
City of Ouray
Financial Statements and
Independent Auditor's Report
as of
December 31, 2016



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City of Ouray
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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Ouray, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ouray, Colorado as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ouray, Colorado, as of December 31, 2016, 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.

Other Matters

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 Schedule of Activity-Net Position on pages 3–11, 38 and 39 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ouray, Colorado basic financial statements. The combining and individual fund financial statements and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
September 11, 2017

CITY OF OURAY
Management's Discussion and Analysis
Year Ended December 31, 2016

The Ouray City Council and Administration are responsible for the management of the City's activities, and thus their financial results. We therefore offer the following analysis and discussion of the accompanying financial statements.

FINANCIAL HIGHLIGHTS

As of December 31, 2016

Change in Net Position:

Total Assets		\$18,866,104
Total Liabilities and Deferred Resources		<u>8,709,598</u>
Net Position	12/31/16	\$10,156,506
	12/31/15	<u>9,450,021</u>
Increase (Decrease)		<u>\$ 706,485</u>

Governmental Fund Balances:

	<u>1/1/16</u>	<u>12/31/16</u>	Increase (Decrease)
General Fund	\$629,147	\$ 553,975	\$ (75,172)
Capital Imp Fund	-	229,811	229,811
Non-major Funds	<u>230,864</u>	<u>264,656</u>	<u>33,792</u>
Total Funds	<u>\$860,011</u>	<u>\$1,048,442</u>	<u>\$ 188,431</u>

Capital Assets, net of accumulated depreciation:

	<u>1/1/16</u>	<u>12/31/16</u>	Increase (Decrease)
Governmental Activities	\$1,983,843	\$ 2,160,331	\$ 176,488
Business-type Activities	<u>6,053,629</u>	<u>8,334,868</u>	<u>2,281,239</u>
Total Capital Assets	<u>\$8,037,472</u>	<u>\$10,495,199</u>	<u>\$2,457,727</u>

Cash and Cash Equivalents:

	<u>12/31/16</u>
Governmental Activities	\$1,132,759
Business-type Activities	<u>1,353,348</u>
Total Cash and Cash Equivalents	<u>\$2,486,107</u>

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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 the City's assets and liabilities, with the difference between the two being reported as net position. Over time, the 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 is 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 reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

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 administration, police, fire, public works, and community center. The Business-type Activities of the City include the following utilities: water, sewer, refuse/recycling, and utilities-capital improvements; in addition to parks and recreation.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The City's funds 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 *short-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 short-term financing requirements. The accounting method is called *modified accrual* accounting.

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 activities in the *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 short-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 one major government fund, the General Fund. 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.

Proprietary Funds – The City maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses a separate enterprise fund to account for each of its utility funds: Water, Sewer, Refuse/Recycling, and Utilities – Capital Improvements Fund, Parks and Recreation Fund and to account for its Pool Renovation Fund.

Notes to Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the City’s financial position. For the year ended December 31, 2016, the City’s combined assets exceeded liabilities by \$ 10,156,506. Of this amount, \$ 2,375,893 is unrestricted and available to meet the City’s ongoing financial obligations.

By far the largest portion of net position is the investment in capital assets (net of related debt) of \$ 7,603,565 (75% of net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the City’s governmental and business-type net position for 2016:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
ASSETS						
Cash and cash equivalents	\$ 927,563	\$1,132,759	\$1,104,996	\$1,353,348	\$2,032,559	\$2,486,107
Restricted cash	-	-	132,000	4,674,363	132,000	4,674,363
Property taxes receivable	509,616	509,197	-	-	509,616	509,197
Accounts receivables	14,613	65,657	163,437	109,874	178,050	175,531
Other receivables	-	-	32,000	32,000	32,000	32,000
Due from other governments	37,367	48,895	-	-	37,367	48,895
Prepaid and deposits	671	2,130	-	-	671	2,130
Inventories	7,407	7,321	23,311	25,524	30,718	32,845
	-	-	-	77,672	-	77,672
Net pension assets	180,992	263,591	-	-	180,992	263,591
Capital assets, net	1,983,843	2,160,331	6,053,629	8,334,868	8,037,472	10,495,199
Total assets	3,662,072	4,189,881	7,509,373	14,607,649	11,171,445	18,797,530

	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
Deferred outflows						
Pension contributions made after measurement date	33,190	66,389	-	-	33,190	66,389
Pension net difference between projected & actual investment earnings	2,834	2,185	-	-	2,834	2,185
Total Deferred outflows	36,024	68,574	-	-	36,024	68,574
LIABILITIES						
Accounts payable	\$ 49,822	\$ 127,571	\$ 69,590	\$ 891,794	\$ 119,412	\$1,019,365
Accrued wages	26,607	35,978	85,768	114,559	115,375	150,537
Accrued interest payable	-	-	5,227	5,227	5,227	5,227
Performance bonds and deposits	-	-	2,254	1,485	2,254	1,485
Deferred revenue	48,181	44,771	158,153	176,089	206,334	220,860
Accrued other expenses	-	-	-	652,294	-	652,294
Current portion of debt						
Loans and notes payable	-	-	61,619	73,493	61,619	73,493
Capital leases	69,078	83,299	-	-	69,078	83,299
Compensated absences	41,042	45,948	-	-	41,042	45,948
Long-term liabilities						
Due more than one year:						
Bonds payable	-	-	-	5,300,000	256,319	5,300,000
Capital leases	345,970	307,513	256,319	243,510	345,970	551,023
Total liabilities	583,700	583,700	638,930	7,458,451	1,222,630	8,103,531
Deferred inflow of resources						
Deferred property tax revenue	509,616	509,197	-	-	509,616	509,197
Changes in proportion and difference between contributions recognized and proportionate share of contributions	-	68,400	-	-	-	68,400
Pension difference between expected & actual experience	25,202	28,470	-	-	25,202	28,470
Total Deferred inflow	534,818	534,818	-	-	534,818	606,067
NET POSITION						
Invested in capital assets	1,568,795	1,568,795	5,735,691	5,834,137	7,304,486	7,603,656
Reserves	-	-	86,657	86,657	86,657	86,657
Restricted for:						
Emergencies	76,266	90,300	-	-	76,266	90,300
Unrestricted	934,517	934,517	1,048,095	1,228,404	1,982,612	2,375,893
Total net position	\$2,579,578	\$2,579,578	\$ 6,870,443	7,149,198	\$ 9,450,021	\$10,156,506

A portion of net position, \$90,300, represents resources that are subject to constitutional restrictions on how they may be used. Reserves of \$86,657 are required by one debt agreement. Unrestricted net position of \$2,375,893 (23% of net position) may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

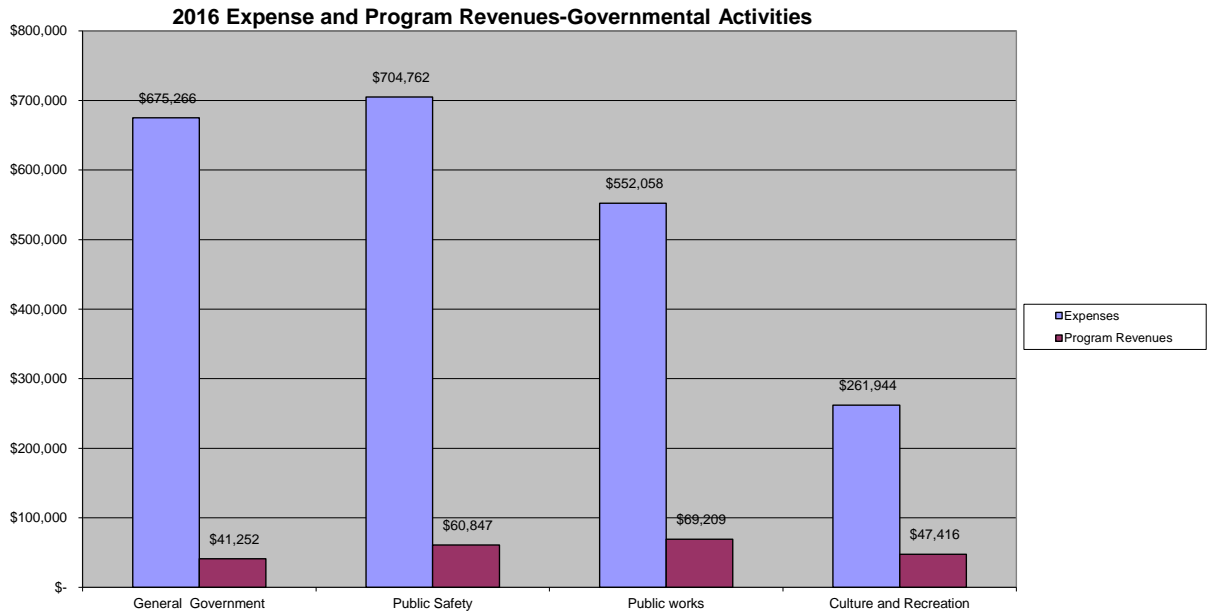
Governmental and business-type activities increased the City's net position by \$706,483 in 2016.

City of Ouray
For the Year Ended December 31st
Changes in Net Position

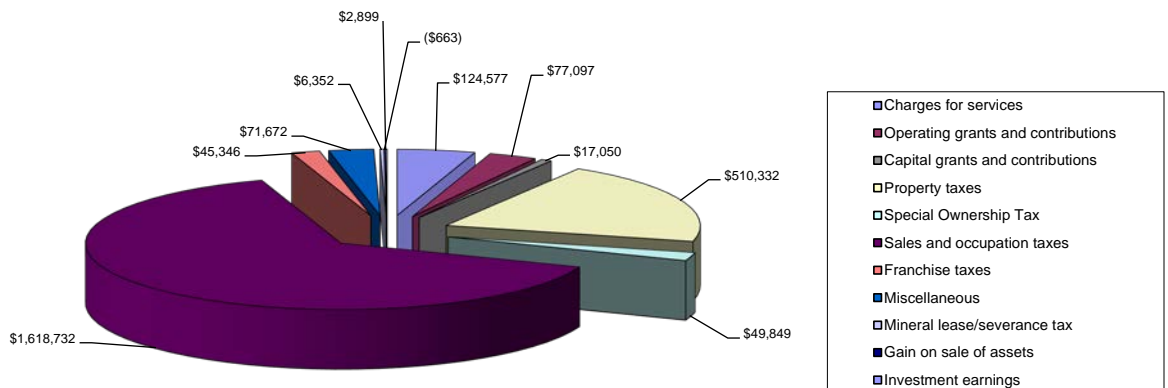
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2015	2016	2015	2016	2015	2016
Revenues						
Program revenues						
Charges for services	\$112,259	\$124,577	\$2,784,436	\$2,663,351	\$2,896,695	\$2,787,928
Operating grants	83,247	77,097	-	-	83,247	77,097
Capital grants	-	17,050	35,500	15,000	35,500	32,050
General Revenues						
Property taxes	489,976	510,332	-	-	489,976	510,332
Specific ownership	42,709	49,849	-	-	42,709	49,849
Sales taxes and other	1,209,456	1,618,732	-	-	1,209,456	1,618,732
Franchise taxes	45,396	45,346	-	-	45,396	45,346
Miscellaneous	56,363	71,672	5,181	4,629	61,544	76,301
Mineral lease/severance tax	76,988	6,352	-	-	76,988	6,352
Grants and contributions	-	-	32,000	42,750	32,000	42,750
Gain on sale of assets	-	(663)	-	-	-	(663)
Investment earnings	5,997	2,889	1,337	14,715	7,334	17,614
Transfers In (Out)	-	98,517	-	(98,517)	-	-
Totals	2,122,391	2,621,760	2,858,454	2,641,928	4,980,845	5,263,688
Expenses						
General Government	679,043	675,266	-	-	679,043	675,266
Public Safety	648,679	704,762	-	-	648,679	704,762
Public works	458,854	552,058	2,247,714	2,363,175	2,706,568	2,915,233
Culture and Recreation	218,673	261,944	-	-	218,673	261,944
Total Expenses	2,005,249	2,194,030	2,247,714	2,363,175	4,252,963	4,557,205
Changes in net position	117,142	427,730	610,740	278,753	727,882	706,483
Special Items	-	-	-	-	-	-
Beginning	2,462,436	2,579,578	6,259,703	6,870,445	8,722,139	9,450,023
Ending	\$2,579,578	\$3,007,308	\$6,870,443	\$7,149,198	\$9,450,021	\$10,156,506

Governmental Activities

Governmental activities increased the City's net position by \$427,730.



Revenues by Source-Governmental Activities



In 2016, property tax revenues increased by 4%, and sales/occupation tax revenues increased by 34%, compared to the prior year.

Business-type Activities

Business-type activities for the year resulted in an increase in net position of \$ 278,753. Charges for services accounted for 97% of total revenues, this is consistent with 97% for the prior year.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

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, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of 2016, the City's governmental funds reported combined ending fund balances of \$ 1,048,442, an increase of \$ 188,431 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 15% of this total amount, \$ 165,441, constitutes unassigned fund balance, which is available for appropriation at the City's discretion; committed fund balance is 64%, or \$ 674,719, of governmental fund balances. There is \$ 110,661 of fund balance that is statutorily restricted to capital spending for parks and recreation. Non-spendable fund balance of \$ 7,321 represents inventoried materials. The remaining fund balance is restricted to indicate that it is not available for new spending, because it is already committed to meet a State constitution mandated emergency reserve of \$ 90,300.

The City has one major governmental fund, the General Fund, which is the primary operating fund for the City. At the end of 2016, unassigned fund balance of the General Fund was \$ 165,441, while the total fund balance was \$ 553,975. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the City's General Fund decreased by \$ 75,172 during 2016.

Proprietary funds. The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The City has five enterprise funds: Water Fund, Sewer Fund, Refuse/Recycling Fund, Utilities – Capital Improvements Fund, and Parks and Recreation Fund. At the end of 2016, these funds represented the following net position amounts:

Fund:	Water	Sewer	Refuse/Rcycl.	Pool Renov.	Utilities – CI	Parks & Rec.
Unrestricted net position	25,450	432,036	25,328	12,624	175,158	557,808
Total net position	3,509,920	1,091,926	25,328	12,624	175,158	2,334,242
Increase (decrease) in net position	(14,936)	10,289	(5,578)	12,624	11,759	264,595

GENERAL FUND BUDGETARY HIGHLIGHTS

The City originally budgeted \$ 2,310,213 for 2016 expenditures. Actual expenditures were \$ 2,168,355, or 6% less than the budgeted amount.

CAPITAL ASSET AND DEBT ADMINISTRATION

The City's investment in capital assets, net of depreciation, for its governmental and business-type activities as of December 31, 2016, was \$ 10,495,199, an increase of \$ 2,457,727 from the prior year, representing \$ 2,995,893 of acquisitions offset by \$ 534,852 of depreciation expense and \$ 21,335 in capital asset deletions and removal of \$ 20,672 in associated depreciation. As required by GASB34, the investment in capital assets includes land, buildings, building improvements, and equipment.

Long-term Debt

As of December 31, 2016, the City had long-term debt as follows:

	Balance January 1, 2016			Balance December 31, 2016		Due within one year
		Additions	Reductions			
Governmental Activities						
Plow-sander	\$ 56,602	\$ -	\$ (18,140)	\$ 38,462	\$ 18,858	
Snow blower	9,263	-	(4,516)	4,747	4,747	
Swap loader	23,123	-	(7,333)	15,790	7,702	
Chevy Tahoe 2015	26,060	-	(12,798)	13,262	13,262	
Fire truck	300,000	-	(26,291)	273,709	27,053	
Cat Backhoe	-	34,898	(4,556)	30,342	4,692	
Police Vehicle – Expedition	-	14,500	-	14,500	6,985	
Accrued compensated absences	41,042	4,906	-	45,948	-	
Total	\$ 456,090	\$ 54,304	\$ (73,634)	\$ 436,760	\$ 83,299	
Enterprise Activities						
Colorado Water Resources	\$ 317,938	\$ -	\$ (61,619)	\$ 256,319	\$ 64,109	
Sales Tax Revenue Bonds	-	5,300,000		5,300,000	-	
Cat Backhoe	-	69,796	(9,112)	60,684	9,384	
Total	\$ 385,864	\$ 5,369,796	\$ (70,731)	\$ 5,617,003	\$ 73,493	

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The City is in fair financial condition.
- The City began growing its General Fund reserves with the 2006 voter approved move of the 1% sales tax from the Water Fund to the General Fund. In 2011, Other Parks and Ski Tow were transferred from the Parks Fund to the General Fund, representing a structural correction of City funds. From 2011 to 2015 these expenditures averaged \$164,000 annually, for which there has been no additional supporting revenue source. General Fund reserves were used to cover these expenditures. Without increased General Fund revenues, core services would be impacted. In November 2014, voters approved removing the TABOR amendment revenue and spending limits on property taxes (aka 'de-Brucing') and authorized return to the preserved 13.585 mill levy.

- Property tax revenues for 2015 general operating purposes increased by 88%, or \$260,605, as a result of the ‘de-Brucing’ of property tax noted above. Assessed values for 2016 are comparable with 2015.
- Sales tax revenues account for 50% of the 2016 budgeted General Fund revenue, excluding grants, and are an important source for providing funds for the general operations and maintenance of the City. For 2016, Sales tax revenues were budgeted to increase by 6% compared to 2015, due to increased regional tourism and slightly improved overall economic conditions. In November 2015 voters approved a 1% Sales tax increase to pay for Capital projects, noting that the renovation of the Hot Springs Pool and Bathhouse being the major project to be funded. 2016 Sales tax revenues for January through March increased by 46%. The additional revenue was not included in the 2016 Budget since the election outcome was not yet determined during the 2016 Budget work session.
- For 2016, the City increased its Water rate by \$1.41 and increased its Sewer rate by \$3.43 for a single-family residence, this was an annual increase of \$58.08.
- In 2015, capital projects included development of the Hot Springs Pool Master Plan, engineering designs for the Hot Springs Pool, replacement of a section of the Box Cañon geothermal line, upgrading Information Technology, and continuing water augmentation. For 2016, capital spending is focused on construction of the Hot Springs Pool and Bathhouse, completion of the Box Cañon geothermal line replacement, and the replacement of the Skyrocket culvert.
- In 2014, the Council adopted a Strategic Plan to identify and prioritize its goals and objectives for the future. In 2016, Council and staff are updating this document for changes in the focus of providing municipal services.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Debra Overton
Clerk/Treasurer
City of Ouray
P.O. Box 468
Ouray, CO 81427

CITY OF OURAY, COLORADO

Statement of Net Position

December 31, 2016

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,132,759	\$ 1,353,348	\$ 2,486,107
Restricted cash	-	4,674,363	4,674,363
Property taxes receivable	509,197	-	509,197
Accounts receivable	65,657	109,874	175,531
Other receivables	-	32,000	32,000
Due from other governments	48,895	-	48,895
Prepaid and deposits	2,130	-	2,130
Inventories	7,321	25,524	32,845
Bond issuance cost	-	77,672	77,672
Net pension assets	263,591	-	263,591
Capital assets, net	2,160,331	8,334,868	10,495,199
Total assets	4,189,881	14,607,649	18,797,530
DEFERRED OUTFLOWS			
Pension contributions made after measurement date	66,389	-	66,389
Pension net difference between projected and actual investment earnings	2,185	-	2,185
Total Deferred outflows	68,574	-	68,574
LIABILITIES			
Accounts payable	127,571	891,794	1,019,365
Accrued wages	35,978	114,559	150,537
Accrued interest payable	-	5,227	5,227
Performance bonds and deposits	-	1,485	1,485
Deferred revenue	44,771	176,089	220,860
Premium on bonds	-	652,294	652,294
Current portion of debt			
Loans and leases payable	83,299	73,493	156,792
Compensated absences	45,948	-	45,948
Long-term liabilities			
Bonds payable	-	5,300,000	5,300,000
Loans and leases payable	307,513	243,510	551,023
Total liabilities	645,080	7,458,451	8,103,531
Deferred inflow of resources			
Deferred property tax revenue	509,197	-	509,197
Changes in proportion and differences between contributions recognized and proportionate share of contributions	68,400	-	68,400
Pension difference between expected and actual experience	28,470	-	28,470
Total Deferred inflow of resources	606,067	-	606,067
NET POSITION			
Invested in capital assets	1,769,519	5,834,137	7,603,656
Reserves	-	86,657	86,657
Restricted for:			
Emergencies	90,300	-	90,300
Unrestricted	1,147,489	1,228,404	2,375,893
Total net position	\$ 3,007,308	\$ 7,149,198	\$ 10,156,506

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Statement of Activities
For the Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Service and Fees	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 675,266	\$ 41,252	\$ -	\$ -
Public Safety	704,762	55,482	5,365	-
Public Works	552,058	5,941	63,268	-
Culture and Recreation	261,944	21,902	8,464	17,050
Total governmental activities	<u>2,194,030</u>	<u>124,577</u>	<u>77,097</u>	<u>17,050</u>
Business-type activities:				
Water	511,463	468,540	-	1,875
Sewer	467,355	452,920	-	1,875
Refuse	152,378	146,800	-	-
Utilities-Capital Improvements	-	-	-	11,250
Parks	1,231,979	1,595,091	-	-
Total business-type activities	<u>2,363,175</u>	<u>2,663,351</u>	<u>-</u>	<u>15,000</u>
Total primary government	<u>\$ 4,557,205</u>	<u>\$ 2,787,928</u>	<u>\$ 77,097</u>	<u>\$ 32,050</u>

General Revenues

Taxes:

Property taxes

Specific ownership

Sales taxes and miscellaneous

Franchise taxes

Miscellaneous

Mineral leasing and severance taxes

Grants and contributions not restricted

Loss on sale of assets

Investment earnings

Transfers In (out)

Total General Revenues and Transfers

Changes in Net Position

Net Position-January 1

Net Position-December 31

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (634,014)	\$ -	\$ (634,014)
(643,915)	-	(643,915)
(482,849)	-	(482,849)
(214,528)	-	(214,528)
<u>(1,975,306)</u>	<u>-</u>	<u>(1,975,306)</u>
-	(41,048)	(41,048)
-	(12,560)	(12,560)
-	(5,578)	(5,578)
-	11,250	11,250
-	363,112	363,112
<u>-</u>	<u>315,176</u>	<u>315,176</u>
<u>(1,975,306)</u>	<u>315,176</u>	<u>(1,660,130)</u>
510,332	-	510,332
49,849	-	49,849
1,618,732	-	1,618,732
45,346	-	45,346
71,672	4,629	76,301
6,352	-	6,352
-	42,750	42,750
(663)	-	(663)
2,899	14,715	17,614
98,517	(98,517)	-
<u>2,403,036</u>	<u>(36,423)</u>	<u>2,366,613</u>
427,730	278,753	706,483
2,579,578	6,870,445	9,450,023
<u>\$ 3,007,308</u>	<u>\$ 7,149,198</u>	<u>\$ 10,156,506</u>

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Governmental Funds
Balance Sheet
December 31, 2016

	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 638,292	\$ 229,811	\$ 264,656	\$ 1,132,759
Taxes receivable	509,197	-	-	509,197
Due from other governments	48,895	-	-	48,895
Accounts receivable	65,657	-	-	65,657
Inventory	7,321	-	-	7,321
Prepaid expenses	2,130	-	-	2,130
Total assets	\$ 1,271,492	\$ 229,811	\$ 264,656	\$ 1,765,959
Liabilities, Deferred inflows of resources and Fund Balance				
Liabilities:				
Accounts payable	\$ 127,571	\$ -	\$ -	\$ 127,571
Accrued wages	35,978	-	-	35,978
Deferred revenue	44,771	-	-	44,771
Total liabilities	208,320	-	-	208,320
Deferred inflow of resources				
Deferred property tax revenue	509,197	-	-	509,197
Fund balances:				
Non-spendable	7,321	-	-	7,321
Restricted				
Emergencies	90,300	-	-	90,300
Parks and recreation	-	-	110,661	110,661
Committed				
Flumes, streets and drainage	290,913	-	-	290,913
Capital improvements	-	229,811	-	229,811
Tourism	-	-	53,165	53,165
Beautification	-	-	100,830	100,830
Unassigned	165,441	-	-	165,441
Total fund balance	553,975	229,811	264,656	1,048,442
Total liabilities, deferred inflows of resources and fund balance	\$ 762,295	\$ 229,811	\$ 264,656	\$ 1,256,762

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2016

Total fund balance, governmental funds \$ 1,048,442

Amounts reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Cost of capital assets	\$ 9,589,462	
Less accumulated depreciation	<u>(7,429,131)</u>	2,160,331

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Capital leases	\$ (390,812)	
Compensated absences	<u>(45,948)</u>	(436,760)

Net pension assets and related deferred inflows and outflows of resources are not recorded in the funds.		<u>235,295</u>
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Net Position of Governmental Activities in the Statement of Net Position		<u><u>\$ 3,007,308</u></u>
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The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	\$ 510,332	\$ -	\$ -	\$ 510,332
Sales and miscellaneous taxes	1,099,725	306,716	262,140	1,668,581
Fees and fines	32,031	-	-	32,031
Licenses and permits	35,021	-	-	35,021
Intergovernmental	128,795	-	17,050	145,845
Charges for services	57,525	-	-	57,525
Investment earnings	2,278	-	621	2,899
Miscellaneous	28,191	-	-	28,191
Total revenues	<u>1,893,898</u>	<u>306,716</u>	<u>279,811</u>	<u>2,480,425</u>
EXPENDITURES				
Current:				
General government	429,060	-	222,156	651,216
Public safety	649,641	-	-	649,641
Public works	394,138	-	-	394,138
Culture and recreation	254,696	-	-	254,696
Debt service payments	88,213	-	-	88,213
Capital outlay	402,005	-	-	402,005
Total expenditures	<u>2,217,753</u>	<u>-</u>	<u>222,156</u>	<u>2,439,909</u>
Excess (deficiency) of revenues over expenditures	<u>(323,855)</u>	<u>306,716</u>	<u>57,655</u>	<u>40,516</u>
OTHER FINANCING SOURCES (USES)				
Loan proceeds	49,398	-	-	49,398
Transfers In (out)	199,285	(76,905)	(23,863)	98,517
Total other financing sources (uses)	<u>248,683</u>	<u>(76,905)</u>	<u>(23,863)</u>	<u>147,915</u>
Net change to fund balance	(75,172)	229,811	33,792	188,431
Fund balance, January 1	629,147	-	230,864	860,011
Fund balance, December 31	<u>\$ 553,975</u>	<u>\$ 229,811</u>	<u>\$ 264,656</u>	<u>\$ 1,048,442</u>

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2016

Net change in fund balances - total governmental funds \$ 188,431

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Fixed assets current additions	\$ 349,980	
Depreciation expense	(172,829)	
Excess of capital outlay over depreciation		177,151
Loss on sale of assets		(663)

Some expenses reported in the statement of activities do not require the use of current financial resources: therefore, are not reported as expenditures in governmental funds.		(4,906)
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Pension expenses reported in the statement of activities do not require the use of current financial resources: therefore, are not reported as expenditures in governmental funds.		43,481
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Repayment of long-term debt principal is reported as an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position.		73,634
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Loan Proceeds		(49,398)
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Change in net position of governmental funds		\$ 427,730
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The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO

Statement of Net Position

Enterprise Funds

December 31, 2016

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Utilities-CI Fund</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 52,393	\$ 502,664	\$ 205,158
Receivables:			
Accounts	3,508	3,348	-
Other	32,000	-	-
Bond issuance cost	-	-	-
Inventories	19,901	5,319	-
Total current assets	<u>107,802</u>	<u>511,331</u>	<u>205,158</u>
Restricted cash	<u>132,000</u>	<u>-</u>	<u>-</u>
Capital assets:			
Land and improvements	149,131	-	-
Construction in progress	-	-	-
Utility system	5,240,943	2,181,409	-
Geothermal wells	-	-	-
Swimming pool	-	-	-
Pool filtration system	-	-	-
Box Cañon	-	-	-
Parks and other assets	-	-	-
Buildings	87,201	43,597	-
Equipment and furniture	271,053	409,834	-
Less accumulated depreciation	(2,063,854)	(1,944,608)	-
Total capital assets	<u>3,684,474</u>	<u>690,232</u>	<u>-</u>
Total Assets	<u>\$ 3,924,276</u>	<u>\$ 1,201,563</u>	<u>\$ 205,158</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 5,018	\$ 9,382	\$ -
Accrued payroll	26,845	26,250	-
Customer deposits	375	-	-
Accrued interest payable	5,227	-	-
Premium on bonds	-	-	-
Deferred revenues	90,230	43,663	30,000
Current portion of long term debt	-	-	-
Total current liabilities	<u>127,695</u>	<u>79,295</u>	<u>30,000</u>
Noncurrent liabilities			
Bonds payable	-	-	-
Loans and leases payable	286,661	30,342	-
Total noncurrent liabilities	<u>286,661</u>	<u>30,342</u>	<u>-</u>
NET POSITION			
Invested in capital assets, net of related debt	3,397,813	659,890	-
Restricted for O&M expenses	86,657	-	-
Unrestricted	25,450	432,036	175,158
Total net position	<u>\$ 3,509,920</u>	<u>\$ 1,091,926</u>	<u>\$ 175,158</u>

Refuse Fund	Pool Renovation Fund	Parks Fund	Total Enterprise Funds
\$ 48,665	\$ -	\$ 544,468	\$ 1,353,348
1,116	-	101,902	109,874
-	-	-	32,000
-	77,672	-	77,672
-	-	304	25,524
<u>49,781</u>	<u>77,672</u>	<u>646,674</u>	<u>1,598,418</u>
-	4,542,363	-	4,674,363
-	-	-	149,131
-	2,183,728	-	2,183,728
-	-	-	7,422,352
-	-	176,703	176,703
-	-	2,241,083	2,241,083
-	-	915,511	915,511
-	-	375,358	375,358
-	-	1,091,895	1,091,895
-	-	-	130,798
-	-	-	680,887
-	-	(3,024,116)	(7,032,578)
<u>-</u>	<u>2,183,728</u>	<u>1,776,434</u>	<u>8,334,868</u>
<u>\$ 49,781</u>	<u>\$ 6,803,763</u>	<u>\$ 2,423,108</u>	<u>\$ 14,607,649</u>
\$ 12,257	\$ 838,845	\$ 26,292	\$ 891,794
-	-	61,464	114,559
-	-	1,110	1,485
-	-	-	5,227
-	652,294	-	652,294
12,196	-	-	176,089
-	-	-	-
<u>24,453</u>	<u>1,491,139</u>	<u>88,866</u>	<u>1,841,448</u>
-	5,300,000	-	5,300,000
-	-	-	317,003
-	<u>5,300,000</u>	-	<u>5,617,003</u>
-	-	1,776,434	5,834,137
-	-	-	86,657
25,328	12,624	557,808	1,228,404
<u>\$ 25,328</u>	<u>\$ 12,624</u>	<u>\$ 2,334,242</u>	<u>\$ 7,149,198</u>

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended December 31, 2016

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Utilities-CI Fund</u>
Operating Revenues			
Charges for services	\$ 468,540	\$ 452,920	\$ -
Miscellaneous	7,105	175	-
Total operating revenues	<u>475,645</u>	<u>453,095</u>	<u>-</u>
Operating Expenses			
Personal services	238,956	231,930	-
Contractual services	16,132	13,829	-
Utilities	6,006	30,167	-
Repairs and maintenance	22,133	64,684	-
Other supplies and expenses	52,431	56,683	-
Insurance claims and expenses	4,275	3,735	-
Depreciation	158,436	65,341	-
Total operating expenses	<u>498,369</u>	<u>466,369</u>	<u>-</u>
Operating income (loss)	<u>(22,724)</u>	<u>(13,274)</u>	<u>-</u>
Nonoperating revenues (expenses)			
Interest income	283	1,299	509
Loss on sale of assets	(2,651)	-	-
Transfers In (out)	-	-	-
Operating grants and contributions	21,375	21,375	-
Interest expense	(13,094)	(986)	-
Total nonoperating revenues (expenses)	<u>5,913</u>	<u>21,688</u>	<u>509</u>
Income (loss) before transfers and and Capital Contributions	(16,811)	8,414	509
Capital contributions-Investment Fees	<u>1,875</u>	<u>1,875</u>	<u>11,250</u>
Change in net position	(14,936)	10,289	11,759
Total net position, January 1	3,524,856	1,081,637	163,399
Total net position, December 31	<u>\$ 3,509,920</u>	<u>\$ 1,091,926</u>	<u>\$ 175,158</u>

Refuse Fund	Pool Renovation Fund	Parks Fund	Total Enterprise Funds
\$ 146,800	\$ -	\$ 1,595,091	\$ 2,663,351
-	-	-	7,280
<u>146,800</u>	<u>-</u>	<u>1,595,091</u>	<u>2,670,631</u>
-	-	776,434	1,247,320
152,378	-	23,032	205,371
-	-	54,274	90,447
-	-	37,816	124,633
-	-	191,837	300,951
-	-	10,340	18,350
-	-	138,246	362,023
<u>152,378</u>	<u>-</u>	<u>1,231,979</u>	<u>2,349,095</u>
<u>(5,578)</u>	<u>-</u>	<u>363,112</u>	<u>321,536</u>
-	12,624	-	14,715
-	-	-	(2,651)
-	-	(98,517)	(98,517)
-	-	-	42,750
-	-	-	(14,080)
<u>-</u>	<u>12,624</u>	<u>(98,517)</u>	<u>(57,783)</u>
(5,578)	12,624	264,595	263,753
-	-	-	15,000
(5,578)	12,624	264,595	278,753
30,906	-	2,069,647	6,870,445
<u>\$ 25,328</u>	<u>\$ 12,624</u>	<u>\$ 2,334,242</u>	<u>\$ 7,149,198</u>

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2016

	Water Fund	Sewer Fund
Cash Flows From Operating Activities		
Cash received from charges for services	\$ 520,936	\$ 481,550
Cash payments for goods and services	(106,838)	(165,297)
Cash payments to employees for services	(229,980)	(223,108)
Net cash provided (used) by operating activities	184,118	93,145
Cash Flows from Noncapital Financing Activities		
Grants and contributions	21,375	21,375
Transfers from (to) other funds	-	-
Net cash provided (used) by noncapital financing activities	21,375	21,375
Cash Flows from Capital and Related Financing Activities		
Investment fees	1,875	1,875
Acquisition of capital assets	(59,403)	(57,198)
Principal paid on loans and leases	(66,176)	(4,556)
Proceeds from Loans	34,898	34,898
Interest expense	(13,094)	(986)
Net cash provided (used) by capital and related financing activities	(101,900)	(25,967)
Cash Flows from Investing Activities		
Interest on investments	283	1,299
Net increase (decrease) in cash and equivalents	103,876	89,852
Cash balances, January 1	80,517	412,812
Cash balances, December 31	\$ 184,393	\$ 502,664
Reconciling of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (22,724)	\$ (13,274)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	158,436	65,341
Assets (increase) decrease:		
Accounts receivable	29,658	26,132
Inventories	(2,244)	32
Liabilities increase (decrease):		
Accounts payable	(3,617)	3,769
Deferred revenue	15,633	2,323
Customer deposits	-	-
Accrued payroll	8,976	8,822
Total adjustments	206,842	106,419
Net cash provided (used) by operating activities	\$ 184,118	\$ 93,145

<u>Utilities-CI Fund</u>	<u>Refuse Fund</u>	<u>Parks Fund</u>	<u>Total Enterprise Funds</u>
\$ -	\$ 156,719	\$ 1,582,926	\$ 2,742,131
-	(164,019)	(323,218)	(759,372)
-	-	(765,441)	(1,218,529)
<u>-</u>	<u>(7,300)</u>	<u>494,267</u>	<u>764,230</u>
-	-	-	42,750
<u>-</u>	<u>-</u>	<u>(98,517)</u>	<u>(98,517)</u>
<u>-</u>	<u>-</u>	<u>(98,517)</u>	<u>(55,767)</u>
11,250	-	-	15,000
-	-	(345,585)	(462,186)
-	-	-	(70,732)
-	-	-	69,796
<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,080)</u>
<u>11,250</u>	<u>-</u>	<u>(345,585)</u>	<u>(462,202)</u>
509	-	-	2,091
11,759	(7,300)	50,165	248,352
193,399	55,965	494,303	1,236,996
<u>\$ 205,158</u>	<u>\$ 48,665</u>	<u>\$ 544,468</u>	<u>\$ 1,485,348</u>
\$ -	\$ (5,578)	\$ 363,112	\$ 321,536
-	-	138,246	362,023
-	9,939	(12,165)	53,564
-	-	-	(2,212)
-	(11,641)	(5,150)	(16,639)
-	(20)	-	17,936
-	-	(769)	(769)
-	-	10,993	28,791
<u>-</u>	<u>(1,722)</u>	<u>131,155</u>	<u>442,694</u>
<u>\$ -</u>	<u>\$ (7,300)</u>	<u>\$ 494,267</u>	<u>\$ 764,230</u>

The accompanying notes are an integral part of this statement.

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City of Ouray, Colorado (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Financial Reporting Entity

The City, adopted a home rule charter on May 5, 2009, with a council – administrator form of government with five elected Council members. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Ouray (the primary government). The City has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing body.

Related Organizations

- The City and the Ouray Volunteer Fire Department provided fire protection to the citizens of Ouray. The volunteer fire department has a special fund that receives donations and fund raising monies, which are also used to cover fire protection services. This fund is not included in these financial statements of the City of Ouray.

B. 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 activities of the City and its component units. These statements include the financial activities of the overall government, except fiduciary activities. For the most part, the effect of inter-fund activity has been removed from these statements. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those 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 among program revenues are reported instead as general revenues.

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies - (continued)

C. Fund Financial Statements

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

- 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.
- The Capital Improvement Fund, which accounts for the Town's additional sales tax that is to be used for capital improvements.

The remaining governmental funds are aggregated and presented as non-major funds. Those funds include:

- The Conservation Trust Fund, which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.
- Beautification Fund, which accounts for lodging tax collections to be used for City beautification projects.
- Tourism Promotion Fund, which accounts for lodging tax collections for the promotion of tourism.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies - (continued)

C. Fund Financial Statements - (continued)

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the City are charges for water, sewer, refuse, pool, park and other fees. Operating expenses for the enterprise funds include personnel services, contract services, utilities, repairs and maintenance, supplies, insurance and depreciation cost. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major enterprise fund business-type activities:

- Water, Sewer and Refuse Funds, which account for all operations of the City's water, sewer and refuse services. They are primarily financed by user charges.
- Utility Capital Improvement Fund, which accounts for the investment fees of water and sewer taps to be used for water and sewer capital expenditures.
- Park Fund, which accounts for all operations of the City's Hot Springs Pool and Box Cañon Park. They are primarily financed by user charges at the Hot Springs Pool and Box Cañon Park.
- Pool Renovation Fund, which accounts for the renovation of the City's Hot Springs Pool.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally, they are not measurable until received. Grant revenues are recognized as they are earned.

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies - (continued)

D. Measurement Focus and Basis of Accounting - (continued)

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of six months or less.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Property Taxes

Property taxes for the current year are levied and attached as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as deferred inflows of resources at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred inflows of resources in the governmental fund.

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies - (continued)

H. Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the City as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds \$ 5,000.

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Improvements	10-20 years
Building and Other Improvements	40-50 years
Water and Sewer Systems	40-50 years
Furniture and Equipment	5-20 years
Swimming Pool	20-50 years
Infrastructure	15-40 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

I. Long-Term Liabilities

In the government-wide financial statements, and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise fund type statement of net position.

J. Compensated Absences

It is the City's policy for employees to accumulate earned but unused vacation and sick pay benefits but employees are not entitled to be paid for sick leave upon termination. In the government-wide statements, vacation and unused compensation time is accrued when incurred and reported as a liability of the governmental and business-type activities. In the governmental funds, vacation and unused compensation time is not expected to be liquidated with expendable available financial resources and therefore are not reported as expenditure.

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies - (continued)

K. Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

L. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as "due to/from other funds." Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

M. Encumbrances

The City does not use an encumbrance system for budgetary control.

N. Inventory

Inventory is valued at lower of cost (first-in, first-out) or market. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

O. Fund Equity

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies - (continued)

O. Fund Equity - (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between total fund balance, governmental funds and net assets - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The enterprise fund statement of net position and statement of revenues, expenses and changes in net position also includes reconciliation to the government-wide statement of net position and activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Note 3 - Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The City’s voters on November 8, 1994, approved a ballot measure to permit the City to collect, retain and expend the full proceeds of the City’s 3% sales tax, existing lodging occupation tax and non federal grants.

The Amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required by the Amendment.

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 4 - Budgets

The City adheres to the following procedures in establishing budgetary data reflected in the financial statements:

- A.** By mid August of each year, the City Administrator gives public notice of the budget calendar for the next fiscal year. The City Administrator asks that all City departments, boards, commissions or citizens submit within thirty days from the notice, any request for funds under the budget being prepared. The City Administrator, with assistance from the City Treasurer, then prepares a proposed budget for the ensuing fiscal year and submits it to the Council no later than forty-five days prior to any date required by state law for the certification to the County of the tax levy.
- B.** The budget provides a complete financial plan of all City funds and activities for the ensuing fiscal year indicating anticipated revenues, proposed operating and capital expenditures, a provision for contingencies, and anticipated net surplus or deficit for the ensuing fiscal year.
- C.** A public hearing on the proposed budget is held by the Council in early November.
- D.** The Council adopts the budget by resolution on or before the final day established by law for the certification of the ensuing year's tax levy to the County. Adoption of the budget by the Council shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.
- E.** If during the fiscal year the City Administrator determines that there are expenses in excess of those estimated in the budget, the Council by resolution may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the fiscal year it appears probable to the City Administrator that the revenues available will be insufficient to meet the amount appropriated, the City Administrator reports to the Council, indicating the estimated amount of deficit, any remedial action already taken, and a recommendation as to any other steps to be taken. Any time during the fiscal year the City Administrator may transfer part or all of any unencumbered appropriation balance within a department.
- F.** Budget appropriations lapse at the end of each year.
- G.** Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. The City could be in violation of Colorado Budget Law because actual expenditures exceed budgetary amounts in the Capital Improvement and Refuse Funds. Revisions made to the original budgeted expenditures for each fund are as follows:

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 4 - Budgets - (continued)

	<u>Original Budget</u>	<u>Total Revisions</u>	<u>Final Budget</u>
General	\$ 2,288,213	\$ 22,000	\$ 2,310,213
Water	501,857	-	501,857
Sewer	451,018	-	451,018
Refuse	150,900	-	150,900
Utility Improvement	46,420	-	46,420
Pool Renovation	3,138,930	-	3,138,930
Parks	1,290,807	289,100	1,579,907
Tourism	205,000	-	205,000
Beautification	49,000	-	49,000
Conservation Trust	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total	<u>\$ 8,147,145</u>	<u>\$ 311,100</u>	<u>\$ 8,458,245</u>

- H.** Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.

Note 5 - Deposits and Investments

A. Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2016, the bank balance of the City's deposits was \$2,530,294 of which \$256,366 was covered by federal depository insurance and \$2,273,928 was collateralized under PDPA.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts. The City's investment policy follows Colorado statutes. At December 31, 2016 the City's investments included funds held in COLOTRUST.

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 5 - Deposits and Investments - (continued)

A. Deposits - (continued)

The City had invested \$4,754,959 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. COLOTRUST's funds are rated AAA by Standard and Poor's, Fitch's and Moody's rating services.

The City maintains a cash pool that is available to the General Fund, Special Revenue Funds and Enterprise Funds.

Cash and cash equivalents	
Cash on hand	\$ 1,250
Deposits	2,191,953
Certificate of deposits	208,198
Cash with county treasurer	4,110
COLOTRUST	<u>4,754,959</u>
Total	<u>\$ 7,160,470</u>

Statement of Net Position

Cash and cash equivalents	\$ 2,486,107
Restricted cash	<u>4,674,363</u>
Total	<u>\$ 7,160,470</u>

B. Restricted cash

Water Fund

Pursuant to loan, the City has set aside funds in the Water Fund for operations and maintenance costs for the Water Fund in the amount of \$132,000.

Pool Renovation Fund

Pursuant to Sales Tax Revenue Bonds, Series 2016, the City has set aside funds in the Pool Renovation Fund for renovation costs for the City's Hot Springs Pool in the amount of \$4,563,908.

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 6 - Long-term Liabilities

	Balance			Balance	
	January 1,			December 31,	Due within
Governmental Activities	2016	Additions	Reductions	2016	one year
Plow-Sander	\$ 56,602	-	\$ (18,140)	\$ 38,462	\$ 18,858
Snow blower	9,263	-	(4,516)	4,747	4,747
Swaploader	23,123	-	(7,333)	15,790	7,702
Chevy Tahoe 2015	26,060	-	(12,798)	13,262	13,262
Fire Truck	300,000	-	(26,291)	273,709	27,053
Cat Backhoe	-	34,898	(4,556)	30,342	4,692
Police Vehicle-Expedition	-	14,500	-	14,500	6,985
Accrued compensated absences	41,042	4,906	-	45,948	-
Total	<u>\$ 456,090</u>	<u>\$ 54,304</u>	<u>\$ (73,634)</u>	<u>\$ 436,760</u>	<u>\$ 83,299</u>
Enterprise Activities					
Colorado Water Resources	\$ 317,938	\$ -	\$ (61,619)	\$ 256,319	\$ 64,109
Sales Tax Revenue Bonds	-	5,300,000	-	5,300,000	-
Cat Backhoe	-	69,796	(9,112)	60,684	9,384
Total	<u>\$ 317,938</u>	<u>\$ 5,369,796</u>	<u>\$ (70,731)</u>	<u>\$ 5,617,003</u>	<u>\$ 73,493</u>

Drinking Water Revolving Fund

\$ 1,000,000, December 19, 2003, due in two bi-annual payments of \$ 36,863 each on May 1 and November 1 starting on November 1 of 2004 at an interest rate of 4.0%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 64,109	\$ 9,618	\$ 73,727
2018	66,699	7,028	73,727
2019	69,394	4,333	73,727
2020	56,117	1,530	57,647
Total	<u>\$ 256,319</u>	<u>\$ 22,509</u>	<u>\$ 278,828</u>

Plow-Sander

\$ 122,510 April 2011, to finance the purchase of a Caterpillar plow-sander, due in seven annual payments beginning June 1, 2012 at \$ 20,381.18 with an interest of 3.90%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 18,858	\$ 1,523	\$ 20,381
2018	19,604	777	20,381
Total	<u>\$ 38,462</u>	<u>\$ 2,300</u>	<u>\$ 40,762</u>

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 6 - Long-term Liabilities – (continued)

Snow blower

\$ 21,415 April 2012, to finance the purchase of a Caterpillar snow blower, due in five annual payments beginning June 1, 2013 at \$ 4,980.77 with an interest of 5.00%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	<u>\$ 4,747</u>	<u>\$ 234</u>	<u>\$ 4,981</u>

Swap loader

\$ 30,600 October 2014, to finance the purchase of a Swap loader, due in four annual payments beginning June 1, 2015 at \$ 8,491.89 with an interest of 5.00%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 7,702	\$ 790	\$ 8,492
2018	<u>8,088</u>	<u>404</u>	<u>8,492</u>
Total	<u>\$ 15,790</u>	<u>\$ 1,194</u>	<u>\$ 16,984</u>

Chevy Tahoe 2015

\$ 26,060 May 2015, to finance the purchase of a Chevy Tahoe 2015, due in two annual payments beginning July 1, 2016 at \$ 13,661 with an interest of 3.25%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	<u>\$ 13,262</u>	<u>\$ 399</u>	<u>\$ 13,661</u>

Fire Truck

\$ 300,000, July, 2015, due in annual payments of \$ 34,988 each on July 31 starting on July 31 of 2016 at an interest rate of 2.90%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	27,053	7,935	34,988
2018	27,838	7,150	34,988
2019	28,645	6,343	34,988
2020	29,475	5,513	34,988
2021	30,328	4,660	34,988
2022-2025	<u>130,370</u>	<u>9,583</u>	<u>139,953</u>
Total	<u>\$ 273,709</u>	<u>\$ 41,184</u>	<u>\$ 314,893</u>

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 6 - Long-term Liabilities – (continued)

Police Vehicle-Expedition

\$ 14,500 February 2016, to finance the purchase of a Police Vehicle, due in two annual payments beginning June 1, 2017 at \$ 7,853.50 with an interest of 4.50%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 6,985	\$ 869	\$ 7,854
2018	7,515	338	7,853
Total	<u>\$ 14,500</u>	<u>\$ 1,207</u>	<u>\$ 15,707</u>

Cat Backhoe

\$ 104,694, January, 2016, due in annual payments of \$ 16,795.82 each on January 1 starting on January 1 of 2017 at an interest rate of 2.987%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 14,077	\$ 2,719	\$ 16,796
2019	14,497	2,299	16,796
2020	14,930	1,866	16,796
2021	15,376	1,420	16,796
2022	15,836	960	16,796
2023	<u>16,310</u>	<u>486</u>	<u>16,796</u>
Total	<u>\$ 91,026</u>	<u>\$ 9,750</u>	<u>\$ 100,776</u>

Sales Tax Revenue Bonds, Series 2016

On November 3, 2015, the City's electorate approved the issuance of \$5,300,000 in sales tax revenue bonds, for the purpose planning, constructing, acquiring and equipping improvements to the City's Hot Springs Pool Facility. The sales tax revenue bonds are payable from revenues generated by sales tax increase and also payable from any other legally available City revenues and pledge the full faith and credit of the City.

The following are the schedules of required debt payments as of December 31, 2016 for the Series 2016 bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ -	\$ 233,663	\$ 233,663
2018	150,000	195,625	345,625
2019	150,000	192,625	342,625
2020	155,000	189,625	344,625
2021	160,000	186,525	346,525
2022	160,000	182,525	342,525
2023-2027	885,000	834,325	1,719,325
2028-2032	1,080,000	645,200	1,725,200
2033-2037	1,310,000	411,800	1,721,800
2038-2041	<u>1,250,000</u>	<u>294,163</u>	<u>1,544,163</u>
	<u>\$ 5,300,000</u>	<u>\$ 3,366,076</u>	<u>\$ 8,666,076</u>

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 7 - Defined Benefit Pension Plans

All volunteer fire fighters participate in the Defined Benefit Pension Plan administrated by the FPPA for plan administration and investment only. The plan has a plan document, actuarial valuation and is governed by the local pension board.

Any fire fighter, who has reached the age of 50 years and completed 20 years of active service, including 36 hours of training per year, is eligible for \$60 per month. In addition, there are survivor benefits of \$30 per month and a one-time only lump sum death benefit of \$120.

At December 31, 2016, the City reported an asset of \$263,591 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2016, and the total pension asset used to calculate the net pension asset was determined by an actuarial study as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The City's proportion of the net asset was based on City's contributions to FPPA for the calendar year 2016 relative to the total contributions of participating employers to FPPA.

For the year ended December 31, 2016, the City recognized pension expense of \$33,199. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 28,470
Net difference between projected and actual earnings on pension plan investments	2,185	
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	68,400
Contributions subsequent to the measurement date	<u>66,389</u>	<u>-</u>
Total	<u>\$ 68,574</u>	<u>\$ 96,870</u>

\$66,389 reported as deferred outflows related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31</u>	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
2016	\$ (18,937)
2017	(18,397)
2018	(18,937)
2019	(18,937)
2020	(18,937)
Thereafter	<u>-</u>
Total	<u>\$ (94,685)</u>

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 7 - Defined Benefit Pension Plans – (continued)

Actuarial assumptions. The total pension asset in December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

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, 2017, determines the contribution amounts for 2015 and 2016.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed market
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment. Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA

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

Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/ (asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/ (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of Net Pension Liability/(Asset)
to the Single Discount Rate Assumption

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
6.50%	7.50%	8.50%
\$ (226,446)	\$ (263,591)	\$ (298,736)

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 7 - Defined Benefit Pension Plans – (continued)

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 comprehensive annual financial report that can be obtained at:<http://www.fppaco.org>.

Note 8 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for property/casualty and workers' compensation coverage. CIRSA is to be self-sustaining through member contributions and reinsures through commercial companies for claims in excess of certain limits for each insured event. CIRSA members are subject to a supplemental assessment in the event of a deficiency.

Note 9 - Defined Contribution Plan

All full-time permanent employees of the City must participate in the City's group-retirement plan and may participate in the City's deferred compensation plan, after twelve (12) months of continuous employment. The plans are administered by Colorado County Officials and Employees Retirement Association (CCOERA) plan. The employees' contributions are fully vested and the City's contributions are vested at the rate of 20% per year.

Under the group retirement plan, the City contributes 3% of eligible employees' base salary, matching the amount contributed by the employees. In 2016 the City's total payroll was \$1,682,669. The City's contribution was calculated using a base salary amount of \$1,004,033. The City and the covered employees made the following contributions, amounting to \$30,121 and \$30,121 respectively for a total of \$60,242.

Note 10 - Contingent Liabilities

Lawsuits and Claims

Various claims and lawsuits are pending against the City. In the opinion of the City's management, after consulting with legal counsel, the potential loss on all claims and lawsuits will not materially affect the City's financial position.

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 11 - Capital Assets

Capital assets activity for the year ended December 31, 2016 was as follows:

	Balance January 1, 2016	Additions	Dispositions	Balance December 31, 2016
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 325,094	\$ -	\$ -	\$ 325,094
	<u>325,094</u>	<u>-</u>	<u>-</u>	<u>325,094</u>
Capital assets being depreciated				
Buildings	790,029	-	-	790,029
Improvements other than buildings	99,345	-	-	99,345
Infrastructure	5,709,417	300,931	-	6,010,348
Equipment	2,336,932	49,049	(21,335)	2,364,646
	<u>8,935,723</u>	<u>349,980</u>	<u>(21,335)</u>	<u>9,264,368</u>
Less accumulated depreciation				
Buildings	(626,178)	(6,464)	-	(632,642)
Improvements	(18,623)	(1,344)	-	(19,967)
Infrastructure	(5,015,322)	(86,202)	-	(5,101,524)
Equipment	(1,616,851)	(78,819)	20,672	(1,674,998)
	<u>(7,276,974)</u>	<u>(172,829)</u>	<u>20,672</u>	<u>(7,429,131)</u>
Capital assets being depreciated, net	<u>1,658,749</u>	<u>177,151</u>	<u>(663)</u>	<u>1,835,237</u>
Total Governmental Activities Capital Assets	<u>\$ 1,983,843</u>	<u>\$ 177,151</u>	<u>\$ (663)</u>	<u>\$ 2,160,331</u>

City of Ouray
Notes to Basic Financial Statements
December 31, 2016

Note 11 - Capital Assets – (continued)

Business - Type Activities	Balance January 1, 2016	Additions	Dispositions	Balance December 31, 2016
Capital assets not being depreciated				
Land	\$ 149,131	\$ -	\$ -	\$ 149,131
Construction in progress	-	2,183,728	-	2,183,728
Capital assets not being depreciated, net	<u>149,131</u>	<u>2,183,728</u>	<u>-</u>	<u>2,332,859</u>
Capital assets being depreciated				
Utility system	7,375,548	46,804	-	7,422,352
Geothermal wells	135,328	41,375	-	176,703
Swimming pool	1,936,873	304,210	-	2,241,083
Pool filtration system	915,511	-	-	915,511
Box Cañon	375,358	-	-	375,358
Other Parks assets	1,091,895	-	-	1,091,895
Buildings	130,798	-	-	130,798
Equipment and furniture	668,711	69,796	(57,620)	680,887
Less accumulated depreciation	(6,725,524)	(362,023)	54,969	(7,032,578)
Capital assets being depreciated, net	<u>5,904,498</u>	<u>100,162</u>	<u>(2,651)</u>	<u>6,002,009</u>
Total Business-Type Activities Capital Assets	<u>\$ 6,053,629</u>	<u>\$ 2,283,890</u>	<u>\$ (2,651)</u>	<u>\$ 8,334,868</u>

Depreciation expense was charged to governmental activities of the City as follows:

General Government	\$ 4,233
Public Safety	43,244
Public Works	122,654
Culture and Recreation	<u>2,698</u>
Total depreciation	<u>\$ 172,829</u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
Property taxes	\$ 512,850	\$ 512,850	\$ 510,332	\$ (2,518)
Sales taxes and other taxes	1,010,370	1,038,396	1,099,725	61,329
Licenses and permits	35,000	35,000	35,021	21
Intergovernmental revenues	125,386	149,386	128,795	(20,591)
Fees and fines	29,635	29,635	32,031	2,396
Charges for services	45,831	55,831	57,525	1,694
Miscellaneous revenue	12,150	15,350	28,191	12,841
Interest income	4,000	4,000	2,278	(1,722)
Total revenues	<u>1,775,222</u>	<u>1,840,448</u>	<u>1,893,898</u>	<u>53,450</u>
Expenditures				
General government	458,656	458,656	429,060	29,596
Capital outlay	2,000	2,000	14,911	(12,911)
Public safety	629,083	629,083	649,641	(20,558)
Capital outlay	20,400	20,400	26,377	(5,977)
Public works	417,123	417,123	394,138	22,985
Capital outlay	378,834	378,834	306,769	72,065
Culture and recreation	249,514	271,514	254,696	16,818
Capital outlay	50,100	50,100	4,550	45,550
Debt service payments	82,503	82,503	88,213	(5,710)
Total Expenditures	<u>2,288,213</u>	<u>2,310,213</u>	<u>2,168,355</u>	<u>141,858</u>
Excess of Revenues over (under) Expenditures	(512,991)	(469,765)	(274,457)	195,308
Other financing sources (uses)				
Transfers in	168,017	168,017	199,285	31,268
Total other financing sources (uses)	<u>168,017</u>	<u>168,017</u>	<u>199,285</u>	<u>31,268</u>
Excess of Revenues and sources over or (under) Expenditures and uses	(344,974)	(301,748)	(75,172)	226,576
Fund balance, January 1	589,780	629,146	629,147	1
Fund balance, December 31	<u>\$ 244,806</u>	<u>\$ 327,398</u>	<u>\$ 553,975</u>	<u>\$ 226,577</u>

Schedules of Required Supplementary Information
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios Multiyear

Last 10 Fiscal Years (to be built prospectively)

Measurement period ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability									
Service Cost	\$ 2,303	\$ 2,268							
Interest on the Total Pension Liability	35,004	23,310							
Benefit Changes	-	-							
Difference between Expected and Actual Experience	(22,406)	(37,678)							
Assumption Changes	-	-							
Benefit Payments	(19,764)	(20,430)							
Net Change in Total Pension Liability	(4,863)	(32,530)							
Total Pension Liability - Beginning	287,188	319,718							
Total Pension Liability - Ending (a)	\$ 282,325	\$ 287,188							
Plan Fiduciary Net Position									
Employer Contributions	\$ 18,000	\$ 18,000							
Pension Plan Net Investment Income	11,794	28,916							
Benefit Payments	(19,764)	(20,430)							
Pension Plan Administrative Expense	(5,643)	(1,053)							
State of Colorado supplemental discretionary payment	15,190	16,200							
Net Change in Plan Fiduciary Net Position	19,577	41,633							
Plan Fiduciary Net Position - Beginning	526,339	426,547							
Plan Fiduciary Net Position - Ending (b)	\$ 545,916	\$ 468,180							
Net Pension Liability/(Asset) - Ending (a) - (b)	(263,591)	(180,992)							
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	193.36%	163.02%							
Covered Employee Payroll	N/A	N/A							
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A							

CITY OF OURAY, COLORADO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Conservation Trust Fund	Tourism Promotion Fund	Beautification Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 110,661	\$ 53,165	\$ 100,830	\$ 264,656
Total assets	\$ 110,661	\$ 53,165	\$ 100,830	\$ 264,656
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
Fund balances:				
Unreserved:	110,661	53,165	100,830	264,656
Total fund balances	110,661	53,165	100,830	264,656
Total liabilities and fund balances	\$ 110,661	\$ 53,165	\$ 100,830	\$ 264,656

CITY OF OURAY, COLORADO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2016

	Conservation Trust Fund	Tourism Promotion Fund	Beautification Fund	Total Nonmajor Governmental Funds
REVENUES				
Lodging taxes	\$ -	\$ 230,591	\$ 31,549	\$ 262,140
Intergovernmental	11,228	-	5,822	17,050
Interest earnings	304	-	317	621
Total revenues	<u>11,532</u>	<u>230,591</u>	<u>37,688</u>	<u>279,811</u>
EXPENDITURES				
Current:				
General government	-	205,000	17,156	222,156
Total expenditures	<u>-</u>	<u>205,000</u>	<u>17,156</u>	<u>222,156</u>
Excess revenues over (under) expenditures	11,532	25,591	20,532	57,655
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(23,863)	(23,863)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(23,863)</u>	<u>(23,863)</u>
Net change to fund balance	11,532	25,591	(3,331)	33,792
Fund balance, January 1	99,129	27,574	104,161	230,864
Fund balance, December 31	<u>\$ 110,661</u>	<u>\$ 53,165</u>	<u>\$ 100,830</u>	<u>\$ 264,656</u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				Favorable
				(Unfavorable)
State entitlement	\$ 9,750	\$ 9,750	\$ 11,228	\$ 1,478
Interest Income	-	-	304	304
Total revenues	<u>9,750</u>	<u>9,750</u>	<u>11,532</u>	<u>1,782</u>
Expenditures				
Culture and recreation	25,000	25,000	-	-
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Excess of Revenues over (under) Expenditures	(15,250)	(15,250)	11,532	26,782
Fund balance, January 1	<u>98,995</u>	<u>99,129</u>	<u>99,129</u>	<u>-</u>
Fund balance, December 31	<u>\$ 83,745</u>	<u>\$ 83,879</u>	<u>\$ 110,661</u>	<u>\$ 26,782</u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Tourism Promotion Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				Favorable
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>(Unfavorable)</u>
Taxes	209,960	209,960	230,591	20,631
Total revenues	<u>209,960</u>	<u>209,960</u>	<u>230,591</u>	<u>20,631</u>
Expenditures				
General government	205,000	205,000	205,000	-
Supplement	-	-	-	-
Total expenditures	<u>205,000</u>	<u>205,000</u>	<u>205,000</u>	<u>-</u>
Excess of revenues over (under) expenditures	4,960	4,960	25,591	20,631
Fund balance, January 1	<u>13,767</u>	<u>27,574</u>	<u>27,574</u>	<u>-</u>
Fund balance, December 31	<u>\$ 18,727</u>	<u>\$ 32,534</u>	<u>\$ 53,165</u>	<u>\$ 20,631</u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Beautification Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				Favorable
Lodging taxes	\$ 28,903	\$ 28,903	\$ 31,549	\$ 2,646
Interest income	-	-	317	317
Grants and donations	4,500	4,500	5,822	1,322
Total revenues	<u>33,403</u>	<u>33,403</u>	<u>37,688</u>	<u>4,285</u>
Expenditures				
General government	49,000	49,000	17,156	31,844
Total expenditures	<u>49,000</u>	<u>49,000</u>	<u>17,156</u>	<u>31,844</u>
Excess of Revenues over				
(under) Expenditures	(15,597)	(15,597)	20,532	36,129
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(23,863)	(23,863)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(23,863)</u>	<u>(23,863)</u>
Net change to fund balance	(15,597)	(15,597)	(3,331)	12,266
Fund balance, January 1	<u>94,395</u>	<u>104,161</u>	<u>104,161</u>	<u>-</u>
Fund balance, December 31	<u>\$ 78,798</u>	<u>\$ 88,564</u>	<u>\$ 100,830</u>	<u>\$ 12,266</u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Capital Improvement Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				Favorable
	<u>\$</u>	<u>\$</u>	<u>\$</u>	(Unfavorable)
Sales tax	333,270	333,270	306,716	\$ (26,554)
Total revenues	<u>333,270</u>	<u>333,270</u>	<u>306,716</u>	<u>(26,554)</u>
 Expenditures				
Capital Improvements	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess of Revenues over				
(under) Expenditures	333,270	333,270	306,716	(26,554)
 OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(76,905)	(76,905)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(76,905)</u>	<u>(76,905)</u>
 Net change to fund balance	333,270	333,270	229,811	(103,459)
Fund balance, January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance, December 31	<u>\$ 333,270</u>	<u>\$ 333,270</u>	<u>\$ 229,811</u>	<u>\$ (103,459)</u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Water Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				Favorable
	\$	\$	\$	(Unfavorable)
Water services	464,514	464,514	468,540	4,026
Investment fees	5,625	5,625	1,875	(3,750)
Miscellaneous	5,000	5,000	7,105	2,105
Interest revenue	-	-	283	283
Grants	-	21,375	21,375	-
Total revenues	475,139	496,514	499,178	2,664
Expenditures				
Salaries and wages	165,257	165,257	170,826	(5,569)
Taxes and benefits	69,659	69,659	68,130	1,529
Overhead	13,659	13,659	12,254	1,405
Operating maintenance	98,053	98,053	78,180	19,873
Capital expenditures	81,503	81,503	35,048	46,455
Debt service	73,726	73,726	79,270	(5,544)
Total expenditures	501,857	501,857	443,708	58,149
Excess of Revenues over				
(under) Expenditures	(26,718)	(5,343)	55,470	60,813
Other Financing Sources (Uses)				
Transfers in	46,420	46,420	-	(46,420)
Available resources, January 1	47,996	56,637	56,636	(1)
Available resources, December 31	\$ 67,698	\$ 97,714	\$ 112,106	\$ 14,392

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Sewer Fund
For the Year Ended December 31, 2016

Revenues	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Sewer services	\$ 445,137	\$ 445,137	\$ 452,920	\$ 7,783
Investment fees	5,625	5,625	1,875	(3,750)
Miscellaneous	1,000	1,000	1,474	474
Grants	-	-	21,375	21,375
Total revenues	<u>451,762</u>	<u>451,762</u>	<u>477,644</u>	<u>25,882</u>
Expenditures				
Salaries and wages	160,399	160,399	165,736	(5,337)
Taxes and benefits	67,413	67,413	66,194	1,219
Overhead	47,135	47,135	35,792	11,343
Operating maintenance	157,488	157,488	125,152	32,336
Capital expenditures	18,583	18,583	30,452	(11,869)
Debt service	-	-	5,543	(5,543)
Total expenditures	<u>451,018</u>	<u>451,018</u>	<u>428,869</u>	<u>22,149</u>
Excess of Revenues over (under) Expenditures	744	744	48,775	48,031
Available resources, January 1	<u>359,251</u>	<u>383,262</u>	<u>383,261</u>	<u>(1)</u>
Available resources, December 31	<u>\$ 359,995</u>	<u>\$ 384,006</u>	<u>\$ 432,036</u>	<u>\$ 48,030</u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Utilities-Capital Improvement Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
				(Unfavorable)
Water Fund				
Investment fees	\$ 16,875	\$ 16,875	\$ 5,625	\$ (11,250)
Interest Income	273	273	509	236
Sewer Fund				
Tap Fees	16,875	16,875	5,625	(11,250)
Total revenues	<u>34,023</u>	<u>34,023</u>	<u>11,759</u>	<u>(22,264)</u>
Expenditures				
Capital expenditures/Transfers	46,420	46,420	-	46,420
Total expenditures	<u>46,420</u>	<u>46,420</u>	<u>-</u>	<u>46,420</u>
Excess of Revenues over				
(under) Expenditures	(12,397)	(12,397)	11,759	24,156
Available resources, January 1	<u>151,681</u>	<u>163,399</u>	<u>163,399</u>	<u>-</u>
Available resources, December 31	<u>\$ 139,284</u>	<u>\$ 151,002</u>	<u>\$ 175,158</u>	<u>\$ 24,156</u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Refuse Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
				(Unfavorable)
Refuse collection service	\$ 126,111	\$ 126,111	\$ 126,255	\$ 144
Recycling	20,511	20,511	20,545	34
Total revenues	<u>146,622</u>	<u>146,622</u>	<u>146,800</u>	<u>178</u>
Expenditures				
Contract hauling	150,900	150,900	152,378	(1,478)
Total expenditures	<u>150,900</u>	<u>150,900</u>	<u>152,378</u>	<u>(1,478)</u>
Excess of revenues over				
(under) expenditures	(4,278)	(4,278)	(5,578)	(1,300)
Available funds, January 1	<u>30,935</u>	<u>30,905</u>	<u>30,906</u>	<u>1</u>
Available funds, December 31	<u>\$ 26,657</u>	<u>\$ 26,627</u>	<u>\$ 25,328</u>	<u>\$ (1,299)</u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Parks Fund
For the Year Ended December 31, 2016

Revenues	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Swimming pool	\$ 1,423,499	\$ 1,473,354	\$ 1,340,328	\$ (133,026)
Box Cañon	214,300	231,221	230,856	(365)
Ice rink	1,150	680	530	(150)
Gym	25,000	26,325	23,377	(2,948)
Total revenues	1,663,949	1,731,580	1,595,091	(136,489)
Expenditures				
Salaries and wages	627,483	627,483	622,509	4,974
Taxes and benefits	158,626	158,626	153,925	4,701
Overhead	119,554	119,554	127,203	(7,649)
Operating maintenance	244,377	244,377	164,082	80,295
Capital expenditures	42,250	267,250	371,599	(104,349)
Transfers	98,517	98,517	98,517	-
Debt Service	-	64,160	-	64,160
Total expenditures	1,290,807	1,579,967	1,537,835	42,132
Excess of Revenues over (under) expenditures	373,142	151,613	57,256	(94,357)
Available resources, January 1	221,646	500,553	500,552	(1)
Available resources, December 31	\$ 594,788	\$ 652,166	\$ 557,808	\$ (94,358)

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Pool Renovation Fund
For the Year Ended December 31, 2016

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				(Unfavorable)
Revenue Bonds	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ -
Grants and donations	1,637,500	1,637,500	-	(1,637,500)
Interest Income	-	-	12,624	
Total revenues	<u>6,937,500</u>	<u>6,937,500</u>	<u>5,312,624</u>	<u>(1,624,876)</u>
Expenditures				
Capital expenditures/Transfers	3,138,930	3,138,930	2,183,728	955,202
Total expenditures	<u>3,138,930</u>	<u>3,138,930</u>	<u>2,183,728</u>	<u>955,202</u>
Excess of Revenues over				
(under) Expenditures	3,798,570	3,798,570	3,128,896	(669,674)
Available resources, January 1	-	-	-	-
Adjustments	-	-	(3,116,272)	(3,116,272)
Available resources, December 31	<u>\$ 3,798,570</u>	<u>\$ 3,798,570</u>	<u>\$ 12,624</u>	<u>\$ (3,785,946)</u>

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Ouray
	YEAR ENDING : December 2016

This Information From The Records Of (example - City of _ or County of _)	Prepared By: Debra Overton, Finance Director Phone: 970-325-7066
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	315,453
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	14,202
2. General fund appropriations		b. Snow and ice removal	62,975
3. Other local imposts (from page 2)	582,235	c. Other	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	77,177
5. Transfers from toll facilities		4. General administration & miscellaneous	1,587
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	232,568
a. Bonds - Original Issues		6. Total (1 through 5)	626,785
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	582,235	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	44,550	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	626,785	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	626,785

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		626,785	626,785		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
0

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	508,587	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	73,648	g. Other Misc. Receipts	
6. Total (1. through 5.)	73,648	h. Other	
c. Total (a. + b.)	582,235	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	39,469	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	5,081	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	5,081	g. Total (a. through f.)	0
4. Total (1.+ 2. + 3.f)	44,550	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: