditures:**	
1. Local Highway-user Taxes		1. Capital Outlay (from page 1, Item III.A1.d)	$ 7,597,161.00
a. Motor Fuel (from Item I.A.1)		2. Maintenance:	711,301.00
b. Motor Vehicle (from Item I.B.1)		3. Road and Street Services:	
c. Total (a + b)		a. Snow and Ice Removal	714,278.00
2. General Fund Appropriations		b. Other & Traffic Control Operations	1,070,379.00
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 12,783,884.00	**c. Total (a + b)**	$ 1,784,657.00
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 14,675.00	4. General Administration & Miscellaneous	1,815,071.00
5. Transfers from Toll Facilities		5. Highway Law Enforcement and Safety	1,603,226.00
6. Proceeds of Sale of Bonds and Notes:		**6. Total (1 through 5)**	$ 13,511,416.00
a. Bonds - Original Issues		**B. Debt Service on Local Obligations:**	
b. Bonds - Refunding Issues		1. Bonds:	
c. Notes		a. Interest	
d. Total (a + b + c)	$ -	b. Redemption	
7. Total (1 through 6)	$ 12,798,559.00	**c. Total (a + b)**	$ -
B. Private Contributions		2. Notes:	
C. Receipts from State government (from page 1, Item II.C.4)	$ 679,135.00	a. Interest	
D. Receipts from Federal government (from page 1, Item II.D.3)	$ 33,722.00	b. Redemption	
E. Total receipts (A.7 + B + C + D)	$ 13,511,416.00	**c. Total (a + b)**	$ -
		3. Total (1c + 2c)	$ -
		C. Payments to State for Highways	
		D. Payments to Toll Facilities	
		E. Total Expenditures (A6 + B3 + C + D)	$ 13,511,416.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

Statistical Section
Year Ended December 31, 2025

City of Steamboat Springs, Colorado

STATISTICAL SECTION

This part of the City of Steamboat Springs's annual comprehensive financial report presents detailed information to facilitate the understanding of this year's financial statements, note disclosures, and supplementary information. The independent auditor has not audited this information.

Financial Trends **Schedules 1-4**

These schedules contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.

Revenue Capacity **Schedules 5-7**

These schedules contain information that may assist the reader in assessing the viability of the City's most significant "own-source" revenue source, which is sales tax.

Debt Capacity **Schedules 8-11**

These schedules present information that may assist the reader in analyzing the affordability of the City's current level of outstanding debt, and the City's ability to issue additional debt in the future.

Demographic and Economic Information **Schedules 12-13**

These schedules offer economic and demographic indicators that are commonly used for financial analysis and may assist the reader in understanding the City's present and ongoing financial status.

Operating Information **Schedules 14-16**

These schedules contain service and infrastructure indicators that may assist the reader in understanding how the information in these financial statements relates to the City's services and activities performed.

Sources:

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Steamboat Springs, Colorado
Components of Net Position – Accrual Basis of Accounting
Last Ten Fiscal Years
Schedule 1

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	$ 80,003,611	$ 86,839,228	$ 97,632,772	$ 108,799,894	$ 112,759,309	$ 124,547,743	$ 128,850,353	$ 143,927,586	$ 174,129,606	$ 189,150,436
Restricted	8,077,073	10,059,847	9,261,070	11,619,471	12,545,364	11,867,780	16,936,231	29,470,859	42,570,080	67,320,414
Unrestricted	36,006,331	35,182,074	35,066,485	31,695,410	38,826,618	53,575,909	67,958,539	84,597,268	84,970,517	73,179,627
Total Governmental Activities Net Position	124,087,015	132,081,149	141,960,327	152,114,775	164,131,291	189,991,432	213,745,123	257,995,713	301,670,203	329,650,477
Business-Type Activities										
Net investment in capital assets	47,363,413	50,447,054	51,132,526	54,769,204	62,462,206	67,215,972	72,477,878	74,939,592	76,520,114	80,760,067
Restricted	4,639,619	4,680,992	4,759,128	1,831,950	1,899,841	2,004,027	2,092,718	2,210,794	2,210,750	2,210,750
Unrestricted	12,134,833	12,969,719	15,060,363	17,697,372	14,276,204	14,492,577	17,917,721	19,737,288	21,192,158	22,480,970
Total Business-Type Activities Net Position	64,137,865	68,097,765	70,952,017	74,298,526	78,638,251	83,712,576	92,488,317	96,887,674	99,923,022	105,451,787
Primary Government										
Net investment in capital assets	127,367,024	137,286,282	148,765,298	163,569,098	175,221,515	191,763,715	201,328,231	218,867,178	250,649,720	269,910,503
Restricted	12,716,692	14,740,839	14,020,198	13,451,421	14,445,205	13,871,807	19,028,949	31,681,653	44,780,830	69,531,164
Unrestricted	48,141,164	48,151,793	50,126,848	49,392,782	53,102,822	68,068,486	85,876,260	104,334,556	106,162,675	95,660,597
Total Primary Government Net Position	$ 188,224,880	$ 200,178,914	$ 212,912,344	$ 226,413,301	$ 242,769,542	$ 273,704,008	$ 306,233,440	$ 354,883,387	$ 401,593,225	$ 435,102,264

City of Steamboat Springs, Colorado
Changes in Net Position – Accrual Basis of Accounting
Last Ten Fiscal Years
Schedule 2

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
General government	$ 9,341,574	$ 9,269,141	$ 9,934,220	$ 10,975,996	$ 11,498,071	$ 13,277,870	$ 12,524,937	$ 14,814,420	$ 20,445,755	$ 19,799,201
Public safety	7,806,809	8,615,233	9,165,367	11,874,892	10,055,428	9,601,761	11,396,965	14,149,475	15,502,466	16,583,162
Public works	5,442,567	6,622,816	6,734,979	7,291,167	6,742,699	7,381,602	7,973,908	9,262,579	7,989,333	12,779,651
Transportation services	4,116,645	4,337,681	4,346,639	4,686,875	4,674,095	4,720,908	5,536,962	6,483,327	7,961,475	8,525,721
Parks and recreation	5,657,258	6,583,857	7,730,868	6,454,058	6,075,363	6,710,499	8,909,849	10,455,489	11,312,147	12,543,071
Planning	1,006,449	911,306	976,668	982,422	1,275,393	1,033,331	1,287,256	1,537,730	1,858,324	2,214,662
Interest on long-term debt	1,001,406	1,015,339	1,056,354	1,048,152	925,200	590,873	522,900	548,109	648,802	689,827
Total governmental activities expenses	34,372,708	37,355,373	39,945,095	43,313,562	41,246,249	43,316,844	48,152,777	57,251,129	65,718,302	73,135,295
Business-Type Activities										
Utility	5,196,884	5,305,563	5,811,386	6,099,573	6,248,789	6,354,581	6,352,845	7,526,666	11,291,253	8,832,210
Airport	1,378,016	1,376,658	1,477,049	1,698,616	1,567,430	1,442,052	1,435,874	1,910,674	1,952,483	2,053,904
Golf	1,376,097	1,551,803	1,700,195	1,767,097	1,827,744	1,926,136	2,157,430	2,445,813	2,652,806	3,877,293
Total business-type activities expenses	7,950,997	8,234,024	8,988,630	9,565,286	9,643,963	9,722,769	9,946,149	11,883,153	15,896,542	14,763,407
Total Primary Government Expenses	$ 42,323,705	$ 45,589,397	$ 48,933,725	$ 52,878,848	$ 50,890,212	$ 53,039,613	$ 58,098,926	$ 69,134,282	$ 81,614,844	$ 87,898,702
Program Revenues										
Governmental Activities										
Charges for services										
General Government	$ 1,143,819	$ 1,109,544	$ 1,084,089	$ 1,251,607	$ 1,335,916	$ 1,614,887	$ 1,701,147	$ 1,588,079	$ 1,546,224	$ 3,278,499
Public safety	996,955	1,060,877	979,709	865,264	996,219	896,943	1,020,610	1,382,994	1,350,745	1,308,639
Public Works	-	-	-	-	-	-	-	44,179	55,490	65,897
Transportation services	148,660	164,514	167,903	182,578	138,748	158,872	214,085	332,962	344,995	350,596
Parks and recreation	1,563,879	1,611,806	1,646,123	1,638,083	868,550	1,683,038	2,125,921	2,169,895	2,523,077	2,476,754
Planning	345,422	494,331	436,111	464,349	404,668	558,271	477,474	1,090,548	1,296,229	1,391,931
Operating grants and contributions	2,252,146	2,536,340	2,655,155	3,328,082	4,592,986	6,664,318	5,247,872	4,421,637	5,200,745	6,062,186
Capital grants and contributions	1,931,089	4,075,064	6,912,438	6,477,526	4,146,476	7,183,663	2,397,955	11,702,427	9,751,484	1,788,754
Total governmental activities program revenues	8,381,970	11,052,476	13,881,528	14,207,489	12,483,563	18,759,992	13,185,064	22,732,721	22,068,989	16,723,256
Business-Type Activities										
Charges for services										
Utility	5,859,213	6,302,611	7,279,430	7,578,174	8,012,858	8,240,134	8,320,779	8,817,975	9,382,520	11,697,276
Airport	1,108,537	1,056,175	1,186,784	1,044,367	1,350,507	1,035,014	1,146,152	1,198,033	1,155,265	1,343,151
Golf	1,272,878	1,237,666	1,408,784	1,531,429	1,988,585	2,310,557	2,393,871	2,753,196	2,925,387	3,888,668
Operating grants and contributions	-	-	48,791	306,627	106,055	637,726	4,066,453	738,766	334,947	334,772
Capital grants and contributions	1,906,929	3,302,560	1,493,913	1,839,978	2,416,024	2,205,180	3,257,644	1,493,165	3,541,168	2,018,511
Total business-type activities program revenues	10,147,557	11,899,012	11,417,702	12,300,575	13,874,029	14,428,611	19,184,899	15,001,135	17,339,287	19,282,378
Total Primary Government Program Revenues	$ 18,529,527	$ 22,951,488	$ 25,299,230	$ 26,508,064	$ 26,357,592	$ 33,188,603	$ 32,369,963	$ 37,733,856	$ 39,408,276	$ 36,005,634

City of Steamboat Springs, Colorado

Changes in Net Position – Accrual Basis of Accounting (continued)

Last Ten Fiscal Years

Schedule 2

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Revenue (Expense)										
Governmental Activities	$ (25,990,738)	$ (26,302,897)	$ (26,063,567)	$ (29,106,073)	$ (28,762,686)	$ (24,556,852)	$ (34,967,713)	$ (34,518,408)	$ (43,649,313)	$ (56,412,039)
Business-Type Activities	2,196,560	3,664,988	2,429,072	2,735,289	4,230,066	4,705,842	9,238,750	3,117,982	1,442,745	4,518,971
Total Primary Government Net Revenue (Expense)	$ (23,794,178)	$ (22,637,909)	$ (23,634,495)	$ (26,370,784)	$ (24,532,620)	$ (19,851,010)	$ (25,728,963)	$ (31,400,426)	$ (42,206,568)	$ (51,893,068)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Sales taxes	$ 24,439,818	$ 24,457,705	$ 25,998,038	$ 27,957,651	$ 27,827,987	$ 34,372,488	$ 40,348,023	$ 41,550,439	$ 42,395,442	$ 43,396,357
Use taxes	2,417,530	3,416,924	2,878,831	3,579,222	3,498,232	5,846,861	5,835,066	5,847,545	9,346,292	6,510,867
Accommodations taxes (1)	-	1,039,966	1,142,250	1,292,313	1,136,738	1,616,316	1,980,781	11,210,394	17,410,261	17,622,891
Property taxes	1,680,361	1,848,517	2,129,229	2,143,825	4,218,795	4,263,512	4,663,150	4,829,176	6,571,499	6,411,779
Development excise tax	1,066,349	1,344,425	1,029,117	1,336,328	1,445,085	2,107,802	2,538,380	2,135,310	4,158,371	2,693,265
Other Taxes	254,853	203,918	225,367	239,759	264,366	258,240	237,220	2,049,564	210,391	157,761
Franchise fees	1,358,964	1,366,785	1,445,414	1,511,920	1,482,962	1,667,592	1,874,141	242,971	1,775,822	1,782,388
Voluntary assessment (2)	366,254	-	-	-	-	-	-	-	-	-
Investment earnings	325,744	519,374	1,002,122	1,022,691	358,228	88,396	1,354,441	5,608,006	6,816,907	5,960,137
Gain on sale of capital assets	54,307	16,343	(25,293)	46,516	31,209	122,082	108,405	4,819,490	(986,035)	-
Miscellaneous	127,153	91,330	49,516	134,636	390,410	239,879	471,536	766,381	150,715	-
Transfers	(166,388)	(8,256)	68,154	(4,338)	125,190	(166,175)	(687,739)	(290,278)	(525,862)	(143,132)
Total governmental activities	31,924,945	34,297,031	35,942,745	39,260,523	40,779,202	50,416,993	58,723,404	78,768,998	87,323,803	84,392,313
Business-Type Activities										
Investment earnings	72,950	205,403	379,979	467,081	155,450	14,012	293,868	934,485	1,010,018	866,662
Gain (Loss) on sale of capital assets	-	-	-	-	-	-	-	3,000	4,200	-
Miscellaneous	101,605	81,253	113,355	139,801	79,399	188,296	110,417	53,612	52,523	-
Transfers	166,388	8,256	(68,154)	4,338	(125,190)	166,175	687,739	290,278	525,862	143,132
Total business-type activities	340,943	294,912	425,180	611,220	109,659	368,483	1,092,024	1,281,375	1,592,603	1,009,794
Total Primary Government	$ 32,265,888	$ 34,591,943	$ 36,367,925	$ 39,871,743	$ 40,888,861	$ 50,785,476	$ 59,815,428	$ 80,050,373	$ 88,916,406	$ 85,402,107
Change in Net Position										
Governmental Activities	$ 5,934,207	$ 7,994,134	$ 9,879,178	$ 10,154,450	$ 12,016,516	$ 25,860,141	$ 23,755,691	$ 44,250,590	$ 43,674,490	$ 27,980,274
Business-Type Activities	2,537,503	3,959,900	2,854,252	3,346,509	4,339,725	5,074,325	10,330,774	4,399,357	3,035,348	5,528,765
Total Primary Government Change in Net Position	$ 8,471,710	$ 11,954,034	$ 12,733,430	$ 13,500,959	$ 16,356,241	$ 30,934,466	$ 34,086,465	$ 48,649,947	$ 46,709,838	$ 33,509,039

Notes:

(1) The City began reporting accommodations taxes separately in fiscal year 2017

(2) The City began reporting voluntary assessments as program revenue - operating grants and contributions in fiscal year 2017

City of Steamboat Springs, Colorado

Fund Balances of Governmental Funds – Modified Accrual Basis of Accounting

Last Ten Fiscal Years

Schedule 3

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 43,154	$ 63,736	$ 39,727	$ 71,560	$ 66,223	$ 82,717	$ 367,327	$ 372,106	$ 377,001	$ 277,110
Restricted	1,670,157	1,717,500	1,893,500	1,945,641	1,956,445	1,965,611	2,111,682	2,903,515	3,142,252	3,010,478
Committed	167,141	166,753	179,206	188,036	251,311	331,526	413,407	199,768	222,003	265,596
Assigned	122,250	586,682	397,977	821,388	385,179	48,622	1,739,985	991,127	1,276,930	548,583
Unassigned	12,253,718	14,062,351	12,704,371	14,316,960	18,386,040	31,455,897	31,545,382	26,207,985	22,191,310	26,092,790
Total General Fund	$ 14,256,420	$ 16,597,022	$ 15,214,781	$ 17,343,585	$ 21,045,198	$ 33,884,373	$ 36,177,783	$ 30,674,501	$ 27,209,496	$ 30,194,557
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,175,466	$ 74,584
Restricted	5,942,046	7,438,012	6,613,091	8,327,168	11,589,531	11,981,568	13,948,780	26,545,308	39,405,461	64,235,352
Committed	-	-	-	-	-	747,610	954,835	1,095,740	1,095,740	-
Assigned	20,211,553	16,511,791	17,220,374	12,429,297	13,279,348	12,825,656	26,182,360	50,267,886	44,776,691	35,772,706
Total All Other Governmental Funds	$ 26,153,599	$ 23,949,803	$ 23,833,465	$ 20,756,465	$ 24,868,879	$ 25,554,834	$ 41,085,975	$ 77,908,934	$ 86,453,358	$ 100,082,642

City of Steamboat Springs, Colorado

Changes in Fund Balances of Governmental Funds – Modified Accrual Basis of Accounting

Last Ten Fiscal Years

Schedule 4

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 31,217,875	$ 33,826,273	$ 35,092,146	$ 38,170,378	$ 39,941,630	$ 50,280,928	$ 57,506,070	$ 67,865,399	$ 81,868,078	$ 78,595,083
Assessments	-	-	-	-	-	-	-	26,083	19,887	-
Licenses, fees and permits	96,538	94,140	102,053	125,118	95,565	131,492	122,177	118,134	128,416	1,268,890
Intergovernmental	3,480,915	4,767,067	7,675,448	8,650,284	6,655,397	9,500,980	5,578,319	13,838,555	11,842,173	6,277,238
Charges for services	3,089,120	3,035,482	3,226,539	3,233,074	2,409,928	3,549,325	4,054,639	4,907,767	5,466,864	4,214,113
Fines and forfeitures	218,027	196,088	220,736	248,279	227,658	196,443	250,182	306,092	410,604	869,706
Net investment income	295,837	473,587	911,727	910,607	323,504	86,169	1,256,891	5,320,036	6,538,118	5,642,308
Loan repayment	436,567	38,577	38,577	27,962	28,273	28,589	28,910	64,236	28,274	-
Contributions	366,254	1,052,366	709,257	557,285	1,432,058	1,762,540	1,622,442	1,513,130	2,214,908	1,228,827
Voluntary assessment	30,777	328,329	375,400	365,936	262,256	210,653	406,209	449,754	464,657	494,981
Miscellaneous	987,881	1,086,687	903,809	1,042,512	1,069,585	1,229,381	1,236,448	1,433,229	1,378,495	4,393,449
Total Revenues	40,219,791	44,898,596	49,255,692	53,331,435	52,445,854	66,976,500	72,062,287	95,842,415	110,360,474	102,984,595
Expenditures										
General government	6,924,550	6,915,623	7,173,848	8,302,828	8,716,629	8,821,925	9,827,056	11,571,951	18,692,517	16,185,685
Community support	1,446,602	1,517,195	1,596,913	1,690,009	1,603,060	1,528,925	1,679,892	1,673,617	1,912,596	2,066,994
Transportation services	3,427,775	3,665,422	3,592,486	3,909,029	3,788,928	3,730,859	4,576,865	5,398,055	6,567,948	6,942,188
Public works	3,531,078	4,051,453	4,114,470	4,534,136	4,400,230	4,232,632	5,044,511	5,659,116	6,399,193	9,623,099
Public safety	7,188,058	7,669,186	8,109,688	8,921,001	8,947,861	8,679,405	10,834,534	12,822,865	14,297,031	15,576,171
Parks and recreation	4,840,806	5,113,755	5,364,669	5,468,649	4,960,522	5,648,326	7,822,862	9,073,507	10,107,387	10,344,008
Planning	896,418	836,989	961,633	841,838	1,043,938	1,037,344	1,278,876	1,520,848	1,860,829	2,205,715
Capital outlay	10,507,718	12,506,187	23,154,399	17,545,561	8,225,036	17,879,362	11,282,327	24,367,740	42,427,044	23,298,840
Debt service										
Administrative fees	8,750	6,500	6,500	4,500	7,500	9,000	5,000	5,000	11,000	76,732
Bond issuance costs	140,175	-	149,898	-	60,025	-	-	169,099	-	-
Principal	1,525,777	1,624,701	1,833,807	1,958,100	1,923,960	1,274,130	907,886	2,340,027	2,442,586	2,601,033
Interest and fiscal charges	1,019,486	901,807	1,013,925	1,030,803	969,908	599,576	537,298	613,056	716,750	680,237
Total Expenditures	41,457,193	44,808,818	57,072,236	54,206,454	44,647,597	53,441,484	53,797,107	75,214,881	105,434,881	89,600,702
Excess (Deficiency) of Revenues over (under) Expenditures	(1,237,402)	89,778	(7,816,544)	(875,019)	7,798,257	13,535,016	18,265,180	20,627,534	4,925,593	13,383,893
Other Financing Sources (Uses)										
Sales of assets	22,600	750	4,000	15,720	-	33,050	1,525	5,288,816	1,576	-
Insurance proceeds	187,978	54,534	11,393	75,705	233,097	112,732	220,007	75,240	153,113	79,020
Lease and subscription proceeds	-	-	-	-	17,576	10,508	51,578	357,000	524,999	3,294,564
Loss on lease termination	-	-	-	-	-	-	-	(10,360)	-	-
Debt proceeds	6,220,000	-	5,920,000	-	11,080,000	-	-	5,045,000	-	-
Debt issuance premium	330,539	-	314,418	-	-	-	-	376,725	-	-
Payments to escrow agent	(5,110,809)	-	-	-	(11,440,000)	-	-	-	-	-
Transfers in	4,752,124	1,232,320	5,327,365	1,679,174	1,936,598	325,360	14,096,345	30,206,010	12,255,721	2,630,866
Transfers out	(4,933,512)	(1,240,576)	(5,259,211)	(1,843,776)	(1,811,501)	(491,535)	(14,810,084)	(30,646,288)	(12,781,583)	(2,773,998)
Total Other Financing Sources (Uses)	1,468,920	47,028	6,317,965	(73,177)	15,770	(9,885)	(440,629)	10,692,143	153,826	3,230,452
Net Change in Fund Balances	$ 231,518	$ 136,806	$ (1,498,579)	$ (948,196)	$ 7,814,027	$ 13,525,131	$ 17,824,551	$ 31,319,677	$ 5,079,419	$ 16,614,345
Debt service as a percentage of noncapital expenditures	7.90%	7.30%	7.60%	7.30%	7.60%	4.80%	3.40%	5.50%	4.80%	4.90%

City of Steamboat Springs, Colorado

Taxable Retail Sales by Industry

Last Ten Fiscal Years

Schedule 5

Year	Lodging	Restaurants	Utilities	Sporting Goods	Liquor Stores	Marijuana	Construction & Home Improvement	Grocery Stores & Food Sellers	Miscellaneous	Total General Tax Revenues	City Direct Sales Tax Rate
2025	$ 227,949,752	$ 171,760,470	$ 62,968,298	$ 51,972,667	$ 23,673,769	$ 9,583,089	$ 139,932,378	$ 139,348,308	$ 256,582,572	$1,083,771,303	4.0%
2024	248,879,722	187,740,070	69,967,571	63,435,915	28,050,368	12,199,154	155,045,092	153,775,753	269,718,876	1,188,812,521	4.0%
2023	215,693,504	162,978,354	70,398,756	57,861,565	26,914,651	12,017,881	124,135,765	133,449,648	240,304,802	1,043,754,926	4.0%
2022	207,775,404	149,051,604	61,579,879	54,350,246	27,660,089	13,415,682	142,627,132	124,515,743	216,758,316	997,734,095	4.0%
2021	153,518,356	124,766,270	55,351,389	44,545,987	26,712,320	15,401,496	103,386,779	116,629,651	188,949,171	829,261,419	4.0%
2020	120,213,791	101,941,302	48,737,203	41,429,861	25,639,340	15,236,015	86,339,128	108,996,775	146,792,290	695,325,705	4.0%
2019	130,126,332	115,998,089	50,794,421	42,483,774	21,997,114	14,233,782	79,275,353	103,046,390	138,659,496	696,614,751	4.0%
2018	114,799,557	109,391,803	48,001,143	39,938,587	22,738,133	13,026,454	69,718,660	96,287,004	128,185,490	642,086,831	4.0%
2017	107,003,900	102,924,350	45,668,707	39,087,066	22,105,181	12,092,778	71,015,302	92,597,202	116,978,709	609,473,195	4.0%
2016	103,263,853	97,647,214	45,452,148	41,960,864	21,206,547	10,661,300	61,979,091	90,078,917	110,498,938	582,748,872	4.0%
Average Percent Increase	10.1%	7.2%	3.6%	3.0%	2.1%	1.4%	10.9%	5.1%	9.8%	7.5%	

City of Steamboat Springs, Colorado
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years
Schedule 6

Year	City Direct Rate							
	City Sales Tax	School Tax	Air Service Tax	Accommodation Tax	Short-Term Rental (STR) Tax	Local Marketing District	Routt County	State of Colorado
2025	4.0%	0.5%	-	1.0%	9.0%	2.0%	1.0%	2.9%
2024	4.0%	0.5%	-	1.0%	9.0%	2.0%	1.0%	2.9%
2023	4.0%	0.5%	-	1.0%	9.0%	2.0%	1.0%	2.9%
2022	4.0%	0.5%	-	1.0%	-	2.0%	1.0%	2.9%
2021	4.0%	0.5%	-	1.0%	-	2.0%	1.0%	2.9%
2020	4.0%	0.5%	-	1.0%	-	2.0%	1.0%	2.9%
2019	4.0%	0.5%	-	1.0%	-	2.0%	1.0%	2.9%
2018	4.0%	0.5%	-	1.0%	-	2.0%	1.0%	2.9%
2017	4.0%	0.5%	0.25%	1.0%	-	2.0%	1.0%	2.9%
2016	4.0%	0.5%	0.25%	1.0%	-	2.0%	1.0%	2.9%

City of Steamboat Springs, Colorado

Sales Tax by Industry, for Tax Returns Filed for the Given Year

Current Year and Nine Years Prior

Schedule 7

	2025				2016			
Industry	Number of Filers	Percent of Total Filers	Sales Tax	Percent of Total Sales Tax	Number of Filers	Percent of Total Filers	Sales Tax	Percent of Total Sales Tax
Lodging	283	5.0%	9,117,990	21.0%	410	15.7%	4,180,569	17.8%
Restaurants	183	3.2%	6,870,419	15.8%	166	6.4%	3,922,312	16.7%
Utilities	185	3.2%	2,518,732	5.8%	133	5.1%	1,807,715	7.7%
Sporting Goods	151	2.6%	2,078,907	4.8%	84	3.2%	1,652,891	7.0%
Liquor Stores	22	0.4%	946,951	2.2%	12	0.5%	851,751	3.6%
Marijuana	6	0.1%	383,324	0.9%	6	0.2%	431,112	1.8%
Construction & Home Improvement	824	14.4%	5,597,295	12.9%	414	15.9%	2,503,421	10.7%
Grocery Stores & Food Sellers	154	2.7%	5,573,932	12.9%	116	4.4%	3,607,155	15.4%
Miscellaneous	3,897	68.4%	10,263,303	23.7%	1,270	48.6%	4,499,115	19.3%
Total	5,705	100.0%	43,350,853	100.0%	2,611	100.0%	23,456,041	100.0%

Notes:

Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Revenue is recognized in the year during which the tax return is filed, which is a different basis from financial statements.

0.5% of the City's 4.5% sales tax is restricted for use by the Steamboat Springs School District RE-2.

City of Steamboat Springs, Colorado
Outstanding Debt by Type and Debt Ratios
Last Ten Fiscal Years
Schedule 8

	Governmental Activities					
Year	Certificates of Participation	Tax Increment Revenue Bonds (1)	Unamortized Premium	Leases Payable	Subscription-Based IT Arrangements	Total
2025	$ 12,480,000	$ 6,000,000	$ 466,399	$ 76,729	$ 3,285,375	$ 22,308,503
2024	13,195,000	7,455,000	540,228	333,868	164,705	21,688,801
2023	13,880,000	8,890,000	621,779	181,350	114,809	23,687,938
2022	9,640,000	10,310,000	350,473	53,687	-	20,354,160
2021	10,135,000	10,715,000	396,178	9,995	-	21,256,173
2020	11,035,000	11,080,000	446,279	8,616	-	22,569,895
2019	11,905,000	12,485,000	576,999	-	-	24,966,999
2018	12,750,000	13,500,000	652,655	98,100	-	27,000,755
2017	7,585,000	14,485,000	423,893	191,908	-	22,685,801
2016	8,165,000	15,440,000	467,486	281,609	-	24,354,095

	Business-Type Activities			
Year	Loans Payable	Unamortized Premium	Leases Payable	Total
2025	$ 4,875,000	$ 47,719	$ -	$ 4,922,719
2024	5,565,000	63,886	-	5,628,886
2023	6,230,000	82,572	-	6,312,572
2022	6,870,000	103,884	17,375	6,991,259
2021	7,485,000	127,949	68,826	7,681,775
2020	8,481,829	155,262	230,393	8,867,484
2019	9,426,563	185,996	363,650	9,976,209
2018	10,523,189	220,350	476,565	11,220,104
2017	11,578,263	258,656	413,922	12,250,841
2016	12,586,428	301,363	105,536	12,993,327

City of Steamboat Springs, Colorado

Outstanding Debt by Type and Debt Ratios (continued)

Last Ten Fiscal Years

Schedule 8

Year	Total Primary Government Outstanding Debt	Percent of Personal Income (2,3)	Per Capita (4)	Percent of Actual Property Value
2025	$ 27,231,222	Unavailable	$ 2,027	0.2%
2024	27,317,687	0.8%	$ 2,008	0.2%
2023	30,000,510	0.9%	$ 2,264	0.2%
2022	27,345,419	0.9%	$ 2,056	0.3%
2021	28,937,948	1.1%	$ 2,164	0.3%
2020	31,437,379	1.4%	$ 2,377	0.4%
2019	34,943,208	1.6%	$ 2,693	0.5%
2018	38,220,859	1.9%	$ 2,979	0.6%
2017	34,936,642	1.8%	$ 2,747	0.6%
2016	37,347,422	2.2%	$ 2,968	0.7%

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Because there has been no Outstanding General Obligation Debt for the 10 years being presented, the ratio of General Bonded Debt to Taxable Retail Sales is 0% for the 10 years of data presented

(1) The City refunded from Bonds to a Loan in 2020

(2) Personal income is for Routt County. This information is not readily available for the City of Steamboat Springs. See the Demographic and Economic Statistics schedule for personal income data.

(3) 2025 Percent of Personal Income and Per Capita are not yet available.

(4) Per capita amounts are for the City of Steamboat Springs. See the Demographics and Economic Statistics schedule for population data.

City of Steamboat Springs, Colorado

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2025

Schedule 9

	Debt Outstanding	Percentage Applicable to Government	Estimated Share of Overlapping Debt
Overlapping			
Steamboat Springs School District RE-2	$ 100,764,744	73.59%	$ 74,149,971
Routt County	389,066	63.19%	245,846
Total overlapping debt			74,395,817
Direct Debt			
City of Steamboat Springs			$ 22,308,503
Total			$ 96,704,320

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 major overlapping governments in Steamboat Springs using assessed property values. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden should be taken into account.

Computation of overlapping debt includes only the three major governmental units and excludes several special districts that partially overlap the City.

Sources: Steamboat Springs School District RE-2 and Routt County.

City of Steamboat Springs, Colorado
Legal Debt Margin
Last Ten Fiscal Years
Schedule 10

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Funds Operating Revenue	$ 40,219,791	$ 44,898,596	$ 49,255,692	$ 53,331,435	$ 52,445,854	$ 66,976,500	$ 72,062,287	$ 95,842,415	$ 110,360,474	$ 102,984,595
Governmental Funds Debt Payments, Net of Refundings	$ 2,545,263	$ 2,515,335	$ 2,601,856	$ 2,988,908	$ 2,893,868	$ 1,873,706	$ 1,445,184	$ 2,953,083	$ 3,159,336	$ 3,281,270
Policy Debt Margin (must be less than 10%)	6.3%	5.6%	5.3%	5.6%	5.5%	2.8%	2.0%	3.1%	2.9%	3.2%

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actual Value of Taxable Property	$5,585,536,038	$6,308,958,638	$6,405,070,568	$7,395,324,318	$7,470,994,248	$8,411,583,928	$8,511,386,038	$14,704,786,998	$14,827,810,168	$17,439,696,508
Policy Debt Margin:										
Total City Debt Obligation	$ 37,347,422	$ 34,936,642	$ 38,222,859	$ 34,943,208	$ 31,437,379	$ 28,347,957	$ 27,291,732	$ 30,000,510	$ 27,317,687	$ 27,231,222
Less: Amount Reserved for Repayment of Debt	(2,297,388)	(1,941,034)	(1,934,034)	(1,931,555)	(1,931,555)	(1,486,500)	(1,108,000)	(1,108,000)	(1,108,000)	(1,108,000)
Total Net Debt Applicable to Debt Limit	$ 35,050,034	$ 32,995,608	$ 36,288,825	$ 33,011,653	$ 29,505,824	$ 26,861,457	$ 26,183,732	$ 28,892,510	$ 26,209,687	$ 26,123,222
Policy Debt Margin (must be less than 10%)	0.6%	0.5%	0.6%	0.4%	0.4%	0.3%	0.3%	0.2%	0.2%	0.1%

City of Steamboat Springs, Colorado
Pledged Revenue Coverage
Last Ten Fiscal Years
Schedule 11

Governmental Activities

	Tax Increment Revenue Bonds/Loan (1)				
		Debt Service			
Year	Sales & Property Tax	Principal	Interest	Total	Coverage
2025	$ 6,476,897	$ 1,455,000	$ 93,933	$ 1,548,933	4.2
2024	6,377,174	1,435,000	112,014	1,547,014	4.1
2023	5,663,884	1,420,000	129,906	1,549,906	3.7
2022	5,290,850	405,000	135,009	540,009	9.8
2021	3,873,787	365,000	166,366	531,366	7.3
2020	3,035,223	1,405,000	507,605	1,912,605	1.6
2019	3,186,167	1,015,000	538,055	1,553,055	2.1
2018	2,829,176	985,000	567,643	1,552,643	1.8
2017	2,398,276	955,000	596,293	1,551,293	1.5
2016	2,480,310	925,000	624,043	1,549,043	1.6

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) The City refunded from Bonds to a Loan in 2020

City of Steamboat Springs, Colorado
Pledged Revenue Coverage (continued)
Last Ten Fiscal Years
Schedule 11

Business-Type Activities

	Colorado Water Resources & Power Development Authority Loans						
				Debt Service			
Year	Utility Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Principal	Interest	Total	Coverage (3)
2025	$ 12,702,755	$ (6,228,495)	$ 6,474,260	$ 690,000	$ 265,913	$ 955,913	6.8
2024	10,462,790	(8,891,037)	1,571,753	665,000	293,343	958,343	1.6
2023	9,746,990	(5,336,270)	4,410,720	640,000	318,944	958,944	4.6
2022	8,687,891	(5,330,541)	3,357,350	615,000	333,294	948,294	3.5
2021	8,552,687	(3,976,951)	4,575,736	996,829	368,264	1,365,093	3.4
2020	8,204,778	(3,896,571)	4,308,207	944,735	444,950	1,389,685	3.1
2019	8,217,920	(3,765,185)	4,452,735	1,100,335	478,782	1,579,117	2.8
2018	7,753,835	(3,508,966)	4,244,869	1,058,622	527,735	1,586,357	2.7
2017	6,555,225	(3,086,573)	3,468,652	1,011,558	572,032	1,583,590	2.2
2016	6,067,794	(2,988,053)	3,079,741	971,552	624,355	1,595,907	1.9

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Utility Revenues have been restated in 2024 to more closely align with the definition of revenues for the rate maintenance covenant for this loan.

(2) 2024 operating expense includes a non-recurring cost of $3,459,419 for the addition of corrosion control treatment at the Fish Creek Filtration Plant, as required by Colorado Department of Public Health and Environment. This outlay was not capitalized because the City does not own the Plant, but is obligated to pay a proportionate share of the cost to the Plant owner, Mount Werner Water and Sanitation District, based on the City's water usage from the Plant.

(3) The rate maintenance covenant for this loan requires a minimum coverage ratio of 1.1.

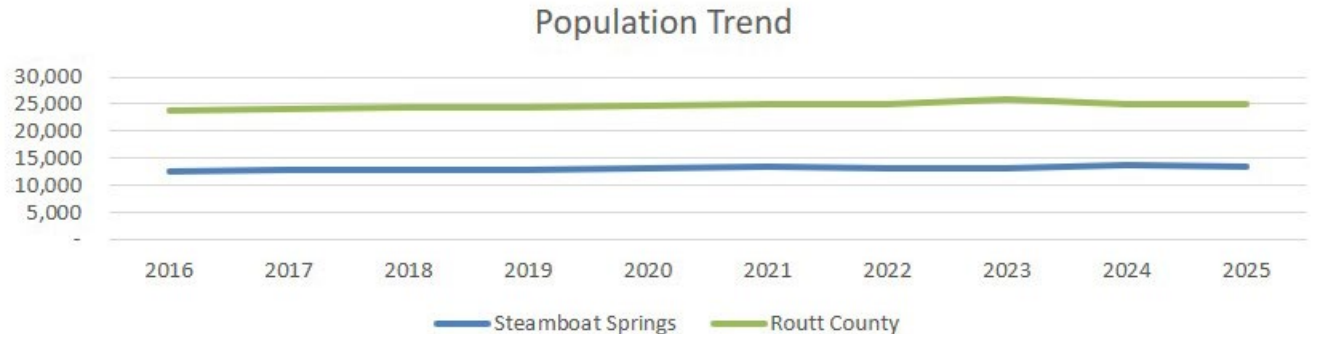
City of Steamboat Springs, Colorado

Demographic and Economic Statistics

Last Ten Fiscal Years

Schedule 12

Year	Steamboat Springs Population (1)	Routt County Population (1)	Routt County Personal Income (2) (thousands)	Routt County Per Capita Personal Income (2)	Routt County Unemployment Rate (3)	Steamboat Springs School Enrollment (4)	Number of Skier Season Season Visits (5)	Yampa Valley Regional Airport Enplanements (6)
2025	13,433	25,084	Unavailable	Unavailable	3.3%	2,458	13,800,000	229,989
2024	13,604	25,056	$ 3,439,092	$ 136,239	3.1%	2,470	14,000,000	226,830
2023	13,251	25,958	$ 3,296,097	$ 131,507	2.8%	2,508	14,800,000	206,236
2022	13,302	25,007	$ 2,982,787	$ 119,278	2.1%	2,679	13,680,000	200,204
2021	13,375	25,061	$ 2,731,620	$ 109,021	3.2%	2,603	12,000,000	153,440
2020	13,224	24,824	$ 2,281,291	$ 91,880	7.7%	2,653	Unavailable	90,964
2019	12,975	24,521	$ 2,133,572	$ 85,617	1.7%	2,674	13,800,000	108,218
2018	12,831	24,314	$ 1,988,338	$ 79,847	2.8%	2,659	7,300,000	103,410
2017	12,720	24,162	$ 1,944,991	$ 78,716	1.9%	2,623	7,400,000	99,371
2016	12,582	23,952	$ 1,697,734	$ 69,857	2.7%	2,481	7,100,000	107,339



Sources:

(1) Colorado Division of Local Affairs, State Demography Office

(2) U.S. Department of Commerce, Bureau of Economic Analysis (2025 data is unavailable)

(3) Colorado Department of Labor and Employment, not seasonally adjusted

(4) Steamboat Springs School District RE-2

(5) Colorado Ski Country USA Aggregate (These numbers are based on the total for all Colorado Ski Country members ski season ending in the year listed.)

(6) Federal Aviation Administration (2016) & Yampa Valley Regional Airport (2017-2025)

City of Steamboat Springs, Colorado
Principal Employers
Current Year and Nine Years Prior
Schedule 13

	2025			2016		
Employer	Employees (1)	Rank	Percentage of Routt County Labor Force (2)	Employees (1)	Rank	Percentage of Routt County Labor Force (2)
Steamboat Ski & Resort Corp.	2,152	1	14.0%	2,038	1	13.6%
UCHealth Yampa Valley Medical Center	655	2	4.3%	526	2	3.5%
Steamboat Springs School District RE-2	395	3	2.6%	341	5	2.3%
City of Steamboat Springs	385	4	2.5%	358	4	2.4%
Routt County	328	5	2.1%	362	3	2.4%
Resort Group	300	6	2.0%	288	6	1.9%
Rex's Family of Restaurants	250	7	1.6%	unavailable	N/A	N/A
Colorado Mountain College	226	8	1.5%	unavailable	N/A	N/A
Vacasa	208	9	1.4%	unavailable	N/A	N/A
City Market	170	10	1.1%	146	7	1.0%
	5,069		33.1%	4,059		27.1%

Notes:

(1) Total labor force for Steamboat Springs is unavailable. Since most of the largest employers in Routt County are in Steamboat Springs, Routt County's labor force is used to calculate this percentage.

(2) Most employers have seasonal variation in their number of employees; therefore, the annual average, including seasonal employees, is reported. Historical data may be unavailable due business changes.

Sources: Respective employers and Colorado Department of Labor & Employment, Office of Labor Market Information

City of Steamboat Springs, Colorado

Full and Part-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

Schedule 14

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function/Program										
General Government										
City Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
City Manager's Office	2.90	6.95	6.95	6.90	5.00	5.00	5.00	5.00	6.00	7.00
Deputy City Manager's Office	-	-	-	-	21.75	21.75	25.55	26.05	33.75	30.60
General Services	16.05	14.00	14.65	17.80	-	-	-	-	-	-
City Clerk's Office	3.73	3.88	4.08	4.05	-	-	-	-	-	-
Intergovernmental Services	1.90	-	-	-	-	-	-	-	-	-
Financial Services	10.40	10.40	10.40	10.40	11.70	11.70	11.70	13.70	13.60	17.90
Total General Government	41.98	42.23	43.08	46.15	45.45	45.45	49.25	51.75	60.35	62.50
Transportation Services	39.65	44.80	44.44	42.29	42.87	41.85	45.23	46.23	45.43	50.78
Public works & utilities	46.42	44.08	43.98	49.13	49.68	50.08	49.88	50.83	54.43	50.18
Public Safety Services	70.00	71.75	74.00	77.00	79.00	79.00	85.00	91.00	93.00	91.00
Legal and Municipal Courts	3.95	4.95	4.95	4.98	4.98	4.98	5.08	5.08	6.08	6.08
Parks and Recreation	55.68	50.99	51.90	51.70	53.89	55.71	61.82	69.59	70.79	71.06
Planning Services	8.90	7.90	7.90	8.00	9.00	10.00	11.00	11.00	12.00	13.00
Golf	-	10.21	10.21	15.21	15.09	15.11	15.81	15.79	16.24	16.24
Total	266.58	276.91	280.46	294.46	299.96	302.18	323.07	341.27	358.32	360.84

Note: Beginning with fiscal year 2020, General Services and City Clerk's Office are reported within the Deputy City Manager's Office category.

City of Steamboat Springs, Colorado

Operating Indicators by Function

Last Ten Fiscal Years

Schedule 15

Function/Program	Fiscal Year 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Physical arrests	536	571	327	403	208	175	250	296	494	384
Parking violations	2,952	2,721	2,452	2,054	2,422	2,146	2,100	1,986	1,843	2,249
Citations issued (excluding parking)	1,352	1,117	1,041	1,238	764	670	720	1,408	1,844	1,402
Fire										
Emergency responses (fire & EMS)	2,247	2,305	2,482	2,511	2,297	2,468	2,761	2,949	2,859	2,871
New construction inspections	205	229	268	277	260	233	254	268	310	340
Building safety inspections	152	60	172	172	117	89	156	184	151	236
Plan reviews	858	848	1,081	991	1,024	1,006	1,047	989	792	778
Other public works										
Streets and alleys maintained (miles)	152.76	153.24	157.80	157.00	159.86	159.86	159.86	161.31	161.31	163.00
Resurfacing streets/parking lots (sq yd)	89,724	116,670	120,011	114,597	55,341	88,150	64,289	74,868	13,220	72,000
Parks & Recreation (1)										
Number of athletic tournaments	20	16	11	11	-	18	15	-	-	-
Number of athletic games played	3,100	2,950	2,865	2,825	-	2,400	2,500	-	-	-
Athletic field reservations	-	-	-	-	-	-	-	1,069	1,100	1,100
Rounds of golf played	23,842	31,988	22,400	23,345	29,300	31,994	30,389	31,198	33,170	33,985
Percent of local golf rounds	90%	91%	70%	79%	89%	81%	82%	81%	79%	81%
Water										
Number of customers	3,621	3,660	3,735	3,800	3,815	3,840	3,860	3,800	3,499	3,612
Water main breaks	5	6	6	4	5	1	2	3	4	3
Average daily consumption (gallons)	1,232,877	1,134,247	1,340,000	1,260,000	1,410,000	1,280,000	1,220,000	1,270,000	1,390,000	1,270,000
Wastewater										
Average daily sewage treatment (gallons)	2,824,000	2,611,000	2,589,000	2,937,000	2,697,000	2,371,000	2,920,000	3,332,000	2,977,000	2,532,000
Transit										
Total route miles	638,477	644,556	636,706	655,866	619,216	525,736	555,175	589,295	534,110	660,534
Passengers	1,154,762	1,167,457	1,093,637	1,145,302	769,993	610,680	934,937	1,187,752	1,167,813	1,154,242
Hours of service	48,376	46,880	45,283	46,271	41,130	64,294	40,681	43,078	37,896	46,619

Notes:

(1) Number of athletic tournaments and number of athletic games played are indicators the City no longer tracks. Alternatively, a new indicator, athletic field reservations, has been added in 2023.

City of Steamboat Springs, Colorado

Capital Assets Statistics by Function

Last Ten Fiscal Years

Schedule 16

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function/Program										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Department vehicles	14	14	11	12	19	19	19	19	27	26
Fire Stations	2	2	2	2	2	2	2	2	3	3
Other Public Works										
Streets & alleys (lane miles)	152.76	153.24	157.80	157.00	159.86	159.86	161.31	161.31	161.31	163.00
Streetlights (1)	542	607	618	628	633	629	621	639	639	631
Traffic Signals (2)	3	3	3	3	3	3	3	3	3	3
Parks & Recreation										
Golf courses	1	1	1	1	1	1	1	1	1	1
Ice rinks	1	1	1	1	1	1	1	1	2	2
Ski areas	1	1	1	1	1	1	1	1	1	1
Pickleball courts	8	8	8	8	8	8	8	8	-	4
Tennis courts	16	16	16	16	16	16	16	16	2	2
Softball/baseball fields	11	11	11	11	10	10	10	10	10	10
Soccer fields	11	11	11	11	9	9	9	9	7	7
Parks	29	29	29	29	29	29	29	29	29	29
Rodeo grounds	1	1	1	1	1	1	1	1	1	1
Miles of trails	67.00	67.00	61.00	61.00	61.00	61.00	61.00	61.00	55.00	58.00
Water										
Water mains (miles)	62.63	62.66	64.09	64.10	64.21	64.46	64.62	64.23	67.00	67.00
Fire hydrants	573	573	609	619	623	628	630	635	648	653
Treated water storage capacity (gallons)	3,875,000	3,875,000	3,875,000	3,875,000	3,875,000	3,875,000	3,875,000	3,875,000	3,875,000	3,875,000
Wastewater										
Sanitary sewers (miles)	59.66	59.66	59.99	59.99	59.99	59.99	59.99	59.99	59.99	59.99
Treatment capacity (gallons)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Storm water										
Storm sewers (miles)	34.1	35.7	36.0	42.9	43.1	43.1	43.5	43.5	43.5	43.5
Inlets (in service)	575	740	1,010	1,253	1,262	1,262	1,285	1,285	1,300	1,300
Manholes	149	158	216	314	315	315	315	315	315	315
Transportation										
Buses & vans	19	21	21	21	23	23	24	28	29	28
Airports	1	1	1	1	1	1	1	1	1	1

(1) Source: Yampa Valley Electric Association

(2) Note: This indicates only the number of traffic signals owned by the City. Other signals within city limits are owned by the State Highway Department.