
City of Ouray
Financial Statements and
Independent Auditor's Report
as of
December 31, 2017

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July 31, 2018

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, 2017, 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, 2017, 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
June 15, 2018

CITY OF OURAY
 Management's Discussion and Analysis
 Year Ended December 31, 2017

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, 2017

Change in Net Position:

Total Assets and Deferred Outflows		\$23,230,673
Total Liabilities and Deferred Resources		<u>10,651,419</u>
Net Position	12/31/17	\$12,579,254
	12/31/16	<u>10,145,025</u>
Increase (Decrease)		\$ 2,434,229

Governmental Fund Balances:

	<u>1/1/17</u>	<u>12/31/17</u>	Increase (Decrease)
General Fund	\$ 553,975	\$ 469,253	\$ (84,722)
Capital Imp Fund	229,811	484,562	254,751
Non-major Funds	<u>264,656</u>	<u>259,017</u>	<u>(5,639)</u>
Total Funds	<u>\$1,048,442</u>	<u>\$1,212,832</u>	<u>\$ 164,390</u>

Capital Assets, net of accumulated depreciation:

	<u>1/1/17</u>	<u>12/31/17</u>	Increase (Decrease)
Governmental Activities	\$ 2,160,331	\$ 1,945,793	\$ (214,538)
Business-type Activities	<u>8,334,868</u>	<u>15,999,747</u>	<u>7,664,879</u>
Total Capital Assets	<u>\$10,495,199</u>	<u>\$17,945,540</u>	<u>\$7,450,341</u>

Cash and Cash Equivalents:

	<u>12/31/17</u>
Governmental Activities	\$1,261,605
Business-type Activities	<u>1,622,608</u>
Total Cash and Cash Equivalents	<u>\$2,884,213</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, 2017, the City’s combined assets exceeded liabilities by \$ 12,579,254. Of this amount, \$ 5,341,191 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 \$ 7,064,056 (56% 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 2017:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
ASSETS						
Cash and cash equivalents	\$1,261,605	\$1,132,759	\$1,622,608	\$1,353,348	\$2,884,213	\$2,486,107
Restricted cash	-	-	1,002,785	4,674,363	1,002,785	4,674,363
Property taxes receivable	509,046	509,197	-	-	509,046	509,197
Accounts receivables	62,174	65,657	236,838	109,874	299,012	175,531
Other receivables	-	-	132,000	32,000	132,000	32,000
Due from other governments	58,491	48,895	-	-	58,491	48,895
Prepaid and deposits	733	2,130	-	-	733	2,130
Inventories	7,321	7,321	25,524	25,524	32,845	32,845
Bond issuance cost	-	-	-	77,672	-	77,672
Net pension assets	263,591	263,591	-	-	263,591	263,591
Capital assets, net	1,945,793	2,160,331	15,999,747	8,334,868	17,945,540	10,495,199
Total assets	4,108,754	4,189,881	19,019,502	14,607,649	23,239,256	18,797,530

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Deferred outflows						
Pension contributions made after measurement date	100,232	66,389	-	-	100,232	66,389
Pension net difference between projected & actual investment earnings	2,185	2,185	-	-	2,185	2,185
Total Deferred outflows	102,417	68,574	-	-	102,417	68,574
LIABILITIES						
Accounts payable	\$ 89,457	\$ 127,571	\$ 717,956	\$ 891,794	\$ 807,413	\$1,019,365
Accrued wages	49,589	35,978	114,559	114,559	164,148	150,537
Accrued interest payable	-	-	5,227	5,227	5,227	5,227
Performance bonds and deposits	-	-	2,846	1,485	2,846	1,485
Deferred revenue	38,446	44,771	190,060	176,089	228,506	220,860
Accrued other expenses	-	-	-	652,294	-	652,294
Current portion of debt						
Loans and notes payable	-	-	73,493	73,493	73,493	73,493
Capital leases	86,756	83,299	-	-	86,756	83,299
Compensated absences	37,876	45,948	-	-	37,876	45,948
Long-term liabilities						
Due more than one year:						
Bonds payable	-	-	5,300,000	5,300,000	5,300,000	5,300,000
Capital leases	280,093	307,513	3,059,145	243,510	3,339,238	551,023
Total liabilities	582,217	583,700	9,463,286	7,458,451	10,045,503	8,103,531
Deferred inflow of resources						
Deferred property tax revenue	509,046	509,197	-	-	509,046	509,197
Changes in proportion and difference between contributions recognized and proportionate share of contributions	68,400	68,400	-	-	68,400	68,400
Pension difference between expected & actual experience	28,470	28,470	-	-	28,470	28,470
Total Deferred inflow	605,916	534,818	-	-	605,916	606,067
NET POSITION						
Invested in capital assets	1,578,944	1,568,795	5,485,112	5,834,137	7,064,056	7,603,656
Reserves	-	-	86,657	86,657	86,657	86,657
Restricted for:						
Emergencies	87,350	90,300	-	-	87,350	90,300
Unrestricted	1,356,744	934,517	3,984,447	1,228,404	5,341,191	2,375,893
Total net position	\$3,023,038	\$2,579,578	\$ 9,556,216	7,149,198	\$ 12,579,254	\$ 10,156,506

A portion of net position, \$87,350, 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 \$5,341,191 (42% of net position) may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

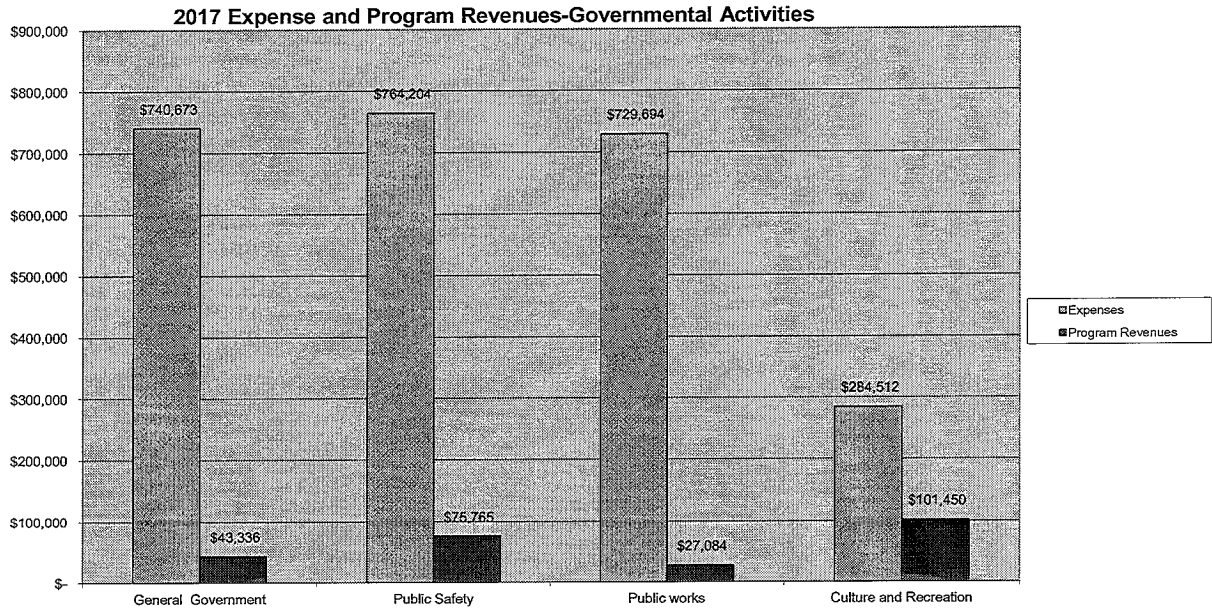
Governmental and business-type activities increased the City's net position by \$2,434,229 in 2017.

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

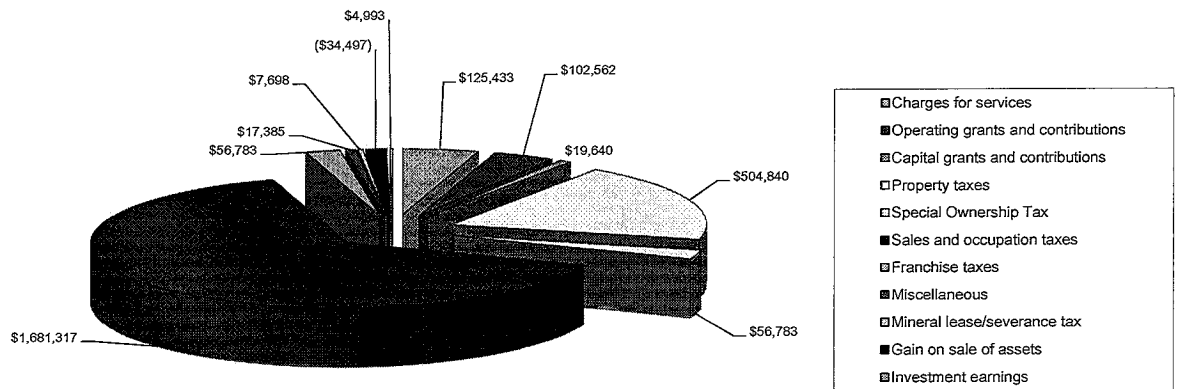
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program revenues						
Charges for services	\$125,433	\$124,577	\$2,946,967	\$2,663,351	\$3,072,400	\$2,787,928
Operating grants	102,562	77,097	-	-	102,562	77,097
Capital grants	19,640	17,050	30,000	15,000	49,640	32,050
General Revenues						
Property taxes	504,840	510,332	-	-	504,840	510,332
Specific ownership	56,783	49,849	-	-	56,783	49,849
Sales taxes and other	1,681,317	1,618,732	-	-	1,681,317	1,618,732
Franchise taxes	56,783	45,346	-	-	56,783	45,346
Miscellaneous	17,385	71,672	576,859	4,629	594,244	76,301
Mineral lease/severance tax	7,698	6,352	-	-	7,698	6,352
Grants and contributions	-	-	2,008,654	42,750	2,008,654	42,750
Gain on sale of assets	(34,497)	(663)	-	-	(34,497)	(663)
Investment earnings	4,993	2,889	10,281	14,715	15,274	17,614
Transfers In (Out)	(8,124)	98,517	8,124	(98,517)	-	-
Totals	2,534,813	2,621,760	5,580,885	2,641,928	8,115,698	5,263,688
Expenses						
General Government	740,673	675,266	-	-	740,673	675,266
Public Safety	764,204	704,762	-	-	764,204	704,762
Public works	729,694	552,058	3,162,386	2,363,175	3,892,080	2,915,233
Culture and Recreation	284,512	261,944	-	-	284,512	261,944
Total Expenses	2,519,083	2,194,030	3,162,386	2,363,175	5,681,469	4,557,205
Changes in net position	15,730	427,730	2,418,499	278,753	2,434,229	706,483
Beginning	3,007,308	2,579,578	7,137,717	6,858,964	10,145,025	9,450,023
Ending	\$3,023,038	\$3,007,308	\$9,556,216	\$7,137,717	\$12,579,254	\$10,156,506

Governmental Activities

Governmental activities increased the City's net position by \$15,730.



Revenues by Source-Governmental Activities



In 2017, property tax revenues decreased by 1%, and sales/occupation tax revenues increased by 4%, compared to the prior year.

Business-type Activities

Business-type activities for the year resulted in an increase in net position of \$ 2,418,499. Charges for services accounted for 53% of total revenues.

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 2017, the City's governmental funds reported combined ending fund balances of \$ 1,212,832, an increase of \$ 164,390 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 22% of this total amount, \$ 261,859, constitutes unassigned fund balance, which is available for appropriation at the City's discretion; committed fund balance is 61%, or \$ 735,533, of governmental fund balances. There is \$ 120,769 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 \$ 87,350.

The City has one major governmental fund, the General Fund, which is the primary operating fund for the City. At the end of 2017, unassigned fund balance of the General Fund was \$ 261,859, while the total fund balance was \$ 469,253. 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 \$ 84,722 during 2017.

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 2017, these funds represented the following net position amounts:

Fund:	Water	Sewer	Refuse/Rcycl.	Pool Renov.	Utilities – CI	Parks & Rec.
Unrestricted net position	(6,990)	478,313	20,559	2,604,436	198,069	690,060
Total net position	3,404,040	1,037,209	20,559	2,604,436	198,069	2,291,903
Increase (decrease) in net position	(94,568)	(54,548)	(4,769)	2,591,812	22,911	(42,339)

GENERAL FUND BUDGETARY HIGHLIGHTS

The City originally budgeted \$ 2,340,114 for 2017 expenditures. Actual expenditures were \$ 2,139,076, or 9% 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, 2017, was \$ 17,945,540, an increase of \$ 7,450,341 from the prior year, representing \$ 4,865,728 of acquisitions offset by \$ 823,928 of depreciation expense and \$ 486,095 in capital asset deletions and removal of \$ 178,385 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, 2017, the City had long-term debt as follows:

	Balance			Balance December 31, 2017	Due Within One Year
	January 1, 2017	Additions	Reductions		
Governmental Activities					
Plow-Sander	\$ 38,462	\$ -	\$ (18,858)	\$ 19,604	\$ 19,604
Snow Blower	4,747	-	(4,747)	-	-
Swaploader	15,790	-	(7,702)	8,088	8,088
Chevy Tahoe 2015	13,262	-	(13,262)	-	-
Fire Truck	273,709	-	(27,053)	246,656	27,838
Cat Backhoe	30,342	-	(4,692)	25,650	4,832
Police Vehicle	14,500	-	(6,985)	7,515	7,515
Chevy Silverado	-	12,009	-	12,009	3,837
Bobcat Skid Steer	-	47,327	-	47,327	15,042
Accrued compensated absences	45,948	-	(8,072)	37,876	37,876
Total	\$ 436,760	\$ 59,336	\$ (91,371)	\$ 404,725	\$ 124,632
Enterprise Activities					
Colorado Water Resources	\$ 256,319	\$ -	\$ (64,109)	\$ 192,210	\$ 66,699
Sales Tax Revenue Bonds	5,300,000	-	-	5,300,000	150,000
COP	-	2,850,000	-	2,850,000	75,000
Cat Backhoe	60,684	-	(9,384)	51,300	9,665
Chevy Silverado	-	12,008	-	12,008	3,837
Chevy Silverado double cab	-	27,120	-	27,120	8,666
Total	\$ 5,617,003	\$ 2,889,128	\$ (73,493)	\$ 8,432,638	\$ 313,867

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The City is in fair financial condition.
- Water reserves are low and Sewer reserves are healthy for operations, however not adequate to cover major capital improvements. In 2017 Water and Sewer rate combined equaled \$64.64. 2018 Water and Sewer rates were increased to \$69.37 with consideration for additional sewer increases regarding permit compliance.
- General Fund reserves are higher than estimated. The City began to grow 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 d-Brucing0 and authorized return to the preserved 13.585 mill levy.
- Tax receipt income was 99.6% of the 2017 Budget.
- Sales tax revenues account for 50% of the 2017 budgeted General Fund revenue, excluding grants, and are an important source for providing funds for the general operations and maintenance of the City. Sales Tax continues a healthy incremental growth, due to increased tourism and slightly improved overall economic conditions. In November 2015 voters approved a 1% Sales tax increase to pay for Capital projects, noting that renovation of the Hot Springs Pool and Bathhouse being the major project to be funded. The renovated Hot Springs Pool opened May of 2017. Pool operations encountered new challenges with the new design. City staff continue to determine best practices with input from City Council. Bathhouse planning is anticipated in 2019 for construction in a later year.
- Significant staff turnover contributed to most of the 2017 recruitment activity. City Administrator, Community Development Director, Finance and Administrative Director and Public Works Director positions were in transition. Transitions from early Spring Finance Director and Community Development Director resignations, two interim City Administrators from August to December, major supervisory position turnover within Public Works, and shared part-time Building Inspector position with Ridgway to end. 2018 cost of living increases were provided with additional activities to include staff retention.
- In 2014, the Council adopted a Strategic Plan to identify and prioritize its goals and objectives for the future. The Strategic Plan will be updated prior to the adoption of the 2019 budget with plans to update annually thereafter.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finance 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:

Katie Sickles – City Administrator: City of Ouray, PO Box 468, Ouray, CO 81427

CITY OF OURAY, COLORADO
Statement of Net Position
December 31, 2017

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,261,605	\$ 1,622,608	\$ 2,884,213
Restricted cash	-	1,002,785	1,002,785
Property taxes receivable	509,046	-	509,046
Accounts receivable	62,174	236,838	299,012
Other receivables	-	132,000	132,000
Due from other governments	58,491	-	58,491
Prepaid and deposits	733	-	733
Inventories	7,321	25,524	32,845
Net pension assets	263,591	-	263,591
Capital assets, net	1,945,793	15,999,747	17,945,540
Total assets	4,108,754	19,019,502	23,128,256
DEFERRED OUTFLOWS			
Pension contributions made after measurement date	100,232	-	100,232
Pension net difference between projected and actual investment earnings	2,185	-	2,185
Total Deferred outflows	102,417	-	102,417
LIABILITIES			
Accounts payable	89,457	717,956	807,413
Accrued wages	49,589	114,559	164,148
Accrued interest payable	-	5,227	5,227
Performance bonds and deposits	-	2,846	2,846
Deferred revenue	38,446	190,060	228,506
Current portion of debt			
Loans and leases payable	86,756	73,493	160,249
Compensated absences	37,876	-	37,876
Long-term liabilities			
Bonds payable	-	5,300,000	5,300,000
Loans and leases payable	280,093	3,059,145	3,339,238
Total liabilities	582,217	9,463,286	10,045,503
Deferred inflow of resources			
Deferred property tax revenue	509,046	-	509,046
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	605,916	-	605,916
NET POSITION			
Invested in capital assets	1,578,944	5,485,112	7,064,056
Reserves	-	86,657	86,657
Restricted for:			
Emergencies	87,350	-	87,350
Unrestricted	1,356,744	3,984,447	5,341,191
Total net position	\$ 3,023,038	\$ 9,556,216	\$ 12,579,254

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Service and Fees	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 740,673	\$ 43,336	\$ -	\$ -
Public Safety	764,204	54,624	21,141	-
Public Works	729,694	3,824	23,260	-
Culture and Recreation	284,512	23,649	58,161	19,640
Total governmental activities	<u>2,519,083</u>	<u>125,433</u>	<u>102,562</u>	<u>19,640</u>
Business-type activities:				
Water	591,470	490,655	-	3,750
Sewer	538,861	479,489	-	3,750
Refuse	153,600	148,831	-	-
Utilities-Capital Improvements	-	-	-	22,500
Parks	1,878,455	1,827,992	-	-
Total business-type activities	<u>3,162,386</u>	<u>2,946,967</u>	<u>-</u>	<u>30,000</u>
Total primary government	<u>\$ 5,681,469</u>	<u>\$ 3,072,400</u>	<u>\$ 102,562</u>	<u>\$ 49,640</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
\$ (697,337)	\$ -	\$ (697,337)
(688,439)	-	(688,439)
(702,610)	-	(702,610)
(183,062)	-	(183,062)
<u>(2,271,448)</u>	<u>-</u>	<u>(2,271,448)</u>
-	(97,065)	(97,065)
-	(55,622)	(55,622)
-	(4,769)	(4,769)
-	22,500	22,500
-	(50,463)	(50,463)
<u>-</u>	<u>(185,419)</u>	<u>(185,419)</u>
<u>(2,271,448)</u>	<u>(185,419)</u>	<u>(2,456,867)</u>
504,840	-	504,840
56,783	-	56,783
1,681,317	-	1,681,317
56,783	-	56,783
17,385	576,859	594,244
7,698	-	7,698
-	2,008,654	2,008,654
(34,497)	-	(34,497)
4,993	10,281	15,274
(8,124)	8,124	-
<u>2,287,178</u>	<u>2,603,918</u>	<u>4,891,096</u>
15,730	2,418,499	2,434,229
3,007,308	7,137,717	10,145,025
<u>\$ 3,023,038</u>	<u>\$ 9,556,216</u>	<u>\$ 12,579,254</u>

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Governmental Funds
Balance Sheet
December 31, 2017

	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 498,859	\$ 484,562	\$ 278,184	\$ 1,261,605
Taxes receivable	509,046	-	-	509,046
Due from other governments	58,491	-	-	58,491
Accounts receivable	62,174	-	-	62,174
Inventory	7,321	-	-	7,321
Prepaid expenses	733	-	-	733
Total assets	\$ 1,136,624	\$ 484,562	\$ 278,184	\$ 1,899,370
Liabilities, Deferred inflows of resources and Fund Balance				
Liabilities:				
Accounts payable	\$ 70,290	\$ -	\$ 19,167	\$ 89,457
Accrued wages	49,589	-	-	49,589
Deferred revenue	38,446	-	-	38,446
Total liabilities	158,325	-	19,167	177,492
Deferred inflow of resources				
Deferred property tax revenue	509,046	-	-	509,046
Fund balances:				
Non-spendable	7,321	-	-	7,321
Restricted				
Emergencies	87,350	-	-	87,350
Parks and recreation	-	-	120,769	120,769
Committed				
Flumes, streets and drainage	112,723	-	-	112,723
Capital improvements	-	484,562	-	484,562
Tourism	-	-	30,826	30,826
Beautification	-	-	107,422	107,422
Unassigned	261,859	-	-	261,859
Total fund balance	469,253	484,562	259,017	1,212,832
Total liabilities, deferred inflows of resources and fund balance	\$ 1,136,624	\$ 484,562	\$ 278,184	\$ 1,899,370

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, 2017

Total fund balance, governmental funds \$ 1,212,832

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	\$ 9,569,703	
Less accumulated depreciation	<u>(7,623,910)</u>	1,945,793

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	\$ (366,849)	
Compensated absences	<u>(37,876)</u>	(404,725)

Net pension assets and related deferred inflows and outflows of resources are not recorded in the funds.

269,138

Net Position of Governmental Activities in the Statement of Net Position

\$ 3,023,038

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, 2017

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	\$ 504,840	\$ -	\$ -	\$ 504,840
Sales and miscellaneous taxes	1,124,732	349,820	263,548	1,738,100
Fees and fines	27,813	-	-	27,813
Licenses and permits	32,304	-	-	32,304
Intergovernmental	183,471	-	19,640	203,111
Charges for services	48,888	-	-	48,888
Investment earnings	4,491	-	502	4,993
Miscellaneous	17,385	-	-	17,385
Total revenues	<u>1,943,924</u>	<u>349,820</u>	<u>283,690</u>	<u>2,577,434</u>
EXPENDITURES				
Current:				
General government	460,871	-	265,844	726,715
Public safety	677,627	-	-	677,627
Public works	513,929	-	-	513,929
Culture and recreation	269,715	-	-	269,715
Debt service payments	96,070	-	-	96,070
Capital outlay	180,200	-	-	180,200
Total expenditures	<u>2,198,412</u>	<u>-</u>	<u>265,844</u>	<u>2,464,256</u>
Excess (deficiency) of revenues over expenditures	<u>(254,488)</u>	<u>349,820</u>	<u>17,846</u>	<u>113,178</u>
OTHER FINANCING SOURCES (USES)				
Loan proceeds	59,336	-	-	59,336
Transfers In (out)	110,430	(95,069)	(23,485)	(8,124)
Total other financing sources (uses)	<u>169,766</u>	<u>(95,069)</u>	<u>(23,485)</u>	<u>51,212</u>
Net change to fund balance	(84,722)	254,751	(5,639)	164,390
Fund balance, January 1	553,975	229,811	264,656	1,048,442
Fund balance, December 31	<u>\$ 469,253</u>	<u>\$ 484,562</u>	<u>\$ 259,017</u>	<u>\$ 1,212,832</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, 2017

Net change in fund balances - total governmental funds \$ 164,390

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	\$ 140,895	
Depreciation expense	<u>(320,936)</u>	
Excess of capital outlay over depreciation		(180,041)
 Loss on sale of assets		 (34,497)

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. 8,072

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. 33,843

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. 83,299

Loan Proceeds (59,336)

Change in net position of governmental funds \$ 15,730

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Statement of Net Position
Enterprise Funds
December 31, 2017

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Utilities-CI Fund</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ (40,532)	\$ 559,884	\$ 228,069
Receivables:			
Accounts	87,767	16,977	-
Other	32,000	-	-
Inventories	19,901	5,319	-
Total current assets	<u>99,136</u>	<u>582,180</u>	<u>228,069</u>
Restricted cash	<u>132,000</u>	<u>-</u>	<u>-</u>
Capital assets:			
Land and improvements	149,131	-	-
Construction in progress	-	-	-
Utility system	5,265,050	2,187,209	-
Geothermal wells	-	-	-
Swimming pool	-	-	-
Pool filtration system	-	-	-
Box Cañon	-	-	-
Parks and other assets	-	-	-
Buildings	82,850	40,126	-
Equipment and furniture	277,703	375,852	-
Less accumulated depreciation	(2,212,937)	(1,999,077)	-
Total capital assets	<u>3,561,797</u>	<u>604,110</u>	<u>-</u>
Total Assets	<u>\$ 3,792,933</u>	<u>\$ 1,186,290</u>	<u>\$ 228,069</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 14,821	\$ 33,954	\$ -
Accrued payroll	26,845	26,250	-
Customer deposits	375	-	-
Accrued interest payable	5,227	-	-
Deferred revenues	104,201	43,663	30,000
Current portion of long term debt	-	-	-
Total current liabilities	<u>151,469</u>	<u>103,867</u>	<u>30,000</u>
Noncurrent liabilities			
Bonds payable	-	-	-
Loans and leases payable	237,424	45,214	-
Total noncurrent liabilities	<u>237,424</u>	<u>45,214</u>	<u>-</u>
NET POSITION			
Invested in capital assets, net of related debt	3,324,373	558,896	-
Restricted for O&M expenses	86,657	-	-
Unrestricted	(6,990)	478,313	198,069
Total net position	<u>\$ 3,404,040</u>	<u>\$ 1,037,209</u>	<u>\$ 198,069</u>

<u>Refuse Fund</u>	<u>Pool Renovation Fund</u>	<u>Parks Fund</u>	<u>Total Enterprise Funds</u>
\$ 37,217	\$ -	\$ 837,970	\$ 1,622,608
6,313	100,000	25,781	236,838
-	100,000	-	132,000
-	-	304	25,524
<u>43,530</u>	<u>200,000</u>	<u>864,055</u>	<u>2,016,970</u>
-	870,785	-	1,002,785
-	-	-	149,131
-	10,231,997	-	10,231,997
-	-	-	7,452,259
-	-	176,703	176,703
-	-	2,262,843	2,262,843
-	-	920,713	920,713
-	-	375,358	375,358
-	-	1,091,895	1,091,895
-	-	-	122,976
-	-	-	653,555
-	-	(3,225,669)	(7,437,683)
-	<u>10,231,997</u>	<u>1,601,843</u>	<u>15,999,747</u>
<u>\$ 43,530</u>	<u>\$ 11,302,782</u>	<u>\$ 2,465,898</u>	<u>\$ 19,019,502</u>
\$ 10,775	\$ 548,346	\$ 110,060	\$ 717,956
-	-	61,464	114,559
-	-	2,471	2,846
-	-	-	5,227
12,196	-	-	190,060
-	-	-	-
<u>22,971</u>	<u>548,346</u>	<u>173,995</u>	<u>1,030,648</u>
-	5,300,000	-	5,300,000
-	2,850,000	-	3,132,638
-	8,150,000	-	8,432,638
-	-	1,601,843	5,485,112
-	-	-	86,657
20,559	2,604,436	690,060	3,984,447
<u>\$ 20,559</u>	<u>\$ 2,604,436</u>	<u>\$ 2,291,903</u>	<u>\$ 9,556,216</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, 2017

	Water Fund	Sewer Fund	Utilities-CI Fund
Operating Revenues			
Charges for services	\$ 490,655	\$ 479,489	\$ -
Miscellaneous	2,237	-	-
Total operating revenues	<u>492,892</u>	<u>479,489</u>	<u>-</u>
Operating Expenses			
Personal services	247,292	240,817	-
Contractual services	27,207	15,375	-
Utilities	4,868	27,267	-
Repairs and maintenance	23,843	47,319	-
Other supplies and expenses	81,562	71,798	-
Insurance claims and expenses	4,720	4,200	-
Depreciation	191,509	131,234	-
Total operating expenses	<u>581,001</u>	<u>538,010</u>	<u>-</u>
Operating income (loss)	<u>(88,109)</u>	<u>(58,521)</u>	<u>-</u>
Nonoperating revenues (expenses)			
Interest income	260	1,074	411
Miscellaneous	-	-	-
Transfers In (out)	-	-	-
Operating grants and contributions	-	-	-
Interest expense	(10,469)	(851)	-
Total nonoperating revenues (expenses)	<u>(10,209)</u>	<u>223</u>	<u>411</u>
Income (loss) before transfers and and Capital Contributions	(98,318)	(58,298)	411
Capital contributions-Investment Fees	<u>3,750</u>	<u>3,750</u>	<u>22,500</u>
Change in net position	(94,568)	(54,548)	22,911
Total net position, January 1	3,498,608	1,091,757	175,158
Total net position, December 31	<u>\$ 3,404,040</u>	<u>\$ 1,037,209</u>	<u>\$ 198,069</u>

Refuse Fund	Pool Renovation Fund	Parks Fund	Total Enterprise Funds
\$ 148,831	\$ -	\$ 1,827,992	\$ 2,946,967
-	-	-	2,237
<u>148,831</u>	<u>-</u>	<u>1,827,992</u>	<u>2,949,204</u>
-	-	902,169	1,390,278
153,600	-	21,179	217,361
-	-	49,933	82,068
-	-	33,203	104,365
-	-	372,730	526,090
-	-	12,724	21,644
-	-	201,554	524,297
<u>153,600</u>	<u>-</u>	<u>1,593,492</u>	<u>2,866,103</u>
<u>(4,769)</u>	<u>-</u>	<u>234,500</u>	<u>83,101</u>
-	8,536	-	10,281
-	574,622	-	574,622
-	-	8,124	8,124
-	2,008,654	-	2,008,654
-	-	(284,963)	(296,283)
<u>-</u>	<u>2,591,812</u>	<u>(276,839)</u>	<u>2,305,398</u>
(4,769)	2,591,812	(42,339)	2,388,499
-	-	-	30,000
(4,769)	2,591,812	(42,339)	2,418,499
25,328	12,624	2,334,242	7,137,717
<u>\$ 20,559</u>	<u>\$ 2,604,436</u>	<u>\$ 2,291,903</u>	<u>\$ 9,556,216</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, 2017

	<u>Water Fund</u>	<u>Sewer Fund</u>
Cash Flows From Operating Activities		
Cash received from charges for services	\$ 422,604	\$ 465,859
Cash payments for goods and services	(132,397)	(141,387)
Cash payments to employees for services	(247,292)	(240,817)
Net cash provided (used) by operating activities	<u>42,915</u>	<u>83,655</u>
 Cash Flows from Noncapital Financing Activities		
Grants and contributions	-	-
Miscellaneous	-	-
Transfers from (to) other funds	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>
 Cash Flows from Capital and Related Financing Activities		
Investment fees	3,750	3,750
Acquisition of capital assets	(80,145)	(45,281)
Principal paid on loans and leases	(68,801)	(4,692)
Proceeds from Loans	19,565	19,565
Interest expense	(10,469)	(851)
Net cash provided (used) by capital and related financing activities	<u>(136,100)</u>	<u>(27,509)</u>
 Cash Flows from Investing Activities		
Interest on investments	<u>260</u>	<u>1,074</u>
 Net increase (decrease) in cash and equivalents	(92,925)	57,220
Cash balances, January 1	<u>184,393</u>	<u>502,664</u>
Cash balances, December 31	<u>\$ 91,468</u>	<u>\$ 559,884</u>
 Reconciling of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (88,109)</u>	<u>\$ (58,521)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	191,509	131,234
Assets (increase) decrease:		
Accounts receivable	(84,259)	(13,630)
Liabilities increase (decrease):		
Accounts payable	9,803	24,572
Deferred revenue	13,971	-
Customer deposits	-	-
Total adjustments	<u>131,024</u>	<u>142,176</u>
Net cash provided (used) by operating activities	<u>\$ 42,915</u>	<u>\$ 83,655</u>

Utilities-CI Fund	Refuse Fund	Pool Renovation Fund	Parks Fund	Total Enterprise Funds
\$ -	\$ 143,634	\$ -	\$ 1,904,113	\$ 2,936,210
-	(155,082)	(290,499)	(404,641)	(1,124,006)
-	-	-	(902,169)	(1,390,278)
-	(11,448)	(290,499)	597,303	421,926
-	-	1,908,654	-	1,908,654
-	-	-	-	-
-	-	-	8,124	8,124
-	-	1,908,654	8,124	1,916,778
22,500	-	-	-	30,000
-	-	(8,048,269)	(26,962)	(8,200,657)
-	-	-	-	(73,493)
-	-	2,750,000	-	2,789,130
-	-	-	(284,963)	(296,283)
22,500	-	(5,298,269)	(311,925)	(5,751,303)
411	-	8,536	-	10,281
22,911	(11,448)	(3,671,578)	293,502	(3,402,318)
205,158	48,665	4,542,363	544,468	6,027,711
<u>\$ 228,069</u>	<u>\$ 37,217</u>	<u>\$ 870,785</u>	<u>\$ 837,970</u>	<u>\$ 2,625,393</u>
\$ -	\$ (4,769)	\$ -	\$ 234,500	\$ 83,101
-	-	-	201,554	524,297
-	(5,197)	-	76,121	(26,965)
-	(1,482)	(290,499)	83,768	(173,838)
-	-	-	-	13,971
-	-	-	1,360	1,360
-	(6,679)	(290,499)	362,803	338,825
<u>\$ -</u>	<u>\$ (11,448)</u>	<u>\$ (290,499)</u>	<u>\$ 597,303</u>	<u>\$ 421,926</u>

The accompanying notes are an integral part of this statement.

City of Ouray
Notes to Basic Financial Statements
December 31, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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 Tourism Promotion Fund. Revisions made to the original budgeted expenditures for each fund are as follows:

City of Ouray
Notes to Basic Financial Statements
December 31, 2017

Note 4 - Budgets - (continued)

	<u>Original Budget</u>	<u>Total Revisions</u>	<u>Final Budget</u>
General	\$ 2,340,114	\$ -	\$ 2,340,114
Water	555,653	-	555,653
Sewer	499,430	-	499,430
Refuse	154,110	-	154,110
Utility Improvement	63,420	-	63,420
Pool Renovation	8,427,287	-	8,427,287
Parks	1,882,400	-	1,882,400
Capital Improvement	284,577	-	284,577
Tourism	230,000	-	230,000
Beautification	56,500	-	56,500
Conservation Trust	100,000	-	100,000
Total	<u>\$14,593,491</u>	<u>\$ -</u>	<u>\$14,593,491</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, 2017, the bank balance of the City's deposits was \$3,616,540 of which \$257,280 was covered by federal depository insurance and \$3,359,260 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, 2017 the City's investments included funds held in COLOTRUST.

City of Ouray
Notes to Basic Financial Statements
December 31, 2017

Note 5 - Deposits and Investments - (continued)

A. Deposits - (continued)

The City had invested \$193,199 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	\$ 691
Deposits	3,479,002
Certificate of deposits	209,088
Cash with county treasurer	5,018
COLOTRUST	<u>193,199</u>
Total	<u>\$ 3,886,998</u>

Statement of Net Position

Cash and cash equivalents	\$ 2,884,213
Restricted cash	<u>1,002,785</u>
Total	<u>\$ 3,886,998</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 \$870,785.

City of Ouray
Notes to Basic Financial Statements
December 31, 2017

Note 6 - Long-term Liabilities

	Balance			Balance December 31, 2017	Due Within One Year
	January 1, 2017	Additions	Reductions		
Governmental Activities					
Plow-Sander	\$ 38,462	\$ -	\$ (18,858)	\$ 19,604	\$ 19,604
Snow Blower	4,747	-	(4,747)	-	-
Swaploader	15,790	-	(7,702)	8,088	8,088
Chevy Tahoe 2015	13,262	-	(13,262)	-	-
Fire Truck	273,709	-	(27,053)	246,656	27,838
Cat Backhoe	30,342	-	(4,692)	25,650	4,832
Police Vehicle	14,500	-	(6,985)	7,515	7,515
Chevy Silverado	-	12,009	-	12,009	3,837
Bobcat Skid Steer	-	47,327	-	47,327	15,042
Accrued compensated absences	45,948	-	(8,072)	37,876	37,876
Total	\$ 436,760	\$ 59,336	\$ (91,371)	\$ 404,725	\$ 124,632
Enterprise Activities					
Colorado Water Resources	\$ 256,319	\$ -	\$ (64,109)	\$ 192,210	\$ 66,699
Sales Tax Revenue Bonds	5,300,000	-	-	5,300,000	150,000
COP	-	2,850,000	-	2,850,000	75,000
Cat Backhoe	60,684	-	(9,384)	51,300	9,665
Chevy Silverado	-	12,008	-	12,008	3,837
Chevy Silverado double cab	-	27,120	-	27,120	8,666
Total	\$ 5,617,003	\$ 2,889,128	\$ (73,493)	\$ 8,432,638	\$ 313,867

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>
2018	\$ 66,699	\$ 7,028	\$ 73,727
2019	69,394	4,333	73,727
2020	56,117	1,530	57,647
Total	\$ 192,210	\$ 12,891	\$ 205,101

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>
2018	\$ 19,604	\$ 777	\$ 20,381

City of Ouray
Notes to Basic Financial Statements
December 31, 2017

Note 6 - Long-term Liabilities – (continued)

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>
2018	\$ <u>8,088</u>	\$ <u>404</u>	\$ <u>8,492</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>
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>\$ 246,656</u>	<u>\$ 33,249</u>	<u>\$ 279,905</u>

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>
2018	\$ <u>7,515</u>	\$ <u>338</u>	\$ <u>7,853</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>
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>\$ 76,949</u>	<u>\$ 7,031</u>	<u>\$ 83,980</u>

City of Ouray
Notes to Basic Financial Statements
December 31, 2017

Note 6 - Long-term Liabilities – (continued)

Chevy Silverado double cab

\$ 27,120, April 26, 2017, due in annual payments of \$ 9,633.86 each on June 1 starting on June 1 of 2018 at an interest rate of 3.250%.

Date	Principal	Interest	Total
2018	\$ 8,666	\$ 968	\$ 9,634
2017	9,034	600	9,634
2018	9,420	307	9,727
Total	<u>\$ 27,120</u>	<u>\$ 1,875</u>	<u>\$ 28,995</u>

Chevy Silverado crew cab

\$ 24,018, April 26, 2017, due in annual payments of \$ 8,531.94 each on June 1 starting on June 1 of 2018 at an interest rate of 3.250%

Date	Principal	Interest	Total
2018	\$ 7,674	\$ 858	\$ 8,532
2017	8,001	531	8,532
2018	8,343	272	8,615
Total	<u>\$ 24,018</u>	<u>\$ 1,661</u>	<u>\$ 25,679</u>

Bobcat Skid Steer

\$ 47,327, April 7, 2017, due in annual payments of \$ 16,812.02 each on June 1 starting on June 1 of 2018 at an interest rate of 3.250%

Date	Principal	Interest	Total
2018	\$ 15,042	\$ 1,770	\$ 16,812
2017	15,763	1,049	16,812
2018	16,522	538	17,060
Total	<u>\$ 47,327</u>	<u>\$ 3,357</u>	<u>\$ 50,684</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.

City of Ouray
Notes to Basic Financial Statements
December 31, 2017

Note 6 - Long-term Liabilities – (continued)

Sales Tax Revenue Bonds, Series 2016 – (continued)

The following are the schedules of required debt payments as of December 31, 2017 for the Series 2016 bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,250,000	294,163	1,544,163
	<u>\$ 5,300,000</u>	<u>\$ 3,132,413</u>	<u>\$ 8,432,413</u>

Certificate of Participation

The City's finance part of the construction of the City's Hot Springs Pool Facility Renovation Project by the issuance of a certificate of participation note. The annual coupon interest ranges from 4% to 12%. The following is a breakdown of the payments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 75,000	\$ 114,000	\$ 189,000
2019	75,000	111,000	186,000
2020	80,000	108,000	188,000
2021	80,000	104,800	184,800
2022	85,000	101,600	186,600
2023-2027	485,000	619,600	1,104,600
2028-2032	580,000	1,047,600	1,627,600
2033-2037	710,000	671,400	1,381,400
2038-2041	680,000	208,200	888,200
	<u>\$ 2,850,000</u>	<u>\$ 3,086,200</u>	<u>\$ 5,936,200</u>

City of Ouray
Notes to Basic Financial Statements
December 31, 2017

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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	100,232	-
Total	<u>\$ 102,417</u>	<u>\$ 96,870</u>

\$100,232 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:

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

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

City of Ouray
Notes to Basic Financial Statements
December 31, 2017

Note 7 - Defined Benefit Pension Plans – (continued)

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)

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>.

City of Ouray
Notes to Basic Financial Statements
December 31, 2017

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 \$1,833,209. The City's contribution was calculated using a base salary amount of \$1,213,067. The City and the covered employees made the following contributions, amounting to \$36,392 and \$36,392 respectively for a total of \$72,784.

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, 2017

Note 11 - Capital Assets

Capital assets activity for the year ended December 31, 2017 was as follows:

	Balance January 1, 2017	Additions	Dispositions	Balance December 31, 2017
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	19,702	(1,567)	808,164
Improvements other than buildings	99,345	-	(5,172)	94,173
Infrastructure	6,010,348	6,970	(46,162)	5,971,156
Equipment	2,364,646	114,223	(107,753)	2,371,116
	<u>9,264,368</u>	<u>140,895</u>	<u>(160,654)</u>	<u>9,244,609</u>
Less accumulated depreciation				
Buildings	(632,642)	(44,332)	10,842	(666,132)
Improvements	(19,967)	(5,108)	5,907	(19,168)
Infrastructure	(5,101,524)	(96,781)	14,034	(5,184,271)
Equipment	(1,674,998)	(174,715)	95,374	(1,754,339)
	<u>(7,429,131)</u>	<u>(320,936)</u>	<u>126,157</u>	<u>(7,623,910)</u>
Capital assets being depreciated, net	<u>1,835,237</u>	<u>(180,041)</u>	<u>(34,497)</u>	<u>1,620,699</u>
Total Governmental Activities Capital Assets	<u>\$ 2,160,331</u>	<u>\$ (180,041)</u>	<u>\$ (34,497)</u>	<u>\$ 1,945,793</u>

City of Ouray
Notes to Basic Financial Statements
December 31, 2017

Note 11 - Capital Assets – (continued)

Business - Type Activities	Balance January 1, 2017	Additions	Dispositions	Balance December 31, 2017
Capital assets not being depreciated				
Land	\$ 149,131	\$ -	\$ -	\$ 149,131
Construction in progress	2,183,728	4,572,445	-	6,756,173
Capital assets not being depreciated, net	<u>2,332,859</u>	<u>4,572,445</u>	<u>-</u>	<u>6,905,304</u>
Capital assets being depreciated				
Utility system	7,422,352	65,047	(8,125)	7,479,274
Geothermal wells	176,703	-	(9,565)	167,138
Swimming pool	2,241,083	21,760	(138,069)	2,124,774
Pool filtration system	915,511	5,202	(27,170)	893,543
Box Cañon	375,358	-	(23,651)	351,707
Other Parks assets	1,091,895	-	(107,257)	984,638
Buildings	130,798	-	(28,892)	101,906
Equipment and furniture	680,887	60,379	(6,363)	734,903
Less accumulated depreciation	(7,032,578)	(502,992)	296,864	(7,238,706)
Capital assets being depreciated, net	<u>6,002,009</u>	<u>(350,604)</u>	<u>(52,228)</u>	<u>12,837,883</u>
Total Business-Type Activities Capital Assets	<u>\$ 8,334,868</u>	<u>\$ 4,221,841</u>	<u>\$ (52,228)</u>	<u>\$ 12,504,480</u>

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

General Government	\$ 22,030
Public Safety	120,420
Public Works	163,689
Culture and Recreation	<u>14,797</u>
Total depreciation	<u>\$ 320,936</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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Property taxes	\$ 509,564	\$ 509,564	\$ 504,840	\$ (4,724)
Sales taxes and other taxes	1,104,816	1,104,816	1,124,732	19,916
Licenses and permits	25,500	25,500	32,304	6,804
Intergovernmental revenues	154,439	154,439	183,471	29,032
Fees and fines	20,000	20,000	27,813	7,813
Charges for services	55,859	55,859	48,888	(6,971)
Miscellaneous revenue	17,816	17,816	17,385	(431)
Interest income	1,875	1,875	4,491	2,616
Total revenues	<u>1,889,869</u>	<u>1,889,869</u>	<u>1,943,924</u>	<u>54,055</u>
Expenditures				
General government	458,046	458,046	460,871	(2,825)
Capital outlay	85,950	85,950	23,573	62,377
Public safety	632,882	632,882	677,627	(44,745)
Capital outlay	29,442	29,442	28,284	1,158
Public works	580,025	580,025	513,929	66,096
Capital outlay	10,592	10,592	7,915	2,677
Culture and recreation	298,094	298,094	269,715	28,379
Capital outlay	149,015	149,015	61,092	87,923
Debt service payments	96,068	96,068	96,070	(2)
Total Expenditures	<u>2,340,114</u>	<u>2,340,114</u>	<u>2,139,076</u>	<u>201,038</u>
Excess of Revenues over (under) Expenditures	(450,245)	(450,245)	(195,152)	255,093
Other financing sources (uses)				
Transfers in	332,077	332,077	110,430	(221,647)
Total other financing sources (uses)	<u>332,077</u>	<u>332,077</u>	<u>110,430</u>	<u>(221,647)</u>
Excess of Revenues and sources over or (under) Expenditures and uses	(118,168)	(118,168)	(84,722)	33,446
Fund balance, January 1	392,499	392,499	553,975	161,476
Fund balance, December 31	<u>\$ 274,331</u>	<u>\$ 274,331</u>	<u>\$ 469,253</u>	<u>\$ 194,922</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,	2016	2015	2014	2013	2012	2011	2010
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, 2017

	<u>Conservation Trust Fund</u>	<u>Tourism Promotion Fund</u>	<u>Beautification Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 120,769	\$ 49,993	\$ 107,422	\$ 278,184
Total assets	<u>\$ 120,769</u>	<u>\$ 49,993</u>	<u>\$ 107,422</u>	<u>\$ 278,184</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 19,167	\$ -	\$ 19,167
Total liabilities	<u>-</u>	<u>19,167</u>	<u>-</u>	<u>19,167</u>
Fund balances:				
Unreserved:	120,769	30,826	107,422	259,017
Total fund balances	<u>120,769</u>	<u>30,826</u>	<u>107,422</u>	<u>259,017</u>
Total liabilities and fund balances	<u>\$ 120,769</u>	<u>\$ 49,993</u>	<u>\$ 107,422</u>	<u>\$ 278,184</u>

CITY OF OURAY, COLORADO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2017

	Conservation Trust Fund	Tourism Promotion Fund	Beautification Fund	Total Nonmajor Governmental Funds
REVENUES				
Lodging taxes	\$ -	\$ 231,828	\$ 31,720	\$ 263,548
Intergovernmental	9,841	-	9,799	19,640
Interest earnings	267	-	235	502
Total revenues	<u>10,108</u>	<u>231,828</u>	<u>41,754</u>	<u>283,690</u>
EXPENDITURES				
Current:				
General government	-	254,167	11,677	265,844
Total expenditures	<u>-</u>	<u>254,167</u>	<u>11,677</u>	<u>265,844</u>
Excess revenues over (under) expenditures	10,108	(22,339)	30,077	17,846
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(23,485)	(23,485)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(23,485)</u>	<u>(23,485)</u>
Net change to fund balance	10,108	(22,339)	6,592	(5,639)
Fund balance, January 1	110,661	53,165	100,830	264,656
Fund balance, December 31	<u>\$ 120,769</u>	<u>\$ 30,826</u>	<u>\$ 107,422</u>	<u>\$ 259,017</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		(Unfavorable)
Revenues				
State entitlement	\$ 10,000	\$ 10,000	\$ 9,841	\$ (159)
Interest Income	150	150	267	117
Total revenues	<u>10,150</u>	<u>10,150</u>	<u>10,108</u>	<u>(42)</u>
Expenditures				
Culture and recreation	100,000	100,000	-	-
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Excess of Revenues over (under) Expenditures	(89,850)	(89,850)	10,108	99,958
Fund balance, January 1	<u>108,879</u>	<u>108,879</u>	<u>110,661</u>	<u>1,782</u>
Fund balance, December 31	<u><u>\$ 19,029</u></u>	<u><u>\$ 19,029</u></u>	<u><u>\$ 120,769</u></u>	<u><u>\$ 101,740</u></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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 228,535	\$ 228,535	\$ 231,828	\$ 3,293
Total revenues	<u>228,535</u>	<u>228,535</u>	<u>231,828</u>	<u>3,293</u>
Expenditures				
General government	230,000	230,000	254,167	(24,167)
Supplement	-	-	-	-
Total expenditures	<u>230,000</u>	<u>230,000</u>	<u>254,167</u>	<u>(24,167)</u>
Excess of revenues over (under) expenditures	(1,465)	(1,465)	(22,339)	(20,874)
Fund balance, January 1	<u>46,765</u>	<u>46,765</u>	<u>53,165</u>	<u>6,400</u>
Fund balance, December 31	<u>\$ 45,300</u>	<u>\$ 45,300</u>	<u>\$ 30,826</u>	<u>\$ (14,474)</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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				Favorable
	Original	Final	Actual	(Unfavorable)
Lodging taxes	\$ 31,248	\$ 31,248	\$ 31,720	\$ 472
Interest income	-	-	235	235
Grants and donations	4,000	4,000	9,799	5,799
Total revenues	<u>35,248</u>	<u>35,248</u>	<u>41,754</u>	<u>6,506</u>
Expenditures				
General government	9,000	9,000	11,677	(2,677)
Total expenditures	<u>9,000</u>	<u>9,000</u>	<u>11,677</u>	<u>(2,677)</u>
Excess of Revenues over				
(under) Expenditures	26,248	26,248	30,077	3,829
OTHER FINANCING SOURCES (USES)				
Transfer out	(47,500)	(47,500)	(23,485)	24,015
Total other financing sources (uses)	<u>(47,500)</u>	<u>(47,500)</u>	<u>(23,485)</u>	<u>24,015</u>
Net change to fund balance	(21,252)	(21,252)	6,592	27,844
Fund balance, January 1	<u>94,744</u>	<u>94,744</u>	<u>100,830</u>	<u>6,086</u>
Fund balance, December 31	<u>\$ 73,492</u>	<u>\$ 73,492</u>	<u>\$ 107,422</u>	<u>\$ 33,930</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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				Favorable
Sales tax	\$ 349,933	\$ 349,933	\$ 349,820	\$ (113)
Total revenues	<u>349,933</u>	<u>349,933</u>	<u>349,820</u>	<u>(113)</u>
Expenditures				
Capital Improvements	284,577	284,577	-	284,577
Total expenditures	<u>284,577</u>	<u>284,577</u>	<u>-</u>	<u>284,577</u>
Excess of Revenues over				
(under) Expenditures	65,356	65,356	349,820	284,464
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(95,069)	(95,069)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(95,069)</u>	<u>(95,069)</u>
Net change to fund balance	65,356	65,356	254,751	189,395
Fund balance, January 1	<u>256,365</u>	<u>256,365</u>	<u>229,811</u>	<u>(26,554)</u>
Fund balance, December 31	<u><u>\$ 321,721</u></u>	<u><u>\$ 321,721</u></u>	<u><u>\$ 484,562</u></u>	<u><u>\$ 162,841</u></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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				Favorable
				(Unfavorable)
Water services	\$ 484,180	\$ 484,180	\$ 490,655	\$ 6,475
Investment fees	3,750	3,750	3,750	-
Miscellaneous	7,000	7,000	2,237	(4,763)
Interest revenue	-	-	260	260
Total revenues	<u>494,930</u>	<u>494,930</u>	<u>496,902</u>	<u>1,972</u>
Expenditures				
Salaries and wages	189,698	189,698	176,642	13,056
Taxes and benefits	76,534	76,534	70,650	5,884
Overhead	13,038	13,038	11,479	1,559
Operating maintenance	104,590	104,590	104,229	361
Capital expenditures	92,523	92,523	87,071	5,452
Debt service	79,270	79,270	79,270	-
Total expenditures	<u>555,653</u>	<u>555,653</u>	<u>529,341</u>	<u>26,312</u>
Excess of Revenues over				
(under) Expenditures	(60,723)	(60,723)	(32,439)	28,284
Other Financing Sources (Uses)				
Transfers in/Out	51,420	51,420	-	(51,420)
Available resources, January 1	<u>106,869</u>	<u>106,869</u>	<u>112,106</u>	<u>5,237</u>
Available resources, December 31	<u>\$ 97,566</u>	<u>\$ 97,566</u>	<u>\$ 79,667</u>	<u>\$ (17,899)</u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Sewer Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Sewer services	\$ 467,812	\$ 467,812	\$ 479,489	\$ 11,677
Investment fees	3,750	3,750	3,750	-
Miscellaneous	12,500	12,500	-	(12,500)
Interest	500	500	1,074	
Total revenues	484,562	484,562	484,313	(249)
Expenditures				
Salaries and wages	184,635	184,635	172,499	12,136
Taxes and benefits	74,059	74,059	68,318	5,741
Overhead	35,900	35,900	33,359	2,541
Operating maintenance	166,190	166,190	121,948	44,242
Capital expenditures	33,103	33,103	36,369	(3,266)
Debt service	5,543	5,543	5,543	-
Total expenditures	499,430	499,430	438,036	61,394
Excess of Revenues over (under) Expenditures	(14,868)	(14,868)	46,277	61,145
Available resources, January 1	444,757	444,757	432,036	(12,721)
Available resources, December 31	\$ 429,889	\$ 429,889	\$ 478,313	\$ 48,424

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Water Fund				
Investment fees	\$ 11,250	\$ 11,250	\$ 11,250	\$ -
Interest Income	275	275	411	136
Sewer Fund				
Tap Fees	11,250	11,250	11,250	-
Total revenues	<u>22,775</u>	<u>22,775</u>	<u>22,911</u>	<u>136</u>
Expenditures				
Capital expenditures/Transfers	63,420	63,420	-	63,420
Total expenditures	<u>63,420</u>	<u>63,420</u>	<u>-</u>	<u>63,420</u>
Excess of Revenues over (under) Expenditures	(40,645)	(40,645)	22,911	63,556
Available resources, January 1	<u>164,752</u>	<u>164,752</u>	<u>175,158</u>	<u>10,406</u>
Available resources, December 31	<u>\$ 124,107</u>	<u>\$ 124,107</u>	<u>\$ 198,069</u>	<u>\$ 73,962</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Refuse collection service	\$ 126,111	\$ 126,111	\$ 128,010	\$ 1,899
Recycling	20,511	20,511	20,821	310
Total revenues	<u>146,622</u>	<u>146,622</u>	<u>148,831</u>	<u>2,209</u>
Expenditures				
Contract hauling	154,110	154,110	153,600	510
Total expenditures	<u>154,110</u>	<u>154,110</u>	<u>153,600</u>	<u>510</u>
Excess of revenues over (under) expenditures	(7,488)	(7,488)	(4,769)	2,719
Available funds, January 1	<u>26,657</u>	<u>26,627</u>	<u>25,328</u>	<u>(1,299)</u>
Available funds, December 31	<u>\$ 19,169</u>	<u>\$ 19,139</u>	<u>\$ 20,559</u>	<u>\$ 1,420</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
				(Unfavorable)
Swimming pool	\$ 1,250,176	\$ 1,250,176	\$ 1,545,195	\$ 295,019
Box Cañon	229,000	229,000	249,076	20,076
Ice rink	5,715	5,715	16,779	11,064
Gym	26,000	26,000	25,066	(934)
Total revenues	<u>1,510,891</u>	<u>1,510,891</u>	<u>1,836,116</u>	<u>325,225</u>
Expenditures				
Salaries and wages	829,798	829,798	731,799	97,999
Taxes and benefits	190,729	190,729	170,370	20,359
Overhead	120,610	120,610	158,836	(38,226)
Operating maintenance	210,449	210,449	181,299	29,150
Capital expenditures	361,310	361,310	176,597	184,713
Debt Service	169,504	169,504	284,963	(115,459)
Total expenditures	<u>1,882,400</u>	<u>1,882,400</u>	<u>1,703,864</u>	<u>178,536</u>
Excess of Revenues over				
(under) expenditures	(371,509)	(371,509)	132,252	503,761
Available resources, January 1	<u>613,186</u>	<u>613,186</u>	<u>557,808</u>	<u>(55,378)</u>
Available resources, December 31	<u>\$ 241,677</u>	<u>\$ 241,677</u>	<u>\$ 690,060</u>	<u>\$ 448,383</u>

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, 2017

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Grants and donations	2,107,665	2,107,665	2,008,654	(99,011)
Transfers	100,000	100,000	-	(100,000)
Miscellaneous	-	-	574,622	574,622
Interest Income	5,000	5,000	8,536	3,536
Total revenues	<u>2,212,665</u>	<u>2,212,665</u>	<u>2,591,812</u>	<u>379,147</u>
 Expenditures				
Capital expenditures/Transfers	8,427,287	8,427,287	8,048,269	379,018
Total expenditures	<u>8,427,287</u>	<u>8,427,287</u>	<u>8,048,269</u>	<u>379,018</u>
 Excess of Revenues over				
(under) Expenditures	(6,214,622)	(6,214,622)	(5,456,457)	758,165
 Available resources, January 1				
	6,214,622	6,214,622	12,624	(6,201,998)
Adjustments	-	-	8,048,269	8,048,269
Available resources, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,604,436</u>	<u>\$ 2,604,436</u>

ANNUAL HIGHWAY FINANCE REPORT - CY17

Email address: drakem@cityofouray.com

City/County: Ouray

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	474,107.00
3. Other local imposts: <i>from A.3. Total below</i>	\$	80,415.00
4. Miscellaneous local receipts: <i>from A.4. Total below</i>	\$	0.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00
SubTotal:	\$	554,522.00

B. Private Contributions

\$ 0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	0.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	80,415.00
Total: <i>(a + b) carried to 'Other local imposts' above</i>	\$	80,415.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$	0.00
b. Traffic fines & Penalties:	\$	0.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	0.00
h. Other:	\$	0.00
Total: (a through h) carried to "Misc. local receipts" above		\$ 0.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$	40,496.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	5,757.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: (1-3c,d,e)		\$ 46,253.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input

2. Other Federal Agencies		
a. Forest Service:	\$	0.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (2a-f)		\$ 0.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. Total Capital Outlay below)</i>	\$	0.00
2. Maintenance:	\$	272,888.00
3. Road and street services		
a. Traffic control operations:	\$	16,321.00
b. Snow and ice removal:	\$	67,024.00
c. Other:	\$	0.00
4. General administration & miscellaneous	\$	1,492.00
5. Highway law enforcement and safety	\$	243,050.00

Total: *(A.1-5)* \$ 600,775.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00

SubTotal: *(1+2)* \$ 0.00

Please no commas or dollar signs for the input

C. Payments to State for Highways:

\$ 0.00

D. Payments to Toll Facilities:

\$ 0.00

Total Disbursements: *(A+B+C+D)* \$ 600,775.00

Please no commas or dollar signs for the input

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 0.00	\$ 0.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			\$ 0.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 0.00

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 600,775.00	\$ 600,775.00	\$ 0.00	\$ 0.00

Notes & Comments:

undefined

Please enter your name:

Please provide a telephone number where you may be reached: