City of Ouray
Financial Statements and
Independent Auditor's Report
as of
December 31, 2025

City of Ouray
Table of Contents

Blair and Associates, P.C.
Cedaredge, Colorado

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Ouray, Colorado

Report on the Audit of the Financial Statements

Opinions

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, 2025, and the related notes to the financial statements, which collectively comprise the City of Ouray, Colorado's basic financial statements as listed in the table of contents.

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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Ouray, Colorado and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Certified Public Accountants

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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-11, budgetary comparison information on page 39 and schedules of activity net pension asset and contributions to pension plan on pages 40–41 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ouray, Colorado's basic financial statements. The accompanying combining and individual nonmajor 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the 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
July 29, 2026

CITY OF OURAY
Management's Discussion and Analysis
Year Ended December 31, 2025

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, 2025

Change in Net Position:		
Total Assets and Deferred Outflows		$ 60,626,510
Total Liabilities and Deferred Resources		36,587,545
Net Position	12/31/25	$ 24,038,965
	12/31/24	24,201,585
Increase (Decrease)		$ (162,620)

Governmental Fund Balance:	1/1/25	12/31/25	Increase (Decrease)
General Fund	$ 4,484,233	$ 3,189,576	$ (1,294,657)
Capital Improvements Fund	1,634,403	1,756,366	121,963
Non-major Funds	1,272,197	1,592,990	320,793
	$ 7,390,833	$ 6,538,932	$ (851,901)

Capital Assets, net of accumulated depreciation:	1/1/25	12/31/25	Increase (Decrease)
Governmental Activities	$ 3,782,394	$ 3,603,132	$ (179,262)
Business-type Activities	42,318,521	42,787,365	468,844
Total Capital Assets	$ 46,100,915	$ 46,390,497	$ 289,582

Cash and Cash Equivalents:	12/31/25
Governmental Activities	$ 6,325,645
Business-type Activities	5,488,894
Total Cash and Cash Equivalents	$ 11,814,539

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.

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, 2025, the City's combined assets exceeded liabilities by $ 24,038,965. Of this amount, $ 11,398,852 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 $ 12,377,913 (47% 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 2025:

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
ASSETS						
Cash and cash equivalents	$ 7,340,916	$ 6,325,645	$ 679,308	$ 5,488,894	$ 8,020,224	$ 11,814,539
Property taxes receivable	786,997	996,894	-	-	786,997	996,894
Accounts receivables	266,058	459,383	261,305	198,760	527,363	658,143
Other receivables	-	-	6,330,020	96,984	6,330,020	96,984
Due from other governments	460,265	199,813	-	-	460,265	199,813
Prepaid and deposits	28,335	28,335	-	-	28,335	28,335
Inventories	7,321	7,321	25,524	25,524	32,845	32,845
Net pension assets	570,398	358,960	-	-	570,398	358,960
Capital assets, net	3,782,394	3,603,132	42,481,580	42,787,365	46,263,974	46,390,497
Total assets	$ 13,242,684	$ 11,979,483	$ 49,777,737	$ 48,597,527	$ 63,020,421	$ 60,577,010

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Deferred outflows						
Pension Contributions made						
after measurement date	$ 52,631	$ 49,500	$ -	$ -	$ 52,631	$ 49,500
Total deferred outflows	$ 52,631	$ 49,500	$ -	$ -	$ 52,631	$ 49,500
LIABILITIES						
Accounts payable	600,452	398,816	1,603,417	308,827	2,203,869	707,643
Accrued wages	76,045	46,962	150,458	220,177	226,503	267,139
Performance bonds and deposits	-	-	14,111	16,970	14,111	16,970
Unearned revenue	35,565	35,787	5,181,409	5,181,409	5,216,974	5,217,196
Current portion of debt						
Loans and leases payable	34,057	-	654,579	711,007	688,636	711,007
Bonds payable	-	-	170,000	170,000	170,000	170,000
Compensated absences	129,206	206,680	-	-	129,206	206,680
Long-term liabilities						
Due more than one year:						
Bonds payable	-	-	4,020,000	3,830,000	4,020,000	3,830,000
Loans and lesases payable	-	-	25,050,531	24,338,561	25,050,531	24,338,561
Total liabilities	$ 875,325	$ 688,245	$ 36,844,505	$ 34,776,951	$ 37,719,830	$ 35,465,196
Deferred inflows						
Deferred porperty tax revenue	786,997	996,894	-	-	786,997	996,894
Pension difference between						
expected and actual experience	365,140	125,455	-	-	365,140	125,455
Total deferred inflows	$ 1,152,137	$ 1,122,349	$ -	$ -	$ 1,152,137	$ 1,122,349
NET POSITION						
Invested in capital assets	3,748,337	3,603,132	12,552,093	8,774,781	16,300,430	12,377,913
Restricted for:						
Emergencies	160,403	262,200	-	-	160,403	262,200
Unrestricted	7,359,113	6,353,057	381,639	5,045,795	7,740,752	11,398,852
Total net position	$ 11,267,853	$ 10,218,389	$ 12,933,732	$ 13,820,576	$ 24,201,585	$ 24,038,965

A portion of net position, $262,200, represents resources that are subject to constitutional restrictions on how they may be used. The unrestricted net position of $11,398,852 (47% of net position) may be used to meet the government's ongoing obligations to citizens and creditors.

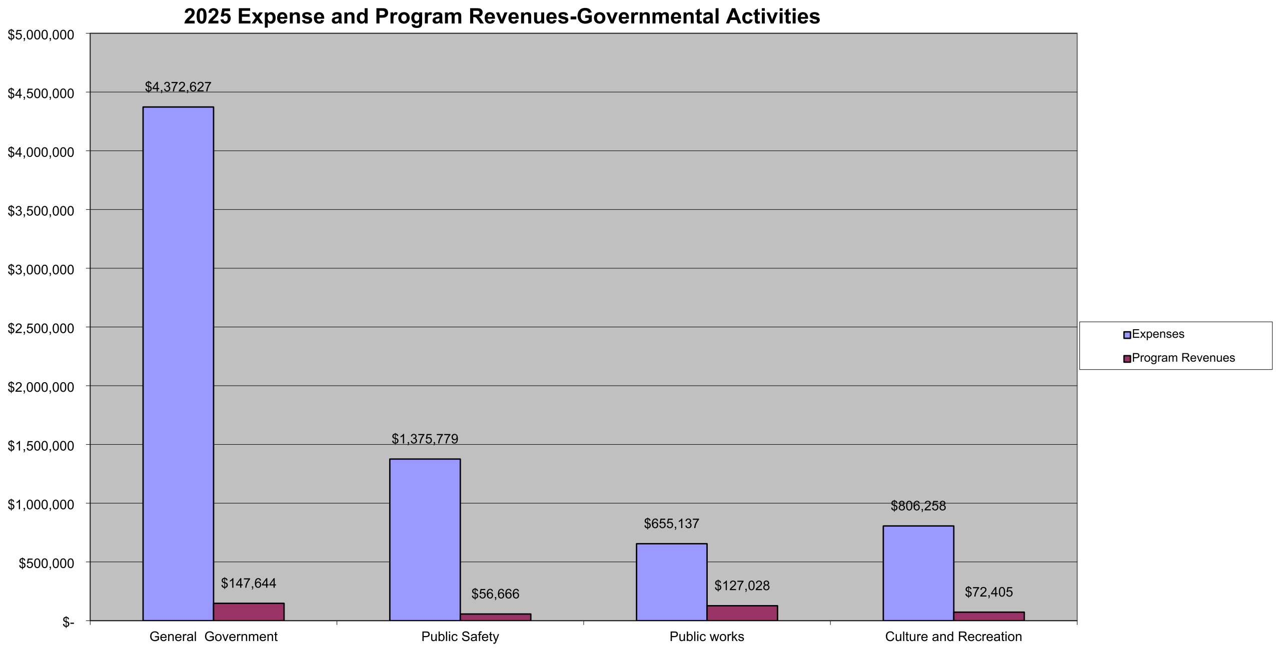
Change in Net Position

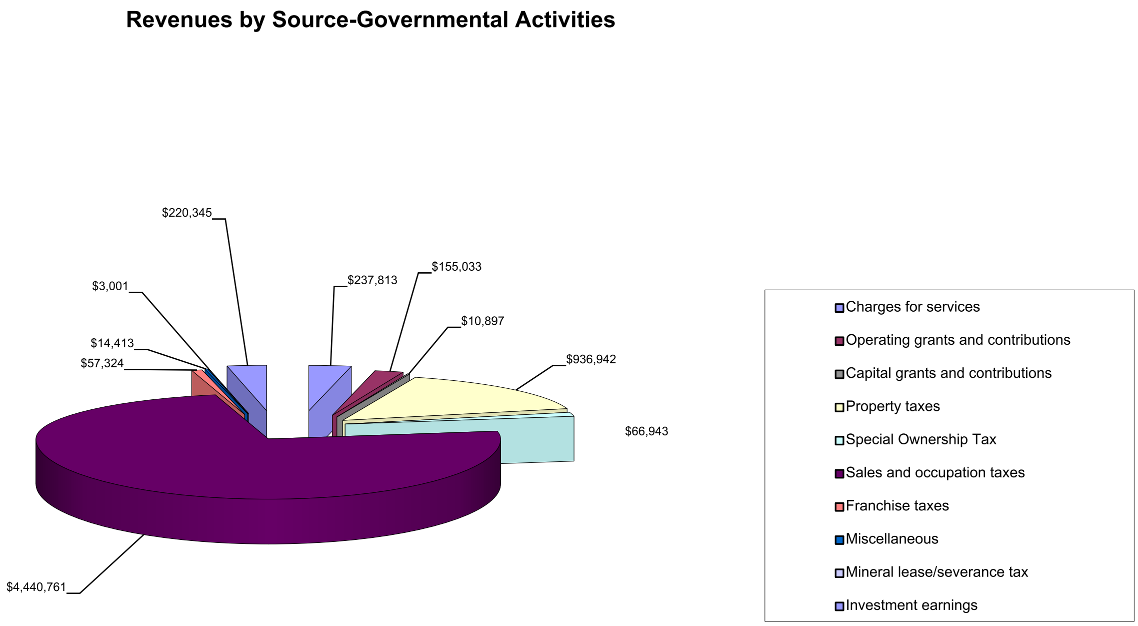
Governmental and business-type activities decreased the City's net position by $162,620 in 2025.

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Revenues						
Program revenues						
Charges for services	$ 222,093	$ 237,813	$ 7,291,325	$ 8,035,191	7,513,418	8,273,004
Operating grants	323,313	155,033	446,311	-	769,624	155,033
Capital grants	31,193	10,897	23,688	90,000	54,881	100,897
General Revenues						
Property taxes	803,704	936,942	-	-	803,704	936,942
Specific ownership	58,498	66,943	-	-	58,498	66,943
Sales taxes and other	4,212,292	4,440,761	-	-	4,212,292	4,440,761
Franchise taxes	57,714	57,324	-	-	57,714	57,324
Miscellaneous	10,675	14,413	-	2,164	10,675	16,577
Mineral lease/severance tax	42,685	3,001	-	-	42,685	3,001
Investment earnings	164,001	220,345	115,678	44,770	279,679	265,115
Transfers In (Out)	15,766	16,865	(15,766)	(16,865)	-	-
Totals	5,941,934	6,160,337	7,861,236	8,155,260	13,803,170	14,315,597
Expenses						
General government	2,589,360	4,372,627	-	-	2,589,360	4,372,627
Public safety	1,296,918	1,375,779	-	-	1,296,918	1,375,779
Public works	630,763	655,137	7,088,999	7,268,416	7,719,762	7,923,553
Culture and recreation	506,640	806,258	-	-	506,640	806,258
Total Expenses	5,023,681	7,209,801	7,088,999	7,268,416	12,112,680	14,478,217
Changes in net position	918,253	(1,049,464)	772,237	886,844	1,690,490	(162,620)
Beginning	10,349,600	11,267,853	12,161,495	12,933,732	22,511,095	24,201,585
Ending	$ 11,267,853	$ 10,218,389	$ 12,933,732	$ 13,820,576	$ 24,201,585	$ 24,038,965

Governmental Activities

Governmental activities decreased the City's net position by $1,049,464.





Business-type Activities

Business-type activities for the year resulted in an increase in net position of $ 886,844. Charges for services accounted for 98% 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 2025, the City's governmental funds reported combined ending fund balances of $ 6,538,932, decrease of $851,901 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 36% of this total amount, $ 2,349,596, constitutes unassigned fund balance, which is available for appropriation at the City's discretion; committed fund balance is 59%, or $ 3,873,472, of governmental fund balances. There is $ 46,343 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 $ 262,200.

The City has one major governmental fund, the General Fund, which is the primary operating fund for the City. At the end of 2025, the unassigned fund balance of the General Fund was $ 2,349,596, while the total fund balance was $ 3,189,576. 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 $ 1,294,657 during 2025.

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 2024, these funds represented the following net position amounts:

Fund:	Water	Sewer	Refuse/Rcycl.	Utilities – CI	Parks & Rec.
Unrestricted net position	335,998	1,134,693	80,253	1,779,968	1,694,883
Total net position	2,828,107	1,996,973	80,253	5,399,542	3,515,701
Increase (decrease) in net position	4,962	23,941	15,941	918,508	(76,507)

GENERAL FUND BUDGETARY HIGHLIGHTS

The City budgeted $ 6,426,469 for 2025 expenditures. Actual expenditures were $ 5,764,897, or 10% 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, 2025, was $ 46,390,497, an increase of $ 289,582 from the prior year, representing $ 1,556,967 of acquisitions offset by $ 1,267,385 of depreciation expense. As required by GASB34, the investment in capital assets includes land, buildings, building improvements, and equipment.

Long-term Debt

As of December 31, 2025, the City had long-term debt as follows:

Governmental Activities	Balance January 1, 2025	Additions	Reductions	Balance December 31, 2025	Due Within One Year
Fire Truck	$ 34,057	$ -	$ (34,057)	$ -	$ -
Accrued compensated absences	129,206	77,474	-	206,680	206,680
Total	$ 163,263	$ 77,474	$ (34,057)	$ 206,680	$ 206,680
Enterprise Activities					
Sales Tax Revenue Bonds	$ 4,190,000	$ -	$ (175,000)	$ 4,015,000	$ 185,000
Loan Water Fund - CWRPDA	6,803,651	-	(164,033)	6,639,618	168,575
Loan Sewer Fund - CWRPDA	16,677,959	-	(391,009)	16,286,950	408,432
Zion Bank Loan	2,223,000	-	(115,000)	2,108,000	119,000
Total	$ 29,894,610	$ -	$ (845,042)	$ 29,049,568	$ 881,007

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The City is in good financial condition.

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:

City Administrator: City of Ouray, PO Box 468, Ouray, CO 81427

CITY OF OURAY, COLORADO
Statement of Net Position
December 31, 2025

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 6,325,645	$ 5,488,894	$ 11,814,539
Property taxes receivable	996,894	-	996,894
Accounts receivable	459,383	198,760	658,143
Other receivables	-	96,984	96,984
Due from other governments	199,813	-	199,813
Prepaid and deposits	28,335	-	28,335
Inventories	7,321	25,524	32,845
Net pension assets	358,960	-	358,960
Capital assets, net	3,603,132	42,787,365	46,390,497
Total assets	11,979,483	48,597,527	60,577,010
Deferred outflows of resources			
Contributions subsequent to the measurement date	49,500	-	49,500
LIABILITIES			
Accounts payable	398,816	308,827	707,643
Accrued wages	46,962	220,177	267,139
Performance bonds and deposits	-	16,970	16,970
Unearned revenue	35,787	5,181,409	5,217,196
Current portion of debt			
Loans and leases payable	-	711,007	711,007
Bonds payable	-	170,000	170,000
Compensated absences	206,680	-	206,680
Long-term liabilities			
Bonds payable	-	3,830,000	3,830,000
Loans and leases payable	-	24,338,561	24,338,561
Total liabilities	688,245	34,776,951	35,465,196
Deferred inflow of resources			
Deferred property tax revenue	996,894	-	996,894
Pension difference between expected and actual experience	125,455	-	125,455
Total Deferred inflow of resources	1,122,349	-	1,122,349
NET POSITION			
Invested in capital assets	3,603,132	8,774,781	12,377,913
Restricted for:			
Emergencies	262,200	-	262,200
Unrestricted	6,353,057	5,045,795	11,398,852
Total net position	$ 10,218,389	$ 13,820,576	$ 24,038,965

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Service and Fees**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
General government	$ 4,372,627	$ 114,474	$ 33,170	$ -
Public Safety	1,375,779	52,810	3,856	-
Public Works	655,137	10,415	116,613	-
Culture and Recreation	806,258	60,114	1,394	10,897
Total governmental activities	7,209,801	237,813	155,033	10,897
Business-type activities:				
Water	860,195	808,885	-	45,000
Sewer	976,865	920,250	-	45,000
Refuse	319,522	352,328	-	-
Utilities-Capital Improvements	810,694	1,729,096	-	-
Parks	4,301,140	4,224,632	-	-
Total business- type activities	7,268,416	8,035,191	-	90,000
Total primary government	$ 14,478,217	$ 8,273,004	$ 155,033	$ 100,897

General Revenues
Taxes:
Property taxes
Specific ownership
Sales taxes and miscellaneous
Franchise taxes
Miscellaneous
Mineral leasing and severance taxes
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
$ (4,224,983)	$ -	$ (4,224,983)
(1,319,113)	-	(1,319,113)
(528,109)	-	(528,109)
(733,853)	-	(733,853)
(6,806,058)	-	(6,806,058)
-	(6,310)	(6,310)
-	(11,615)	(11,615)
-	32,806	32,806
-	918,402	918,402
-	(76,508)	(76,508)
-	856,775	856,775
(6,806,058)	856,775	(5,949,283)
936,942	-	936,942
66,943	-	66,943
4,440,761	-	4,440,761
57,324	-	57,324
14,413	2,164	16,577
3,001	-	3,001
220,345	44,770	265,115
16,865	(16,865)	-
5,756,594	30,069	5,786,663
(1,049,464)	886,844	(162,620)
11,267,853	12,933,732	24,201,585
$ 10,218,389	$ 13,820,576	$ 24,038,965

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Governmental Funds
Balance Sheet
December 31, 2025

	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 3,054,813	$ 1,659,158	$ 1,611,674	$ 6,325,645
Taxes receivable	996,894	-	-	996,894
Due from other governments	199,813	-	-	199,813
Accounts receivable	368,995	90,388	-	459,383
Inventory	7,321	-	-	7,321
Prepaid expenses	(665)	29,000	-	28,335
Total assets	$ 4,627,171	$ 1,778,546	$ 1,611,674	$ 8,017,391
Liabilities, Deferred inflows of resources and Fund Balance				
Liabilities:				
Accounts payable	$ 366,175	$ 22,180	$ 10,461	$ 398,816
Accrued wages	38,739	-	8,223	46,962
Unearned revenue	35,787	-	-	35,787
Total liabilities	440,701	22,180	18,684	481,565
Deferred inflow of resources				
Deferred property tax revenue	996,894	-	-	996,894
Fund balances:				
Non-spendable	7,321	-	-	7,321
Restricted				
Emergencies	262,200		-	262,200
Parks and recreation	-	-	46,343	46,343
Committed				
Flumes, streets and drainage	570,459		-	570,459
Capital improvements	-	1,756,366	-	1,756,366
Tourism	-	-	1,383,733	1,383,733
Beautification	-	-	162,914	162,914
Unassigned	2,349,596	-	-	2,349,596
Total fund balance	3,189,576	1,756,366	1,592,990	6,538,932
Total liabilities, deferred inflows of resources and fund balance	$ 4,627,171	$ 1,778,546	$ 1,611,674	$ 8,017,391

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, 2025

Total fund balance, governmental funds		$ 6,538,932
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	$ 12,560,634	
Less accumulated depreciation	(8,957,502)	3,603,132
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	$ -	
Compensated absences	(206,680)	(206,680)
Net pension assets and related deferred inflows and outflows of resources are not recorded in the funds.		283,005
Net Position of Governmental Activities in the Statement of Net Position		$ 10,218,389

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, 2025

	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	$ 936,942	$ -	$ -	$ 936,942
Sales and miscellaneous taxes	2,896,921	724,615	886,168	4,507,704
Fees and fines	20,650	-	-	20,650
Licenses and permits	102,191	-	-	102,191
Intergovernmental	224,938	-	11,853	236,791
Charges for services	26,558	-	-	26,558
Investment earnings	137,639	44,592	38,114	220,345
Miscellaneous	58,996	427	32,868	92,291
Total revenues	4,404,835	769,634	969,003	6,143,472
EXPENDITURES				
Current:				
General government	2,333,519	-	599,670	2,933,189
Public safety	1,219,183	-	-	1,219,183
Public works	452,807	-	-	452,807
Culture and recreation	801,799	-	-	801,799
Debt service payments	34,988	-	-	34,988
Capital outlay	922,601	647,671	-	1,570,272
Total expenditures	5,764,897	647,671	599,670	7,012,238
Excess (deficiency) of revenues over expenditures	(1,360,062)	121,963	369,333	(868,766)
OTHER FINANCING SOURCES (USES)				
Transfers In (out)	65,405	-	(48,540)	16,865
Total other financing sources (uses)	65,405	-	(48,540)	16,865
Net change to fund balance	(1,294,657)	121,963	320,793	(851,901)
Fund balance, January 1	4,484,233	1,634,403	1,272,197	7,390,833
Fund balance, December 31	$ 3,189,576	$ 1,756,366	$ 1,592,990	$ 6,538,932

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, 2025

Net change in fund balances - total governmental funds		$ (851,901)
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 deprecation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Fixed assets current additions	$ 224,340	
Depreciation expense	(403,603)	
Excess of capital outlay over depreciation		(179,263)
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.		(77,474)
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.		25,116
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.		34,057
Change in net position of governmental funds		$ (1,049,465)

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Statement of Net Position
Enterprise Funds
December 31, 2025

	Water Fund	Sewer Fund	Utilities-CI Fund
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 387,433	$ 1,173,899	$ 1,786,167
Receivables:			
Accounts	75,645	105,672	-
Other	-	-	96,984
Inventories	19,901	5,319	-
Total current assets	482,979	1,284,890	1,883,151
Capital assets:			
Land and improvements	149,131	-	-
Construction in progress	-	-	31,489,158
Utility system	5,389,260	2,962,576	-
Geothermal wells	-	-	-
Swimming pool	-	-	-
Pool filtration system	-	-	-
Box Cañon	-	-	-
Parks and other assets	-	-	-
Buildings	75,020	14,497	-
Equipment and furniture	268,415	363,732	-
Less accumulated depreciation	(3,389,717)	(2,478,525)	-
Total capital assets	2,492,109	862,280	31,489,158
Total Assets	2,975,088	2,147,170	33,372,309
LIABILITIES			
Current liabilities:			
Accounts payable	31,390	9,746	16,199
Accrued payroll	54,370	68,283	-
Customer deposits	375	-	-
Unearned revenues	60,846	72,168	5,030,000
Current portion of long term debt	-	-	577,007
Total current liabilities	146,981	150,197	5,623,206
Noncurrent liabilities			
Bonds payable	-	-	-
Loans and leases payable	-	-	22,349,561
Total noncurrent liabilities	-	-	22,349,561
NET POSITION			
Invested in capital assets, net of related debt	2,492,109	862,280	3,599,574
Unrestricted	335,998	1,134,693	1,799,968
Total net position	$ 2,828,107	$ 1,996,973	$ 5,399,542

Refuse Fund		Parks Fund		Total Enterprise Funds
$	103,112	$ 2,038,283	$	5,488,894
	18,029	(586)		198,760
	-	-		96,984
	-	304		25,524
	121,141	2,038,001		5,810,162
	-	-		149,131
	-	-		31,489,158
	-	-		8,351,836
	-	167,138		167,138
	-	12,756,717		12,756,717
	-	5,202		5,202
	-	473,224		473,224
	-	1,640,594		1,640,594
	-	-		89,517
	-	-		632,147
	-	(7,099,057)		(12,967,299)
	-	7,943,818		42,787,365
	121,141	9,981,819		48,597,527
	22,493	228,999		308,827
	-	97,524		220,177
	-	16,595		16,970
	18,395	-		5,181,409
	-	304,000		881,007
	40,888	647,118		6,608,390
	-	3,830,000		3,830,000
	-	1,989,000		24,338,561
	-	5,819,000		28,168,561
	-	1,820,818		8,774,781
	80,253	1,694,883		5,045,795
$	80,253	$ 3,515,701	$	13,820,576

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, 2025

	Water Fund	Sewer Fund	Utilities-CI Fund
Operating Revenues			
Charges for services	$ 808,885	$ 920,250	$ 1,729,096
Miscellaneous	610	1,554	-
Total operating revenues	809,495	921,804	1,729,096
Operating Expenses			
Personal services	462,928	525,288	-
Contractual services	89,351	89,822	20
Utilities	28,678	88,306	-
Repairs and maintenance	31,698	68,206	66,052
Other supplies and expenses	82,876	98,421	-
Insurance claims and expenses	26,658	32,950	-
Depreciation	138,007	73,872	-
Total operating expenses	860,195	976,865	66,072
Operating income (loss)	(50,700)	(55,061)	1,663,024
Nonoperating revenues (expenses)			
Interest income	10,662	34,002	106
Operating grants and contributions	-	-	-
Interest expense	-	-	(744,622)
Total nonoperating revenues (expenses)	10,662	34,002	(744,516)
Income (loss) before transfers and and Capital Contributions	(40,038)	(21,059)	918,508
Transfers in (out)	-	-	-
Capital contributions-Investment Fees	45,000	45,000	-
Change in net position	4,962	23,941	918,508
Total net position, January 1	2,823,146	1,973,032	4,481,034
Total net position, December 31	$ 2,828,107	$ 1,996,973	$ 5,399,542

Refuse Fund	Parks Fund	Total Enterprise Funds
$ 352,328	$ 4,224,632	$ 8,035,191
-	-	2,164
352,328	4,224,632	8,037,355
-	1,936,726	2,924,942
319,522	52,320	551,035
-	135,656	252,640
-	244,708	410,664
-	1,034,703	1,216,000
-	25,601	85,210
-	651,901	863,780
319,522	4,081,615	6,304,270
32,806	143,017	1,733,085
-	-	44,770
-	-	-
-	(219,524)	(964,146)
-	(219,524)	(919,376)
32,806	(76,507)	813,709
(16,865)	-	(16,865)
-	-	90,000
15,941	(76,507)	886,844
64,312	3,592,208	12,933,733
$ 80,253	$ 3,515,701	$ 13,820,576

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2025

	Water Fund	Sewer Fund
Cash Flows From Operating Activities		
Cash received from charges for services	$ 806,694	$ 986,314
Cash payments for goods and services	(266,629)	(429,134)
Cash payments to employees for services	(462,928)	(525,288)
Net cash provided (used) by operating activities	77,137	31,892
Cash Flows from Noncapital Financing Activities		
Grants and contributions	-	-
Transfers from (to) other funds	-	-
Net cash provided (used) by noncapital financing activities	-	-
Cash Flows from Capital and Related Financing Activities		
Investment fees	45,000	45,000
Acquisition of capital assets	-	-
Principal paid on loans and leases	-	-
Proceeds from Loans	-	-
Interest expense	-	-
Net cash provided (used) by capital and related financing activities	45,000	45,000
Cash Flows from Investing Activities		
Interest on investments	10,662	34,002
Net increase (decrease) in cash and equivalents	132,799	110,894
Cash balances, January 1	254,634	1,063,005
Cash balances, December 31	$ 387,433	$ 1,173,899
Reconciling of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (50,700)	$ (55,061)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	138,007	73,872
Assets (increase) decrease:		
Accounts receivables	(14,696)	48,112
Liabilities increase (decrease):		
Accounts payable	(7,369)	(51,429)
Accrued payroll	11,895	16,398
Unearned revenues	-	-
Total adjustments	127,837	86,953
Net cash provided (used) by operating activities	$ 77,137	$ 31,892

Utilities-CI Fund	Refuse Fund	Parks Fund	Total Enterprise Funds
$ 1,729,096	$ 355,674	$ 4,291,841	$ 8,169,619
(1,414,770)	(323,421)	(1,373,324)	(3,807,278)
-	-	(1,936,726)	(2,924,942)
314,326	32,253	981,791	1,437,399
-	-	-	-
-	(16,865)	-	(16,865)
-	(16,865)	-	(16,865)
-	-	-	90,000
(1,149,134)	-	(20,432)	(1,169,566)
(555,042)	-	(290,000)	(845,042)
6,233,036	-	-	6,233,036
(744,622)	-	(219,524)	(964,146)
3,784,238	-	(529,956)	3,344,282
106	-	-	44,770
4,098,670	15,388	451,835	4,809,586
(2,312,503)	87,724	1,586,448	679,308
$ 1,786,167	$ 103,112	$ 2,038,283	$ 5,488,894
$ 1,663,024	$ 32,806	$ 143,017	$ 1,733,086
-	-	651,901	863,780
-	3,346	25,782	62,544
(1,348,698)	(3,899)	116,805	(1,294,590)
-	-	41,427	69,720
-	-	2,859	2,859
(1,348,698)	(553)	838,774	(295,687)
$ 314,326	$ 32,253	$ 981,791	$ 1,437,399

The accompanying notes are an integral part of this statement.

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.

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 the 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, 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.

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.

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.

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:

Asset Class	Useful Life
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.

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

K. Net Position

Net position represents 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 non-routine 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.

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 position - 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 resource's 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 nonfederal 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.

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. At 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.

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, 2025, the bank balance of the City's deposits was $11,601,308 of which $283,301 was covered by federal depository insurance and $11,318,007 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, 2025 the City’s investments included funds held in COLOTRUST.

The City had invested $240,103 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.

Note 5 - Deposits and Investments - (continued)

A. Deposits - (continued)

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	$ 6,545
Deposits	11,564,158
Cash with county treasurer	3,733
COLOTRUST	240,103
Total	$11,814,539
Statement of Net Position	
Cash and cash equivalents	$11,814,539
Total	$11,814,539

Note 6 - 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 7 - Long-term Liabilities

Governmental Activities	Balance January 1, 2025	Additions	Reductions	Balance December 31, 2025	Due Within One Year
Fire Truck	$ 34,057	$ -	$ (34,057)	$ -	$ -
Accrued compensated absences	129,206	77,474	-	206,680	206,680
Total	$ 163,263	$ 77,474	$ (34,057)	$ 206,680	$ 206,680
Enterprise Activities					
Sales Tax Revenue Bonds	$ 4,190,000	$ -	$ (175,000)	$ 4,015,000	$ 185,000
Loan Water Fund - CWRPDA	6,803,651	-	(164,033)	6,639,618	168,575
Loan Sewer Fund - CWRPDA	16,677,959	-	(391,009)	16,286,950	408,432
Zion Bank Loan	2,223,000	-	(115,000)	2,108,000	119,000
Total	$ 29,894,610	$ -	$ (845,042)	$ 29,049,568	$ 881,007

Note 7 - Long-term Liabilities – (continued)

Sales Tax Revenue Bonds, Series 2016

On November 3, 2015, the City's electorate approved the issuance of $5,300,000 in sales tax revenue bonds, for the purpose planning, constructing, acquiring, and equipping improvements to the City's Hot Springs Pool Facility. The sales tax revenue bonds are payable from revenues generated by sales tax increase and also payable from any other legally available City revenues and pledge the full faith and credit of the City. The annual coupon interest ranges from 2% to 4%.

The following is a breakdown of the payments:

	Principal	Interest	Total
2026	$ 185,000	$ 160,600	$ 345,600
2027	190,000	153,200	343,200
2028	200,000	145,600	345,600
2029	205,000	137,600	342,600
2030	215,000	129,400	344,400
2031-2035	1,210,000	510,600	1,720,600
2036-2040	1,480,000	248,000	1,728,000
2041	330,000	13,200	343,200
	$ 4,015,000	$ 1,498,200	$ 5,513,200

Zion Bank

The City refinanced the Certificate of Participation loan in 2021, that was for part of the construction of the City's Hot Springs Pool Facility Renovation Project, with Zion Bank. The loan requires semi-annual payments on June 1 and December 1 of each year until the loan is paid off on December 1, 2040. The annual interest rate on the loan is 2.35% through December 1, 2035, and 2.31% through December 1, 2040.

The following is a breakdown of the payments:

	Principal	Interest	Total
2026	$ 119,000	$ 49,222	$ 168,222
2027	123,000	46,425	169,425
2028	127,000	43,535	170,535
2029	125,000	40,550	165,550
2030	129,000	37,613	166,613
2031-2035	694,000	141,040	835,040
2036-2040	791,000	55,625	846,625
	$ 2,108,000	$ 414,010	$ 2,522,010

Note 7 - Long-term Liabilities – (continued)

Loan Water Fund #DBS22F097

On December 15, 2022, the City entered into a loan agreement with Colorado Water Resources and Power Development Authority for a total loan amount of $12,100,000 of which $5,000,000 of the loan is forgiven with the repayable loan principal amount of $7,100,000 at an annual interest rate of 2.75% over a term of 30 years. The purpose of the loan is for construction, maintenance, repair, and operating the water system for the City. The Pledge Property shall be the net revenue of the water revenues after deducting the operation and maintenance expenses for the Water Fund. The following is a breakdown of the payments:

	Principal	Interest	Total
2026	$ 168,575	$ 181,439	$ 350,014
2027	173,243	176,771	350,014
2028	178,040	171,974	350,014
2029	182,970	167,044	350,014
2030	188,036	161,978	350,014
2031-2035	1,021,221	728,847	1,750,068
2036-2040	1,170,654	579,414	1,750,068
2041-2045	1,341,952	408,116	1,750,068
2046-2050	1,538,317	211,751	1,750,068
2051-2052	676,610	23,417	700,027
	$ 6,639,618	$ 2,810,751	$ 9,450,369

Loan Sewer Fund

On May 1, 2022, the City entered into a loan agreement with Colorado Water Resources and Power Development Authority for a total loan amount of $18,485,000 of which $1,154,692 of the loan is forgiven with the repayable loan principal amount of $17,330,308 at an annual interest rate of 2.55% over a term of 30 years, with an administrative fee of .8% on the initial loan of $17,330,308. The purpose of the loan is for construction, maintenance, repair, and operating the sewer system for the City. The Pledge Property shall be the net revenue of the water revenues after deducting the operation and maintenance expenses for the Sewer Fund. The following is a breakdown of the payments:

	Principal	Interest	Service Fee	Total
2026	$ 408,432	$ 407,500	$ 138,642	$ 954,574
2027	417,617	394,500	138,642	950,759
2028	433,176	381,500	138,642	953,318
2029	446,152	368,000	138,642	952,794
2030	461,577	354,250	138,642	954,469
2030-3034	2,504,445	1,557,750	693,212	4,755,407
2035-2039	2,874,717	1,185,250	693,212	4,753,179
2040-2044	3,274,416	797,000	693,212	4,764,628
2045-2049	3,714,235	412,250	632,556	4,759,041
2050-2052	1,752,183	54,500	95,317	1,902,000
	$ 16,286,950	$ 5,912,500	$ 3,500,719	$ 25,700,169

Note 8 - 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 $90 per month. In addition, there are survivor benefits of $45 per month and a one-time only lump sum death benefit of $180.

At December 31, 2025, the City reported an asset of $358,960 for its proportionate share of the net pension asset. The net pension asset was measured as of January 1, 2025, and the total pension asset used to calculate the net pension asset was determined by an actuarial study as of December 31, 2024. Standard update procedures were used to roll forward the total pension liability to December 31, 2023. The City's proportion of the net asset was based on City's contributions to FPPA for the calendar year 2025 relative to the total contributions of participating employers to FPPA.

For the year ended December 31, 2025, the City recognized pension expense of $(25,116). At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 125,455
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	49,500	-
Total	$ 49,500	$ 125,455

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
2024	$ (125,455)
2025	-
2026	-
2027	-
2028	-
Thereafter	-
Total	$ (125,455)

Actuarial assumptions. The total pension asset in January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs:

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

Note 8 - Defined Benefit Pension Plans – (continued)

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	7.00%
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 7.00%, 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
6.00%	7.00%	8.00%
$ (307,680)	$ (358,960)	$ (410,240)

The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at:http//www.fppaco.org.

Note 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 Retirement Association (CRA) plan. The employees' contributions are fully vested, and the City's contributions are vested at the rate of 20% per year. The Plan may be amended by resolution of the City Council, but it may not be amended beyond the limits established by state statute.

Under the group retirement plan, the City contributes 3% of eligible employees' base salary, matching the amount contributed by the employees. In 2025 the City's total payroll was $3,662,550. The City's contribution was calculated using a base salary amount of $2,657,781. The City and the covered employees made the following contributions, amounting to $79,733 and $79,733 respectively for a total of $159,466.

Note 10 - Capital Assets

Capital assets activity for the year ended December 31, 2025, was as follows:

Governmental Activities	Balance January 1, 2025	Additions	Dispositions	Balance December 31, 2025
Capital assets not being depreciated				
Land	$ 325,094	$ -	$ -	$ 325,094
Construction in progress	83,775	-	-	83,775
	408,869	-	-	408,869
Capital assets being depreciated				
Buildings	793,318	-	-	793,318
Improvements other than building	12,459	-	-	12,459
Infrastructure	6,908,394	-	-	6,908,394
Equipment and vehicles	4,213,253	224,341	-	4,437,594
	11,927,424	224,341	-	12,151,765
Less accumulated depreciation				
Buildings	(628,657)	(4,853)	-	(633,510)
Improvements	(12,459)	-	-	(12,459)
Infrastructure	(5,576,859)	(165,915)	-	(5,742,774)
Equipment and vehicles	(2,335,924)	(232,835)	-	(2,568,759)
	(8,553,899)	(403,603)	-	(8,957,502)
Capital asset being depreciated, net	3,373,525	(179,262)	-	3,194,263
Total Governmental Activities Capital Assets	$ 3,782,394	$ (179,262)	$ -	$ 3,603,132

Note 10 - Capital Assets – (continued)

Business - Type Activities	Balance January 1, 2025	Additions	Dispositions	Balance December 31, 2025
Capital assets not being depreciated				
Land	$ 149,131	$ -	$ -	$149,131
Construction in progress	30,137,523	1,351,635	-	31,489,158
	30,286,654	1,351,635	-	31,638,289
Capital assets being depreciated				
Utility system	8,351,836	-	-	8,351,836
Geothermal wells	167,138	-	-	167,138
Swimming pool	12,736,285	20,432	-	12,756,717
Pool filtration system	5,202	-	-	5,202
Box Cañon	473,225	-	-	473,225
Other Parks assets	1,680,035	-	(39,441)	1,640,594
Buildings	89,517	-	-	89,517
Equipment and furniture	632,147	-	-	632,147
Less accumulated depreciation	(12,103,518)	(863,782)	-	(12,967,300)
Capital assets being depreciated, net	12,031,867	(843,350)	(39,441)	11,149,076
Total Business-Type Activities Capital Assets	$ 42,318,521	$ 508,285	$ (39,441)	$ 42,787,365

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

General Government	$ 16,033
Public Safety	180,781
Public Works	202,330
Culture and Recreation	4,459
Total depreciation	$ 403,603

Note 11 - 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.

Note 12 - Transfers

The following are the interfund transfers that occurred in 2025:

	Transfers	
Funds	In	Out
General Fund	$ 65,405	$ -
Refuse Fund	-	16,865
Beautification Fund	-	48,540
Totals	$ 65,405	$ 65,405

Note 13 – Subsequent events

In 2022, the city started constructing new water and sewer systems, with loans from Colorado Water Resources and Power Development Authority. Total estimated cost of the new water treatment plant will be $12,100,000, and for the new sewer plant will be $18,485,000. As of December 31, 2025, the City has construction in progress of $31,489,158.

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance
				Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Property taxes	$ 932,469	$ 932,469	$ 936,942	$ 4,473
Sales taxes and other taxes	2,929,486	2,929,486	2,896,921	(32,565)
Licenses and permits	106,500	106,500	102,191	(4,309)
Intergovernmental revenues	258,148	258,148	224,938	(33,210)
Fees and fines	30,500	30,500	20,650	(9,850)
Charges for services	24,785	24,785	26,558	1,773
Miscellaneous revenue	958,920	958,920	58,996	(899,924)
Interest income	62,000	62,000	137,639	75,639
Total revenues	5,302,808	5,302,808	4,404,835	(897,973)
Expenditures				
General government	1,812,303	1,812,303	2,333,519	(521,216)
Capital outlay	309,050	309,050	676,901	(367,851)
Public safety	1,573,853	1,573,853	1,219,183	354,670
Capital outlay	19,000	19,000	28,761	(9,761)
Public works	579,372	579,372	452,807	126,565
Capital outlay	1,075,000	1,075,000	210,074	864,926
Culture and recreation	1,002,502	1,002,502	801,799	200,703
Capital outlay	20,400	20,400	6,865	13,535
Debt service payments	34,989	34,989	34,988	1
Total Expenditures	6,426,469	6,426,469	5,764,897	661,572
Excess of Revenues over (under) Expenditures	(1,123,661)	(1,123,661)	(1,360,062)	(236,401)
Other financing sources (uses)				
Transfers in	122,767	122,767	65,405	(57,362)
Total other financing sources (uses)	122,767	122,767	65,405	(57,362)
Excess of Revenues and sources over or (under) Expenditures and uses	(1,000,894)	(1,000,894)	(1,294,657)	(293,763)
Fund balance, January 1	4,055,182	4,055,182	4,484,233	429,051
Fund balance, December 31	$ 3,054,288	$ 3,054,288	$ 3,189,576	$ 135,288

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance
Revenues	**Original**	**Final**	**Actual**	**Favorable (Unfavorable)**
Property taxes	$ 932,469	$ 932,469	$ 936,942	$ 4,473
Sales taxes and other taxes	2,929,486	2,929,486	2,896,921	(32,565)
Licenses and permits	106,500	106,500	102,191	(4,309)
Intergovernmental revenues	258,148	258,148	224,938	(33,210)
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Capital outlay	309,050	309,050	676,901	(367,851)
Public safety	1,573,853	1,573,853	1,219,183	354,670
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Capital outlay	1,075,000	1,075,000	210,074	864,926
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Total Expenditures	6,426,469	6,426,469	5,764,897	661,572
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Transfers in	122,767	122,767	65,405	(57,362)
Total other financing sources (uses)	122,767	122,767	65,405	(57,362)
Excess of Revenues and sources over or (under) Expenditures and uses	(1,000,894)	(1,000,894)	(1,294,657)	(293,763)
Fund balance, January 1	4,055,182	4,055,182	4,484,233	429,051
Fund balance, December 31	$ 3,054,288	$ 3,054,288	$ 3,189,576	$ 135,288

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance
Revenues	**Original**	**Final**	**Actual**	**Favorable (Unfavorable)**
Property taxes	$ 932,469	$ 932,469	$ 936,942	$ 4,473
Sales taxes and other taxes	2,929,486	2,929,486	2,896,921	(32,565)
Licenses and permits	106,500	106,500	102,191	(4,309)
Intergovernmental revenues	258,148	258,148	224,938	(33,210)
Fees and fines	30,500	30,500	20,650	(9,850)
Charges for services	24,785	24,785	26,558	1,773
Miscellaneous revenue	958,920	958,920	58,996	(899,924)
Interest income	62,000	62,000	137,639	75,639
Total revenues	5,302,808	5,302,808	4,404,835	(897,973)
Expenditures				
General government	1,812,303	1,812,303	2,333,519	(521,216)
Capital outlay	309,050	309,050	676,901	(367,851)
Public safety	1,573,853	1,573,853	1,219,183	354,670
Capital outlay	19,000	19,000	28,761	(9,761)
Public works	579,372	579,372	452,807	126,565
Capital outlay	1,075,000	1,075,000	210,074	864,926
Culture and recreation	1,002,502	1,002,502	801,799	200,703
Capital outlay	20,400	20,400	6,865	13,535
Debt service payments	34,989	34,989	34,988	1
Total Expenditures	6,426,469	6,426,469	5,764,897	661,572
Excess of Revenues over (under) Expenditures	(1,123,661)	(1,123,661)	(1,360,062)	(236,401)
Other financing sources (uses)				
Transfers in	122,767	122,767	65,405	(57,362)
Total other financing sources (uses)	122,767	122,767	65,405	(57,362)
Excess of Revenues and sources over or (under) Expenditures and uses	(1,000,894)	(1,000,894)	(1,294,657)	(293,763)
Fund balance, January 1	4,055,182	4,055,182	4,484,233	429,051
Fund balance, December 31	$ 3,054,288	$ 3,054,288	$ 3,189,576	$ 135,288

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,	2024	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability								
Service Cost	$ 4,109	$ -	$ 1,978	$ 2,113	$ 2,130	$ 2,130	$ 2,130	$ -
Interest on the Total Pension Liability	-	-	-	-	28,351	28,351	28,351	-
Contributions	-	-	-	-	67,599	67,599	67,599	-
Difference between Expected and Actual Experience	-	-	-	-	(29,625)	(29,625)	(29,625)	-
Benefit Payments	-	-	-	-	(24,158)	(24,158)	(24,158)	-
Net Change in Total Pension Liability	4,109	-	1,978	2,113	44,297	44,297	44,297	-
Total Pension Liability - Beginning	311,946	311,979	310,001	307,888	263,591	263,591	263,591	-
Total Pension Liability - Ending (a)	$ 316,055	$ 311,979	$ 311,979	$ 310,001	$ 307,888	$ 307,888	$ 307,888	$ -
Plan Fiduciary Net Position								
Employer Contributions	$ 25,000	$ 25,000	$ 22,631	$ 20,027	$ 20,027	$ 18,000	$ 18,000	$ 18,000
Pension Plan Net Investment Income	-	(11,292)	(25,935)	121,543	93,517	90,654	37,358	43,524
Benefit Payments	-	(21,667)	(19,584)	(20,736)	(20,844)	(21,843)	(23,094)	(22,248)
Pension Plan Administrative Expense	-	(12,409)	(16,440)	(16,305)	(13,356)	(17,022)	(11,185)	(10,497)
State of Colorado supplemental discretionary payment	20,000	20,368	18,024	34,065	-	16,200	15,756	15,843
Net Change in Plan Fiduciary Net Position	45,000	-	(21,304)	138,594	79,344	85,989	36,835	44,622
Plan Fiduciary Net Position - Beginning		882,344	903,648	765,054	685,709	599,720	590,538	545,916
Plan Fiduciary Net Position - Ending (b)	$ 45,000	$ 882,344	$ 882,344	$ 903,648	$ 765,053	$ 685,709	$ 627,373	$ 590,538
Net Pension Liability/(Asset) - Ending (a) - (b)		(570,365)	(570,365)	(593,647)	(457,165)	(377,821)	(319,485)	(590,538)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	14.24%	282.82%	282.82%	291.50%	248.48%	222.71%	203.77%	
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Schedules of Required Supplementary Information

Schedule of Contributions to Pension Plan

Required State Contributions	December 31, 2017	$33,843
Required State Contributions	December 31, 2018	$33,756
Required State Contributions	December 31, 2019	$34,200
Required State Contributions	December 31, 2020	$20,027
Required State Contributions	December 31, 2021	$54,092
Required State Contributions	December 31, 2022	$40,655
Required State Contributions	December 31, 2023	$45,368
Required State Contributions	December 31, 2024	$45,172
Required State Contributions	December 31, 2025	$45,000

CITY OF OURAY, COLORADO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Conservation Trust Fund	Tourism Promotion Fund	Beautification Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 46,343	$ 1,402,417	$ 162,914	$ 1,611,674
Accounts Receivable	-	-	-	-
Total assets	$ 46,343	$ 1,402,417	$ 162,914	$ 1,611,674
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ -	$ 10,461	$ -	$ 10,461
Accrued payroll	-	8,223	-	8,223
Total liabilities	-	18,684	-	18,684
Fund balances:				
Unreserved:	46,343 -	1,383,733 -	162,914	1,592,990
Total fund balances	46,343	1,383,733	162,914	1,592,990
Total liabilities and fund balances	$ 46,343	$ 1,402,417	$ 162,914	$ 1,611,674

CITY OF OURAY, COLORADO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2025

	Conservation Trust Fund	Tourism Promotion Fund	Beautification Fund	Total Nonmajor Governmental Funds
REVENUES				
Lodging taxes	$ -	$ 779,603	$ 106,565	$ 886,168
Intergovernmental	10,897	-	956	11,853
Interest earnings	1,082	32,390	4,642	38,114
Miscellaneous	-	32,868	-	32,868
Total revenues	11,979	844,861	112,163	969,003
EXPENDITURES				
Current:				
General government	-	552,621	47,049	599,670
Total expenditures	-	552,621	47,049	599,670
Excess revenues over (under) expenditures	11,979	292,240	65,114	369,333
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(48,540)	(48,540)
Total other financing sources (uses)	-	-	(48,540)	(48,540)
Net change to fund balance	11,979	292,240	16,574	320,793
Fund balance, January 1	34,364	1,091,493	146,340	1,272,197
Fund balance, December 31	$ 46,343	$ 1,383,733	$ 162,914	$ 1,592,990

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, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
State entitlement	$ 16,000	$ 16,000	$ 10,897	$ (5,103)
Interest Income	400	400	1,082	682
Total revenues	16,400	16,400	11,979	(4,421)
Expenditures				
Culture and recreation	-	-	-	-
Total expenditures	-	-	-	-
Excess of Revenues over (under) Expenditures	16,400	16,400	11,979	(4,421)
Fund balance, January 1	17,164	17,164	34,364	17,200
Fund balance, December 31	$ 33,564	$ 33,564	$ 46,343	$ 12,779

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, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Taxes	$ 698,664	$ 698,664	$ 779,603	$ 80,939
Interest income	-	-	32,390	32,390
Miscellaneous revenue	38,100	38,100	32,868	(5,232)
Total revenues	736,764	736,764	844,861	108,097
Expenditures				
General government	982,301	982,301	552,621	429,680
Total expenditures	982,301	982,301	552,621	429,680
Excess of revenues over (under) expenditures	(245,537)	(245,537)	292,240	537,777
OTHER FINANCING SOURCES (USES)				
Transfer out	(50,000)	(50,000)	-	50,000
Total other financing sources (uses)	(50,000)	(50,000)	-	50,000
Net change to fund balance	(295,537)	(295,537)	292,240	587,777
Fund balance, January 1	974,624	974,624	1,091,493	116,869
Fund balance, December 31	$ 679,087	$ 679,087	$ 1,383,733	$ 704,646

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Beautification Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Lodging taxes	$ 95,500	$ 95,500	$ 106,565	$ 11,065
Interest income	1,600	1,600	4,642	3,042
Grants and donations	-	-	956	956
Total revenues	97,100	97,100	112,163	15,063
Expenditures				
General government	128,000	128,000	47,049	80,951
Total expenditures	128,000	128,000	47,049	80,951
Excess of Revenues over (under) Expenditures	(30,900)	(30,900)	65,114	96,014
OTHER FINANCING SOURCES (USES)				
Transfer out	(57,000)	(57,000)	(48,540)	8,460
Total other financing sources (uses)	(57,000)	(57,000)	(48,540)	8,460
Net change to fund balance	(87,900)	(87,900)	16,574	104,474
Fund balance, January 1	93,973	93,973	146,340	52,367
Fund balance, December 31	$ 6,073	$ 6,073	$ 162,914	$ 156,841

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, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Sales tax	$ 753,999	$ 753,999	$ 724,615	$ (29,384)
Miscellaneous	-	-	427	427
Interest income	-	-	44,592	44,592
Total revenues	753,999	753,999	769,634	15,635
Expenditures				
Capital Improvements	2,188,512	2,188,512	647,671	1,540,841
Total expenditures	2,188,512	2,188,512	647,671	1,540,841
Excess of Revenues over (under) Expenditures	(1,434,513)	(1,434,513)	121,963	1,556,476
Fund balance, January 1	1,598,103	1,598,103	1,634,403	36,300
Fund balance, December 31	$ 163,590	$ 163,590	$ 1,756,366	$ 1,592,776

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Water Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Water services	$ 802,576	$ 802,576	$ 808,885	$ 6,309
Investment fees	39,375	39,375	45,000	5,625
Interest revenue	1,300	1,300	10,662	9,362
Total revenues	843,251	843,251	865,157	21,906
Expenditures				
Salaries and wages	409,376	409,376	354,529	54,847
Taxes and benefits	140,158	140,158	108,399	31,759
Overhead	77,503	77,503	82,538	(5,035)
Operating maintenance	176,250	176,250	175,779	471
Capital expenditures	13,000	13,000	943	12,057
Total expenditures	816,287	816,287	722,188	94,099
Excess of Revenues over (under) Expenditures	26,964	26,964	142,969	116,005
Available resources, January 1	166,860	166,860	193,030	26,170
Available resources, December 31	$ 193,824	$ 193,824	$ 335,999	$ 142,175

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Sewer Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Sewer services	$ 899,779	$ 899,779	$ 920,250	$ 20,471
Investment fees	39,375	39,375	45,000	5,625
Interest	12,492	12,492	34,002	21,510
Total revenues	951,646	951,646	1,000,806	49,160
Expenditures				
Salaries and wages	448,796	448,796	405,776	43,020
Taxes and benefits	152,635	152,635	119,512	33,123
Overhead	133,580	133,580	160,977	(27,397)
Operating maintenance	207,050	207,050	214,333	(7,283)
Capital expenditures	9,500	9,500	2,393	7,107
Total expenditures	951,561	951,561	902,991	48,570
Excess of Revenues over (under) Expenditures	85	85	97,815	97,730
Available resources, January 1	1,128,103	1,128,103	1,036,878	(91,225)
Available resources, December 31	$ 1,128,188	$ 1,128,188	$ 1,134,693	$ 6,505

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, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Water Fund				
Charges for services	$ 576,565	$ 576,565	$ 592,267	$ 15,702
SRF Loan and grant	-	-	3,126,896	3,126,896
EIAF Grant	1,200,000	1,200,000	-	(1,200,000)
Interest Income	3,060,000	3,060,000	106	(3,059,894)
Sewer Fund				
Charges for services	1,081,968	1,081,968	1,136,829	54,861
SRF Loan	-	-	3,109,140	3,109,140
Total revenues	5,918,533	5,918,533	7,965,238	2,046,705
Expenditures				
Capital expenditures/Transfers	5,025,000	5,025,000	1,281,276	3,743,724
Debt service payments	1,299,666	1,299,666	1,299,664	2
Total expenditures	6,324,666	6,324,666	2,580,940	3,743,726
Excess of Revenues over (under) Expenditures	(406,133)	(406,133)	5,384,298	5,790,431
Available resources, January 1	3,827,590	3,827,590	(2,342,503)	(6,170,093)
Principal payments on loans	-	-	555,042	555,042
Accruals	-	-	(1,796,869)	(1,796,869)
Available resources, December 31	$ 3,421,457	$ 3,421,457	$ 1,799,968	$ (1,621,489)

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Refuse Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Refuse collection service	$ 274,901	$ 274,901	$ 292,117	$ 17,216
Recycling	72,458	72,458	57,072	(15,386)
Interest income	-	-	3,139	3,139
Total revenues	347,359	347,359	352,328	4,969
Expenditures				
Contract hauling	350,167	350,167	319,522	30,645
Total expenditures	350,167	350,167	319,522	30,645
Excess of revenues over (under) expenditures	(2,808)	(2,808)	32,806	35,614
Other Financing Sources (Uses)				
Transfers out	(15,766)	(15,766)	(16,865)	(1,099)
Net change to fund balance	(18,574)	(18,574)	15,941	34,515
Available funds, January 1	57,513	57,513	64,312	6,799
Available funds, December 31	$ 38,939	$ 38,939	$ 80,253	$ 41,314

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Parks Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Swimming pool	$ 3,619,748	$ 3,619,748	$ 3,439,330	$ (180,418)
Box Cañon	552,000	552,000	720,273	168,273
Ice rink	16,000	16,000	15,750	(250)
Gym	48,000	48,000	49,279	1,279
Grants and contributions	710,000	710,000	-	(710,000)
Total revenues	4,945,748	4,945,748	4,224,632	(721,116)
Expenditures				
Salaries and wages	1,692,209	1,692,209	1,543,996	(148,213)
Taxes and benefits	444,462	444,462	392,730	(51,732)
Overhead	453,931	453,931	467,366	13,435
Operating maintenance	402,073	402,073	447,432	45,359
Capital expenditures	2,006,000	2,006,000	598,622	(1,407,378)
Debt Service	508,924	508,924	509,524	600
Total expenditures	5,507,599	5,507,599	3,959,670	1,547,929
Excess of Revenues over (under) expenditures	(561,851)	(561,851)	264,962	826,813
Available resources, January 1	933,771	933,771	1,429,921	496,150
Available resources, December 31	$ 371,920	$ 371,920	$ 1,694,883	$ 1,322,963

COLORADO
Department of Transportation

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6. Remember to click "Save" to save any changes.

Annual Highway Finance Report - CY25

Email address: krhoades@cityofouray.com
City/County: Ouray

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources		
2. General Fund Appropriations:	$	726,477.00
3. Other local imposts: *from A.3. 'Total' below)*	$	109,900.00
4. Miscellaneous local receipts: *from A.4. 'Total' below)*	$	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
d. Total:	$	0.00
7. Total:	$	836,377.00
B. Private Contributions	$	0.00
C. Receipts from State government	$	73,876.00
D. Receipts from Federal government	$	0.00
E. Total Receipts (A.7 + B + C + D)	$	910,253.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3.¦ Other local imposts

a. Property Taxes &and Assessments	$	0.00
a. Non-property Taxes and Assessments Imposts	$	109,900.00
Total: *(a + b) carried to 'Other local imposts' above)*	$	109,900.00

A.4.¦ Miscellaneous local receipts

a. Interest on Investments:	$	0.00
b. Other Misc. Local Receipts:	$	0.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$	0.00

C. Receipts from State Government

1. Highway User Taxes:	$	69,131.00
3. Other State funds:		
c. Non-State Bond Proceeds:	$	4,745.00
Total: *(1+3c,d,e)*	$	73,876.00

D. Receipts from Federal Government

1. FHWA	$	0.00
2. Other Federal Agencies	$	0.00
Total: *(2a-f)*	$	0.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: *(from A.1.d. 'Total Capital Outlay' below)*	$	47,179.00
2. Maintenance:	$	314,660.00
3. Road and street services		
a.¦Snow and ice removal:	$	72,569.00

b. Other & Traffic Control Operations:	$ 42,035.00
c. Total (a + b):	$ 114,604.00
4. General administration and miscellaneous	$ 2,877.00
5. Highway law enforcement and safety	$ 430,933.00
6. Total (A.1-5):	$ 910,253.00

B. Debt service on local obligations

1.¦ Bonds	
a.¦Interest	$ 0.00
b.¦Redemption	$ 0.00
c. Total (a + b):	$ 0.00
2.¦ Notes	
a.¦Interest	$ 0.00
b.¦Redemption	$ 0.00
c. Total (a + b):	$ 0.00
Total: *(1+2)*	$ 0.00
C. Payments to State for Highways:	$ 0.00 The answer you gave was not a correct number
D. Payments to Toll Facilities:	$ 0.00
E. Total Expenditures: *(A6+B3+C+D)*	$ 910,253.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes - (Detail)

A.1. Capital Outlay

a. Right-of-way Costs:	$ 0.00
b. Engineering Costs:	$ 0.00
c. Construction Costs:	$ 47,179.00
d. Total: *(a+b+c)*	$ 47,179.00

Receipts, Disbursements & Costs

IV. Local Highway Debt Status

	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

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
$ 0.00	$ 910,253.00	$ 910,253.00	$ 0.00	$ 0.00

Notes and Comments:

undefined

Please enter your name: Kara Rhoades

Please provide a telephone number where you may be reached: 9703257066

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Contact: Molly McCabe | Email: Molly.Mccabe@state.co.us | Phone: 303.757.9585