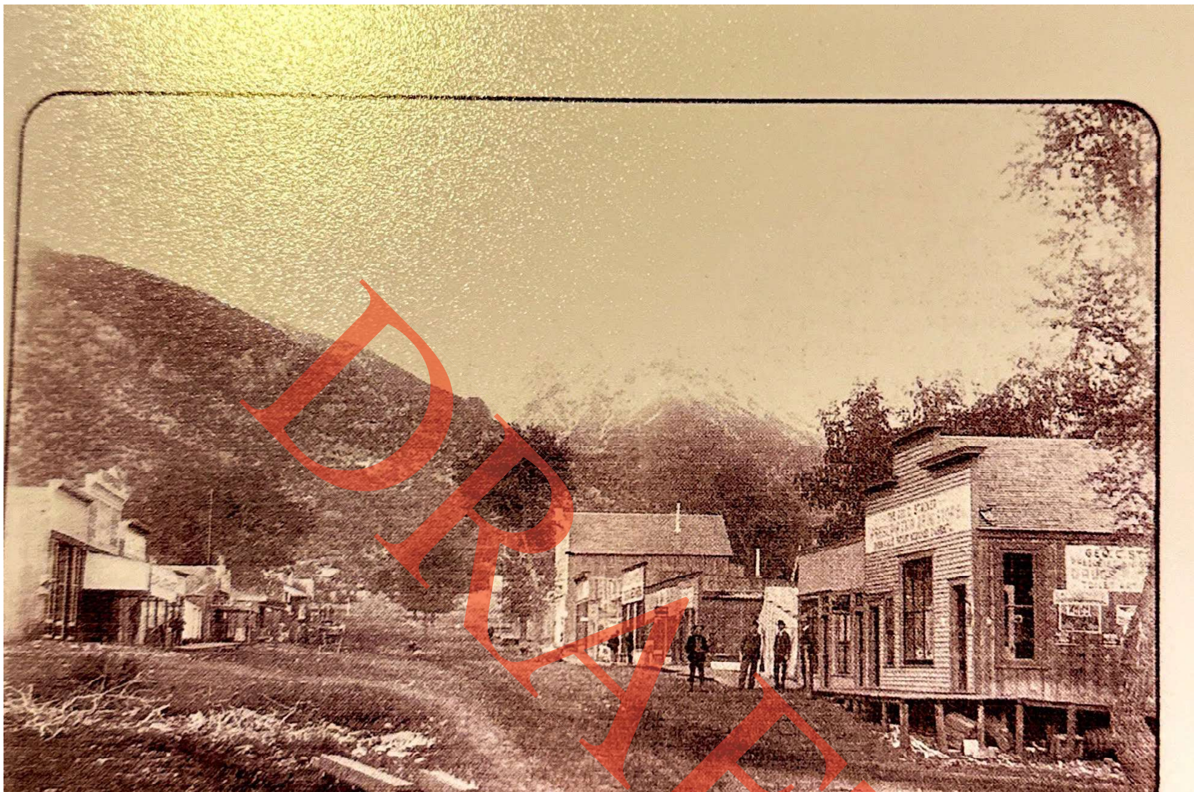
TOWN OF CRESTONE

Colorado

2026 Annual Budget



Early Crestone, at the foot of the Sangre de Cristo Mountains.

Prepared by the Office of the Town Manager
Adopted _____________ 2026

2026 BUDGET MESSAGE

To the Mayor, Board of Trustees, and residents of the Town of Crestone,

The 2026 Budget has been prepared to provide a balanced financial plan for the Town of Crestone while supporting essential municipal services, addressing infrastructure needs, and strengthening the Town's financial management practices. The budget was developed during a period of continued financial stabilization and organizational improvement, including implementation of the TownCloud financial management system, ongoing review and reconciliation of historical accounting records, and refinement of financial reporting processes.

The development of the 2026 Budget included a comprehensive review of historical expenditures, current operating costs, contractual obligations, anticipated revenues, and service demands. Budget estimates were refined using the best financial information available at the time of adoption to improve the accuracy, transparency, and usefulness of the Town's financial planning. This budget reflects the Town's continued transition toward a more data-informed and sustainable approach to municipal budgeting and financial management.

The budget is intended to align available financial resources with the priorities established by the Board of Trustees while maintaining essential municipal services, preserving financial stability, and supporting the Town's long-term operational and infrastructure needs.

Adopting the 2026 Budget Mid-Year

This budget is being adopted in August 2026, well after the start of the fiscal year it covers and considerably later than the Town intended. It is important to be direct about that. Because a 2026 budget was not adopted before the Town's mill levy was certified in December 2025, state law (C.R.S. 29-1-108(3)) provided that 90 percent of the prior year's appropriations were automatically reappropriated so the Town could continue operating without interruption. This document now formally adopts the Town's full 2026 budget.

The delay is the direct result of a multi-year effort to bring the Town's financial records and audits current. Preparing an accurate 2026 budget depended first on a completed 2024 audit, which the Town received and approved on May 27, 2026. Since June, the Town has engaged a new auditor, DMC Auditing and Consulting, LLC, to complete the 2025 audit. That audit was due in July 2026 and is expected by the end of this year. Completing it on that timeline is what will allow the Town to prepare and adopt its 2027 budget on schedule.

The progress over this period has been significant. When this cleanup began, the Town was at least two years behind on its audits. Today the gap is measured in months rather than years, and the Town is very close to being fully caught up and back on a normal, on-time budgeting and audit cycle.

Budgetary Basis of Accounting

The 2026 Budget has been prepared using the modified accrual basis of accounting for the General Fund and the full accrual basis of accounting for the Water and Sewer Enterprise Fund, in accordance with the Colorado Local Government Budget Law. Budgeted revenues and expenditures are presented on this basis for all funds included within the budget document.

Financial Stewardship

Throughout 2026, the Town continued significant efforts to improve its financial management practices and strengthen long-term organizational stability. These efforts included continued reconciliation of historical accounting records, implementation of new financial management software, development of improved financial reporting, refinement of internal budgeting practices, and establishment of processes intended to provide greater transparency and accountability.

Although much of this work occurs behind the scenes, these improvements provide the Board of Trustees, Town staff, residents, and external partners with more reliable financial information to support informed decision-making and responsible stewardship of public resources. The Town recognizes that strong financial systems are essential to maintaining public trust and ensuring the long-term sustainability of municipal services.

Important Features of the 2026 Budget

The Town's 2026 Budget reflects continued investment in municipal operations, infrastructure maintenance, public services, and long-term financial sustainability. Major features of the budget include:

- Funding for administrative operations necessary to provide effective municipal governance, financial management, and public service delivery.
- Continued implementation and support of the TownCloud financial management system and related accounting improvements.
- Staffing adjustments and expanded operational support, including administrative and public works staffing needs, professional government accounting services, retirement contributions, and consideration of a code enforcement position.
- Identification and planning for infrastructure and capital-related needs, including SCADA system improvements, public works equipment, playground repairs, cemetery mapping equipment, and water system improvements, to be pursued as grant funding and available resources allow.
- Funding for utility operations and maintenance, including anticipated increases in sewer treatment and electrical service costs.
- Continued administration of grant-funded projects and planning for future infrastructure investments supported by state, federal, and local funding sources.
- Maintenance of financial reserves while continuing to evaluate long-term capital reserve strategies to support future infrastructure replacement and major capital needs.

Although many future capital improvements remain dependent upon grant funding and available financial resources, this budget continues the Town's transition toward more deliberate long-term capital planning and infrastructure investment.

The budget includes appropriations for the General Fund, Conservation Trust Fund, and Water and Sewer Fund. Total appropriations for 2026 are budgeted at approximately $707,881 and are supported through a combination of anticipated revenues and available fund balances.

Services to Be Delivered During 2026

The Town of Crestone will continue to provide a broad range of municipal services to residents, businesses, and visitors during 2026. These services include:

General government administration;

- Financial management, budgeting, and reporting;
- Public works operations;
- Street and infrastructure maintenance;
- Planning and zoning services;
- Parks, recreational, and community facilities support;
- Water distribution and sewer utility operations;
- Grant administration and capital project management; and
- Other services authorized and provided by the Town under Colorado law.

The Town's operations include highways and streets, culture and recreation, planning and zoning, water and sewer systems, and general administrative services.

Looking Ahead

Like any municipal budget, the 2026 Budget represents the best estimate of revenues, expenditures, and operational needs available at the time of adoption. Actual revenues, grant opportunities, infrastructure priorities, and operational requirements may change throughout the year. The Town will continue to monitor financial performance and, when appropriate, recommend budget amendments in accordance with Colorado law to reflect changing conditions and emerging priorities.

The Board of Trustees recognizes that the Town continues to work through historical accounting cleanup, financial reconciliation efforts, and implementation of improved financial systems. These efforts are expected to continue strengthening the Town's financial position and enhancing the quality of financial information available for decision-making.

Beyond funding day-to-day operations, the 2026 Budget reflects the Town's commitment to building a stronger administrative and financial foundation for the future. Investments in financial systems, operational processes, infrastructure planning, and organizational capacity are intended to improve transparency, strengthen accountability, and ensure the Town can continue providing reliable municipal services for years to come.

On a personal note, I want to thank the Board of Trustees, Town staff, and the Crestone community for their patience throughout this cleanup. It has been a slow catch-up, but we are so close. I ask for that patience a little while longer as we finish the remaining work and return the Town to an on-time budget and audit cycle, every year, going forward.

Respectfully submitted,

Arielle Blackwell
Town Manager, Town of Crestone

RESOLUTION # 008-2026

A RESOLUTION TO ADOPT BUDGET AND MAKE APPROPRIATIONS

FOR THE YEAR 2026

A RESOLUTION SUMMARIZIING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE TOWN OF CRESTONE, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2026, AND ENDING ON THE LAST DAY OF DECEMBER, 2026.

WHEREAS, the Town Manager submitted a proposed budget to this governing body on August 10, 2026, for its consideration; and,

WHEREAS, upon due and proper notice, published and posted in accordance with the law, said proposed budget was open for inspection by the public at the Crestone Town Hall August 24, 2026, a public hearing was held on August 24, 2026, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and,

WHEREAS, it is not only required by law, but also necessary to appropriate the revenue and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the Town of Crestone; and,

WHEREAS, whatever increase may have been made in the expenditures, like increases were added to the revenues or appropriated from cash reserves so that the budget remains in balance, as required by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF CRESTONE, COLORADO:

Section I: The 2026 Budget for the Town of Crestone as submitted, and herein summarized by Fund, is approved and adopted.

Section II: The estimated 2026 expenditures for each fund are as follows:

General Fund:	$586,736.00
Conservation Trust Fund:	$0.00
Water and Sewer Fund:	$121,145.00
Total:	**$707,881.00**

Section III: The estimated 2026 revenue for each fund are as follows:

General Fund:	$561,430.00
Conservation Trust Fund:	$0.00
Water and Sewer Fund:	$123,671.00
Total:	**$685,101.00**

Section IV: The estimated 2026 Fund Balances plus estimated 2026 Revenues for each fund are:

General Fund:	$1,013,430.00
Water and Sewer Fund:	$1,168,206.00
Total:	**$2,363,178.00**

Section V: The following sums are hereby appropriated for each Fund:

General Fund:	$586,736.00
Conservation Trust Fund:	$0.00
Water and Sewer Fund:	$121,145.00
Total:	**$707,881.00**

Section VI: That the budget hereby approved and adopted shall be signed by the Mayor and made a part of the public records of the Town of Crestone.

ADOPTED this______ day of ________, 2026.

X ______________________________
Arielle Blackwell
Town Manager

X ______________________________
Benjamin Byer
Mayor

Town of Crestone
2026 Financial Report
June 30, 2026

	2025		2026				
	2025 YTD Actual through 6.30.25*	**2025 Year-End Actuals***	**2026 YTD Actual through 6.30.26***	**2026 Reappropriated Budget*****	**2026 Amended Budget*****	**Variance - 2026 Amended Budget vs. 2026 YTD**	**Percentage of 2026 Budget remaining**
GENERAL FUND							
Revenue							
Property taxes	13,332	17,216	19,745	15,750	23,800	4,055	17%
SO taxes	973	1,485	-	1,800	1,530	1,530	100%
Sales taxes	144,841	463,600	194,594	377,949	477,508	282,914	59%
Licenses and Permits	484	3,548	1,493	6,795	3,654	2,162	59%
Intergovernmental	495	10,449	-	4,860	10,762	10,762	100%
Grants	23,290	39,981	6,201	13,500	41,181	34,980	85%
Investment earnings	1,313	2,423	1,169	414	2,495	1,326	53%
Miscellaneous	(2,113)	(1,453)	269	12,735	500	231	46%
GENERAL FUND Revenue Total	**182,615**	**537,248**	**223,470**	**433,803**	**561,430**	**337,960**	**60%**
Expenditures							
General government							
Salaries and wages	55,914	123,702	98,898	180,000	127,413	28,515	22%
Employee benefits	17,351	39,083	12,319	48,287	40,255	27,936	69%
Professional services	35,141	66,963	33,157	88,200	106,972	73,815	69%
Administration	12,164	22,900	2,144	-	23,587	21,443	91%
Utilities	11,763	24,872	11,673	16,333	25,618	13,945	54%
Miscellaneous	35,470	121,342	11,965	59,265	124,982	113,017	90%
Public safety							
Professional services	2,474	6,724	3,850	-	6,926	3,076	44%
Public works							
Salaries and wages	38,711	81,891	26,600	-	84,347	57,747	68%
Employee benefits	941	941	-	4,320	969	969	100%
Professional services	18,259	19,217	5,972	-	19,794	13,822	70%
Administration	604	2,422	-	-	2,494	2,494	100%
Utilities	12	12	-	-	13	13	100%
Miscellaneous	(0)	16,181	0	38,021	16,667	16,667	100%
Repairs and maintenance	2,007	2,903	1,794	4,050	2,990	1,196	40%

Town of Crestone
2026 Financial Report
June 30, 2026

	2025		2026				
	2025 YTD Actual through 6.30.25*	2025 Year-End Actuals*	2026 YTD Actual through 6.30.26*	2026 Reappropriated Budget***	2026 Amended Budget***	Variance - 2026 Amended Budget vs. 2026 YTD	Percentage of 2026 Budget remaining
Culture and recreation							
Administration	996	2,016	-	-	2,077	2,077	100%
Miscellaneous	23	518	-	-	534	534	100%
Repairs and maintenance	-	1,066	-	-	1,098	1,098	100%
Water and Sewer							
Contractual services	-	-	-	-	-	-	N/A
Debt Service	-	-	-	-	-	-	N/A
Permits and Licenses	-	-	-	-	-	-	N/A
Supplies and Other	-	-	-	-	-	-	N/A
Capital outlay	2,113	93,057	-	-		-	N/A
GENERAL FUND Expenditure Total	**233,943**	**625,811**	**208,371**	**438,476**	**586,736**	**378,365**	**64%**
GENERAL FUND NET INCOME	**(51,327)**	**(88,563)**	**15,099**	**(4,673)**	**(25,306)**	**(40,405)**	**160%**
Beginning Fund Balance - General Fund	**565,869**	**565,869**	**477,306**	**492,405**	**477,306**	**-**	**0%**
Ending Fund Balance - General Fund	**514,542**	**477,306**	**492,405**	**487,732**	**452,000**	**(40,405)**	**-9%**

Town of Crestone
2026 Financial Report
June 30, 2026

	2025		2026				
	2025 YTD Actual through 6.30.25*	**2025 Year-End Actuals***	**2026 YTD Actual through 6.30.26***	**2026 Reappropriated Budget*****	**2026 Amended Budget*****	**Variance - 2026 Amended Budget vs. 2026 YTD**	**Percentage of 2026 Budget remaining**
WATER AND SEWER FUND							
Revenue							
Charges for services	51,442	116,981	53,526	99,841	120,491	66,965	56%
Investment earnings	1,707	3,087	1,556	-	3,180	1,624	51%
WATER AND SEWER FUND Revenue Total	**53,149**	**120,068**	**55,082**	**99,841**	**123,671**	**68,589**	**55%**
Expenditures							
Contractual services	1,641	6,886	3,854	5,895	7,093	3,239	46%
Purchased power	38,234	64,612	38,494	-	66,551	28,057	42%
Operations	(288)	3,080	-	-	3,173	3,173	100%
Salaries	-	-	-	31,500	-	-	N/A
Benefits	-	-	-	2,978	-	-	N/A
Depreciation	21,172	42,343	21,172	-	42,343	21,172	50%
Debt service - interest	45	1,928	-	-	1,985	1,985	100%
WATER AND SEWER FUND Expenditure Total	**60,802**	**118,850**	**63,519**	**40,373**	**121,145**	**57,626**	**48%**
WATER AND SEWER FUND NET INCOME	**(7,653)**	**1,219**	**(8,437)**	**59,467**	**2,526**	**10,963**	**434%**
Beginning Net Position - Water and Sewer Func	**1,040,790**	**1,040,790**	**1,042,009**	**1,033,572**	**1,042,009**	**-**	**0%**
Ending Net Position - Water and Sewer Fund	**1,033,137**	**1,042,009**	**1,033,572**	**1,093,039**	**1,044,535**	**10,963**	**1%**
Restricted Net Position - Water and Sewer Fun	**805,311**	**805,311**	**805,311**	**805,311**	**805,311**	**-**	**0%**
Unrestricted Net Position - Water and Sewer Fu	**227,826**	**236,698**	**228,261**	**287,728**	**239,224**	**10,963**	**5%**

**Actual revenue and expenditure data on this report is unaudited. Additionally the accounting for both 2025 and 2026 is still under review and subject to change as accounting improvements are made.*

***The Town of Crestone did not adopt a budget for 2026 prior to the certification of the Mill Levy in December 2025. Per CRS 29-1-108(3) 90% of the amounts appropriated in the prior fiscal year (2025) for operation and maintenance expenses were deemed reappropriated in 2026.*

****Amended Budgeted figures are based on the best available information, including preliminary actual financial data. As such, the forecast has a high degree of uncertainty and is subject to change as additional accounting is completed.*

