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**Ouray County, Colorado  
Financial Statements and  
Independent Auditor's Report  
as of  
December 31, 2015**

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Ouray County

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Ouray County, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ouray County, Colorado, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ouray County, Colorado, as of December 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-14 and 40-44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ouray County, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, Schedule of revenues, expenditures and changes in fund balances and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Blair and Associates, P.C.*

Cedaredge, Colorado  
June 30, 2016

**OURAY COUNTY**  
Management's Discussion and Analysis  
Fiscal Year Ended December 31, 2015

As management of Ouray County (the "County"), we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

**FINANCIAL HIGHLIGHTS**

- The County's assets exceeded its liabilities by \$9,300,605 (i.e. net assets) as of December 31, 2015, an increase of \$440,814 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of \$3,698,532, decrease of \$26,656 in comparison with the prior year.
- The County's fund balance for the General Fund was \$1,082,168, increase of \$77,734 in comparison to the prior year.
- Total long-term liabilities decreased by \$104,316 during the 2015 fiscal year, with new debt issued of \$36,936.
- General property tax, sales tax, and other tax totaled \$3,521,087, or 59% of general revenues.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County'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 County's finances in a manner similar to a private-sector business.

The **statement of net position** presents information on all the County's assets, liabilities and deferred inflows of resources with the difference between the two being reported as net position. Over time, the increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The **statement of activities** presents information showing how the County'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 County that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*). The Governmental Activities of the County include general government, judicial, public safety, health and welfare, public works, and recreation and culture.

### ***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 County's funds can be divided into two categories: Governmental 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 County maintains four major government funds, the General, Road and Bridge, Public Health and the Social Services Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for those funds.

**Fiduciary Funds**-The County maintains one type of fiduciary fund, the County Treasurer's Agency 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 County's financial position. For the year ended December 31, 2015, the County's combined assets exceeded liabilities and deferred inflows of resources by \$9,300,605. Of this amount, \$3,321,654 is unrestricted and available to meet the County's ongoing financial obligations.

By far the largest portion of net position is the investment in capital assets (net of related debt) of \$5,804,070 (62% of net assets). 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 County's governmental activities net position for 2015 and 2014:

	Governmental Activities	
	2015	2014
<b>Assets</b>		
Current and other assets	\$ 6,043,144	\$ 6,133,213
Capital assets	6,098,567	5,774,805
<b>Total assets</b>	<u>\$ 12,141,711</u>	<u>\$ 11,908,018</u>
<b>Current Liabilities</b>	\$ 289,925	\$ 363,465
<b>Non-current liabilities</b>		
Compensated absences	201,997	241,390
Loans payable	294,497	398,813
<b>Total liabilities</b>	<u>786,419</u>	<u>1,003,668</u>
<b>Deferred inflows of resources</b>		
Deferred property tax revenue	<u>2,054,687</u>	<u>2,044,560</u>
<b>Net Position</b>		
Investment in capital assets, net of related debt	5,804,070	5,375,992
Restricted	174,881	174,881
Unrestricted	3,321,654	3,308,917
<b>Total net position</b>	<u>\$ 9,300,605</u>	<u>\$ 8,859,790</u>

An additional portion of net assets, \$174,881, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$3,321,654 (36% of net assets), may be used to meet the government's ongoing obligations to citizens and creditors.

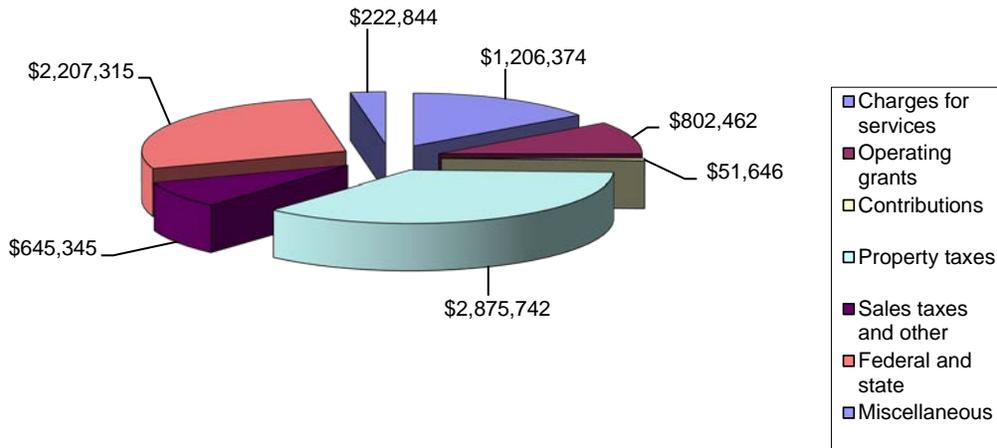
## Change in Net Position

Governmental activities increase the County's net position by \$503,154 in 2015.

	Governmental Activities	
	2015	2014
<b>Revenues</b>		
<b>Program revenues</b>		
Charges for services	\$ 1,206,374	\$ 1,576,265
Operating grants	802,462	761,082
	51,646	
<b>General Revenues</b>		
Property taxes	2,875,742	2,788,317
Sales taxes and other	645,345	585,045
Federal and state	2,207,315	2,370,243
Miscellaneous	222,844	371,979
<b>Totals</b>	<b>8,011,728</b>	<b>8,452,931</b>
<b>Expenses</b>		
General Government	2,236,284	2,551,272
Judicial	191,214	177,329
Public safety	1,276,832	1,185,967
Health and welfare	1,604,551	1,608,585
Recreation and culture	232,878	198,774
Public works	2,029,155	1,873,148
<b>Total Expenses</b>	<b>7,570,914</b>	<b>7,595,075</b>
<b>Increase in net position</b>	<b>440,814</b>	<b>857,856</b>
<b>Beginning</b>	<b>8,859,791</b>	<b>8,001,934</b>
<b>Ending</b>	<b>\$ 9,300,605</b>	<b>\$ 8,859,790</b>

## Governmental Activities

Revenues by Source-Governmental Activities



Expenses by Department-Governmental Activities



**FINANCIAL ANALYSIS OF GOVERNMENT’S FUNDS**

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

As of the end of 2015, the County’s governmental funds reported combined ending fund balances of \$3,698,532, decrease of \$26,656 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 29% of this total amount, \$1,082,168, constitutes unassigned fund balance, which is available for appropriation at the County’s discretion. The remainder of the fund balances are reserved for State constitution mandated emergency reserve, trust funds and inventory or committed for other purposes.

The County has five major governmental funds, the General, Road and Bridge, Social Services, Public Health and Emergency Medical Services Funds. At the end of 2015, unassigned fund balance of the General Fund was \$1,082,168. As a measure of the General Fund’s liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The fund balance of the County’s General Fund increased by \$77,734 during 2015.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The County budgeted \$3,698,586 for 2015 expenditures. Actual expenditures were \$3,686,045.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

The County’s investment in capital assets for its governmental activities as of December 31, 2015, was \$5,804,070. As required for this year by GASB 34, the investment in capital assets includes land, buildings, building improvements, equipment and furniture and infrastructure assets.

**Long-term Debt**

As of December 31, 2015, the County had long-term debt as follows:

	Balance			Balance	Due Within
Governmental Activities	1/1/2015	Additions	Reductions	12/31/2015	One Year
Capital leases					
Boiler	\$ 104,627	-	\$ (19,125)	\$ 85,502	\$ 19,985
Various heavy equipment	62,195	-	(62,195)	-	-
2012 Chevy Tahoe	12,714	-	(6,209)	6,505	6,505
2013 Chevy Tahoe	18,864	-	(6,024)	12,840	6,288
2014 Chevy Tahoe	23,546	-	(5,281)	18,265	5,788
2014 Chevy Tahoe	28,138	-	(6,726)	21,412	6,785
2014 Motor grader	148,729	-	(35,692)	113,037	36,656
John Deere Tractor	-	36,936	-	36,936	8,597
<b>Total</b>	<b>\$ 398,813</b>	<b>\$ 36,936</b>	<b>\$ (141,252)</b>	<b>\$ 294,497</b>	<b>\$ 90,604</b>

## ECONOMIC FACTORS AND FUTURE YEAR'S BUDGET

### *Service Levels:*

Budget years 2009 through 2016 were challenging years for local governments due to the economy and the recession.

The budgets for these economically challenged years were developed using a conservative approach. Necessary adjustments were made to departmental operating budgets to create departmental efficiencies. These efficiencies have allowed the County to maintain high quality service levels, while increasing resiliency to help mitigate impacts to service levels during times where property tax or other revenues are significantly reduced. Ouray County continues to look for ways to create efficiencies within county government while still providing outstanding public services.

Due to the property tax revenue declines experienced over the past few years, Ouray County, commencing in January 2014, implemented a reduced work week with most County departments reducing their work weeks from 40 hours per week to 36 hours per week (Monday through Thursday). The work week reduction was also accompanied by a 10% reduction in employee compensation for full-time employees. County elected officials, appointed officials, managers and staff in most departments have been able to provide quality public services and efficient operations under a reduced work week strategy (Monday through Thursday). This same practice was maintained for 2015 with the exception of the Department of Social Services and Road and Bridge. In 2016, Ouray County personnel work weeks and hours of operation were established follows.

- The budget, in 2016, is a trial and attempts to return most employees to a full-time 40 hour/week work level. It relies on appropriation of sales taxes and excise taxes which are based on certain assumptions that may or may not prove to be sustainable or true for years beyond 2016. Thus, this budget allows for some departments to remain open to the public 4 days a week vs. 5. Some departments were already on 4-day week schedules prior to the recession.
- The Social Services Department personnel will continue to work a forty (40) hour work week, Monday through Friday, from 8:00 to 5:00, except for holidays that may occur within a work week. These hours did not change during the recession.
- The Road and Bridge Department personnel will continue to work a forty (40) hour work week, Monday through Thursday, from 6:30 to 4:30, except for holidays that may occur within a work week. These hours are identical to the pre-recession schedule. Road and Bridge crewmembers are on-call for plowing and emergencies 24 hours a day, 7 days a week.
- The Emergency Medical Services Department personnel will return to a forty (40) hour work week for all County personnel. These hours are identical to pre-recession.
- The Public Health Department personnel will continue to be open 4-days per week, Monday through Thursday, from 8:00 to 4:30, except for holidays that may occur within a work week. These hours are identical to pre-recession hours.
- The General Fund Department personnel will be working weekly schedules varying between thirty six (36) and forty (40) hours per week, Monday through Thursday, except for holidays that may occur within a work week. Operating hours for the County Courthouse and Land Use Facility are 8:00 to 4:30. Public hours for the offices of the Assessor, Clerk and Recorder, and Treasurer/Public Trustee all located within the County Courthouse or Courthouse annex are 9:00 to 4:00.
- While some offices have had reduced hours where they are open to the public, the county services have become more accessible to the public in other ways.
  - The county web site provides increased access to county records and data, which intentionally came online or was enhanced during the recession. This includes the County Clerk and Recorder recorded documents database and e-recording services; County Assessor parcel and valuation data; and county financial data. Treasurer's data and services may become available online in 2016.
  - The 2016 Meeting Calendar includes a number of evening meetings for the Board of County Commissioners, which incorporates the presence and participation of county staff.

### **Human Resources:**

Employee development is an ongoing, important element, as is attracting and retaining quality staff. A major accomplishment that commenced in 2004 was the development and implementation of Employee Performance Evaluations. A bonus merit award, not to exceed 1%, was provided to employees each year from 2005 to 2015 as a result of performance evaluations.

This practice is being continued for the 2016 budget year. This is a one-time bonus that does not increase an employee's pay in the future.

Position Replacements:

Through adoption of Resolution 2010-048, the Board will be continuing its practice of evaluating vacated positions for 2016 and annually thereafter that may arise as a result of resignation or termination in order to determine if the position is an essential position to the organization that should be replaced. The Board began this practice in 2008 by and through Resolution 2008-055. The Board believes that it is a good fiscal and organizational policy to evaluate positions as they are vacated to examine such factors as funding, departmental work levels, mandated responsibilities, and health, safety and welfare impacts to determine if a position is an essential position to the organization and to consider opportunities for organizational efficiencies and effectiveness. This practice has resulted in creative partnerships and sharing of resources between county departments and between Ouray County and other counties and public or private entities to allow Ouray County to provide high quality public services with limited resources, and remain flexible and nimble.

Employee Health Insurance Overview:

It is an organizational goal to minimize budgetary increases to the County for health insurance costs, while at the same time avoiding exorbitant employee contributions. Ouray County has solicited requests for proposals several times over the past fourteen years. In 2009, Ouray County solicited a request for proposal (RFP) for employee health insurance benefits for the 2010 budget year. After analysis and meeting with a Personnel/Employee Benefits Committee, the Board of County Commissioners authorized award to County Technical Services, Inc. (CTSI) for the provision of employee health insurance.

Note: The 2014 and 2015 premium increases were due in part to the changes created by the Health Care Reform Act and claims history of the overall County Health Pool. For the 2014, 2015 and 2016 budget years, the Board of County Commissioners elected to participate in a plan that offers employees the opportunity to select a health care insurance plan that is covered by the County, or to buy up to a plan with lesser out-of-pocket and deductible amounts as a payroll deduction. It is a standing goal to offer preventative medical options and education to all employees in order to decrease risk and premium costs in the future.

Classification and Compensation Study:

In an effort to ensure that wages were within a market range comparable to other County Government positions and other professional positions within the region, Ouray County appropriated funding in 2015 to participate in a Classification and Compensation Study with San Miguel County. A contract was entered into with Evergreen Solutions, LLC. The purpose of the study was to analyze the County's compensation structure and classification system compared to the market and to make recommendations to improve the county's competitiveness in regards to its ability to recruit and retain a diverse and qualified workforce. This involved reviewing and analyzing the internal and external equity of the County's current classification and compensation structure and making recommendations in response to the findings. A component of the study was to review and modify job descriptions as needed to ensure FLSA compliance and format consistency. The study was completed in the fall of 2015.

The 2016 Budget reflects the recommendations suggested by Evergreen. Revisions were made to titles as needed; the Salary Matrix was adjusted to reflect the current market differential and provide a uniformed range spread for all pay grades; adjustments were made to positions as needed to bring them into the minimum compensation within a grade; and a standardized methodology was provided for progressing employee compensation annually.

Cost of Living Adjustments (COLA's) History:

In 2016, the County implemented its Classification and Compensation recommendations as a result of the 2015 Study. Any adjustments to compensation for employees reflected up-to-date position market information.

The County was unable to provide a cost of living adjustment (COLA) to its employees for budget years' 2010 through 2014 due to the nationwide economic downturn. However, after fully examining the County's budget during the 2015 budget process, the County was able to provide its employees a 5.5% Cost of Living Adjustment (COLA) in 2015 under a reduced workweek umbrella.

Property valuations have declined dramatically from budget year 2011 as illustrated in the Property Valuation Summary above. The decline of property valuations has caused significant reductions in property tax revenue for Ouray County. Property valuations have increased slightly for budget years 2015 and 2016, but not enough to support the costs of service.

**Ouray County Mill Levies:**

**2015 Mill Levies:**

County General Fund:	9.074
Road and Bridge Fund:	1.500
Social Services Fund:	.552
EMS Fund:	<u>2.000</u>
<b>Subtotal:</b>	<b>13.126</b>
Recovery of Taxes Abated:	<u>.021</u>
<b>Total 2015 Mill Levy:</b>	<b><u>13.147</u></b>

**2016 Mill Levies:**

County General Fund:	9.074
Road and Bridge Fund:	1.500
Social Services Fund:	.552
EMS Fund:	<u>2.000</u>
<b>Subtotal:</b>	<b>13.126</b>
Recovery of Taxes Abated:	<u>.029</u>
<b>Total 2016 Mill Levy:</b>	<b><u>13.154</u></b>

**Capital and Operating Reserves:**

Allocated reserves have been established by the Board of County Commissioners to reflect three months emergency operating reserves pursuant to Resolution 2007-076, for the General Fund, Road and Bridge Fund, and EMS Fund. Additional reserves have been established as well for these funds reflecting dedicated reserves, and dollars allocated towards future capital projects and purchases. Allocation of capital reserves has been an on-going priority for the Board.

**Revenue Estimates:**

Revenue estimates are conservative and are based on the following:

1. Estimated 2016 revenue for the entire Ouray County Budget, inclusive of all funds, was 10.7% higher than 2015 budgeted revenues. This increase is due primarily to the addition of the voter approved 5% Marijuana Excise Tax and grant revenues.
2. Property tax revenue estimates are based on the current assessed valuation provided by the County Assessor and multiplied by the current mill levies to arrive at the property tax revenue for all funds in 2016. Property tax revenue for 2016 reflected a .44% increase for a total of \$9,020 for all funds supported by a mill levy.
3. Other budgeted revenues for 2016 are based in part on projected 2015 revenues.
4. Estimated 2016 revenue from sales tax collections reflects a 12% increase over the 2015 budgeted amount.
5. Estimated severance tax revenue budgeted for 2016 remains at the same level as budgeted in 2015 due to the reduction of mining employees at a local mine in the fall of 2015.
6. Estimated revenue from a new funding source (MJ Excise Tax) has been included in the 2016 Budget. Estimated, appropriated revenue, to be received was budgeted at \$350,000. This estimate was calculated on the basis that approved marijuana cultivation facilities would be operational at some point during the 2016 budget year. However, revenue collections have not occurred as anticipated. This coupled with other unforeseen impacts to marijuana cultivation operations has created setbacks to the industry and to revenue generation as estimated. Approximately 4% of estimated revenues have been received through June, 2016.
7. Estimated 2016 Road and Bridge Fund revenue includes grant funding carried over from the 2015 Budget for the County Road 361 Repairs and Safety Improvements project in the amount of \$530,500.82. If this project revenue were removed from the Road and Bridge Fund budget, the total revenue budget for 2016 would be reduced by 20% to \$2,172,684.05.
8. A close watch will be kept on State and Federal revenue sources most especially Payments-in-Lieu-of-Taxes (PILT) with regard to future funding availability. PILT revenue received in 2016 was approximately 4% higher than 2015.

### **Expenditure Estimates:**

Estimated 2016 expenditures for the entire Ouray County Budget, inclusive of all funds, is 8.7% higher than 2015 budgeted expenditures and reflects the implementation of the classification and compensation study and grant-funded expenses.

The 2016 Road and Bridge Fund expenditure budget includes grant-funded expense carried over from the 2015 Budget for completion of the County Road 361 Repairs and Improvements project in the amount of \$415,438. If this project expense were removed from the Road and Bridge Fund budget, the total Road and Bridge expenditure budget for 2016 would be reduced by 16% to \$2,116,566.53.

### **2016 Capital Expenditures (Purchases and Improvements):**

The 2016 Lease Purchase Schedule consists of annual lease purchase payments for Sheriff's department vehicles, Fairgrounds Tractor, Courthouse Boiler, Road and Bridge department heavy equipment, and software upgrades for the County Treasurer.

Other grant-funded capital projects and purchases include:

#### **General Fund:**

1. Courthouse Restoration and new Construction Planning project. This project will be funded by and through an Underfunded Courthouse Commission Grant and will include revisions to existing architectural drawings and construction costs for remaining restoration and new construction work.
2. Conceptual Plan of County-owned, 37-acre property located in Ridgway / EMS Facility Plans and Construction Costs. This project will be funded by a DOLA Planning Grant and County cash match.
3. FEMA Pre-Disaster Mitigation Project. This project is funded by the Department of Natural Resources, Wildfire Risk Reduction Grant with Ouray County providing the fiscal grant management and the West Region Wildfire Council maintaining the reporting documentation.
4. Water Study Grant: This project is funded by two grants, one from the Colorado River Water Conservation Board and another from the Gunnison Basin Roundtable. The project will focus on the development of an engineered study to assess water needs of existing and future agricultural water users, domestic water supplies, recreational and environmental water uses as well as options for stabilizing and augmenting existing and future water uses.

#### **Road and Bridge Fund:**

1. Capital improvements and repair work for completion of Phase I, County Road 361. This project is funded by Colorado Parks and Wildlife, Off Highway Vehicle grant dollars; Colorado Department of Local Affairs, Energy and Mineral Impact Assistance grant dollars; an aggregate contribution by Ouray Silver Mines, Highway 361 Fund dollars and County in-kind and cash contributions. The project included repairs and safety improvements to County Road 361 to address safety, drainage, shoring and site distance issues identified by Ouray County Engineers through a 50/50 administrative planning grant from the Colorado Department of Local Affairs.

#### **Emergency Medical Services Fund:**

1. Two Power Cots for Ambulances. This capital purchase is funded by an Emergency Medical Service Provider grant at 50% of the cost.

### **Other Revenue Sources for the Road and Bridge Department:**

#### **Road and Bridge Impact Fees Fund:**

Beginning in 2003, a Road and Bridge Impact Fees Fund was established for the deposit of impact fees collected at the building permit stage. The creation of this fund enabled the segregation of these dollars to be used specifically for capital facilities to serve new development. Such capital facilities expenditures include capital equipment lease purchase payments and capital road improvements. In 2016, \$60,000 will be transferred from this fund to the Road and Bridge Fund to be used for County Road capital equipment lease purchase payments.

### Road and Bridge Sales Tax Fund:

The demands of road improvements and maintenance continue to far exceed the resources of the County with the current available funds. Passage of the 1% sales tax for Road and Bridge has allowed the Road and Bridge Department to alleviate some of its resource shortfalls in order to crush more aggregate, apply more magnesium chloride and assist with capital purchases and leases. However, the reduction in property tax revenue experienced commencing in 2012 through the present, has been counterintuitive to the gain in sales tax, as the sales tax dollars have simply backfilled the loss of revenue from property tax during this economic downturn period. This coupled by increases in operating costs (i.e. materials, repairs, parts, etc.) has impeded the progression of departmental road improvements.

### Road and Bridge Audit:

In November of 2014, Ouray County solicited a Request for Proposal inviting consultants to submit sealed proposals for the development of a comprehensive Road and Bridge audit. The purpose of the audit was to evaluate the effectiveness of current road and bridge activities, identify current and future road and bridge needs and to propose recommended improvements and solution-based planning for the County Road and Bridge Department. A Scope of Work was developed for the audit and broken out into seven elements as follows: organizational and management structure, departmental administration, department inventory of roads, equipment and facilities, community relations and customer service, best management practices, other audit discoveries, and recommendations. Ouray County engaged the services of an engineering firm (SGM) and a complete audit was undertaken along with a citizen survey with a final report delivered and presented to the County in August of 2015.

The results of the audit identified three Core Strategies as follows: 1) to optimize the current road and bridge systems, 2) to be proactive rather than reactive, and 3) to re-build the Road and Bridge Foundation. Referencing these three core strategies, Ouray County contracted with a consultant to begin implementation of the audit recommendations and to work with the Road Superintendent two full days per week commencing in December 2015. The consultant was charged with creating and formalizing several plans including: 1) a communication plan, 2) capital improvement plans for equipment, and facilities, 3) a recommendation for departmental staffing, and 4) to address road and bridge operations with regard to winter and non-winter maintenance plans, to ensure that adequate and necessary mechanic operational tools are purchased, and to optimize the utilization of the existing Public Works software program. Deliverables from the consultant are due by June 15, 2016.

Many recommendations have been implemented as a result of the audit to include appropriating and procuring certain road and bridge equipment, hiring an Asst. Road Superintendent, developing an equipment and vehicles capital improvement plan, and identifying capital facilities that are needed.

### **EMS Fund Capital: (800-295)**

The EMS Fund Capital Purchases and Improvements for Budget year 2016 consist of the purchase of two (2) Power Cots for the ambulances funded through a 50/50 Emergency Medical Service Provider grant in the amount of \$35,975.80.

### **Social Services Fund (050):**

The Social Services Budget has increased slightly for 2016. Due to economic conditions, the department has seen increased human services needs over the past few years. The department continues to provide much-needed services to the community and citizens of Ouray County and has been served well by its Director and staff.

### **Special Grant Fund (690):**

The Special Grant Fund will be utilized for budget year 2016 to house special project grants such as the: 1) Courthouse Restoration and new Construction Planning project, 2) Conceptual Plan of County-owned, 37-acre property located in Ridgway / EMS Facility Plans and Construction Costs, 3) FEMA Pre-disaster Mitigation project, and 4) Water Study Grant project.

### **Highway 361 Fund (760) (aka CR 361):**

On May 24, 1984, the County entered into a contract with the State of Colorado for the use and benefit of the State Highway Commission and the State Department of Highways concerning State Highway 361 (SH 361). The State Highway Commission approved the abandonment of SH 361 and the transfer of all future financial and maintenance responsibilities associated with SH 361, and Ouray County agreed to accept SH 361 onto their County Road system for the consideration of \$250,000.

Of this amount, \$50,000 was paid to the County R & B Fund to be used for immediate repairs to SH 361. A second \$50,000 was paid to the County R & B Fund for the purchase of road maintenance equipment to be used on SH 361 and other roads and bridges in the County. The remaining \$150,000 was paid to the Ouray County R & B Trust for a period of 21 years. The Trust was dissolved in June of 2005 and the remaining dollars were placed in a newly designated County fund entitled the Highway 361 Fund (fund number 760). There is approximately \$89,029.89 currently in the Highway 361 Fund. There are no expenditures planned out of the Highway 361 Fund for the 2016 budget year.

**Road and Bridge Sales Tax Fund (870):**

An estimated \$644,767 has been appropriated in the 2016 Road and Bridge Sales Tax Fund to be collected in 2016. Funding has and will be transferred from the Road and Bridge Sales Tax Fund into the Road and Bridge Fund (Fund 040) annually, as appropriated by the Board of County Commissioners. In the 2016 budget, \$688,000 has been appropriated by the Board of County Commissioners as a “transfer-out” to the Road and Bridge Fund to help offset the cost of providing services including personnel, funding capital purchases and leases, crushing aggregate, and improving road surfaces. This transfer amount may include the use of some Road and Bridge Sales Tax fund balance.

**Public Health Fund (890):**

Approximately 32% of the revenue supporting the Public Health Fund is transferred from the General Fund to the Public Health Fund. The amount of transfer from the General Fund to the Public Health Fund has been reduced by 26% for the 2016 budget year primarily due to successful grant awards received by the Public Health Agency to offset program costs and to provide additional monies for new public health services. The Public Health Department provides an essential service to the community and citizens of Ouray County.

**MJ Excise Tax Fund (955):**

A new Fund has been created entitled “MJ Excise Tax Fund” to deposit marijuana excise tax revenues collected as a result of a voter-approved ballot question on November 3, 2015. Beginning January 1, 2016, a 5% Marijuana Excise Tax will be imposed based upon the average market rate, as determined by the Colorado Department of Revenue, on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility located within Ouray County. Such revenue will be used as determined by the Board of County Commissioners to fund Public Health and Safety, County Facilities and other General Purposes of the County including not less than 20% of the revenues generated and collected annually from the excise tax be utilized for Ouray County Road and Bridge. There is estimated revenue of \$350,000 appropriated in the MJ Excise Tax fund for the 2016 budget year. Of this amount, an estimated \$273,500 was appropriated to be transferred to the funds listed below (based on revenue collections) as follows:

General Fund:	\$185,000
Road and Bridge Fund:	\$ 70,000
EMS Fund:	\$ 10,000
Emergency Mgt. Fund:	\$ 8,500
	<u>\$273,500</u>

Note: Should the marijuana excise tax revenue collected exceed the \$350,000 appropriated budget amount, 20% of the additional dollars collected would be transferred to the Road and Bridge Fund as stipulated in the ballot question.

**Summary Conclusion:**

The Board of County Commissioners and County Staff have made it a practice in the past and will continue to do so into the future to seek efficiencies and improvements to County government in order to maintain mandated and essential county services. As always, the Board of County Commissioners continues to seek input from Elected Officials, Appointed Officials, Department Heads, Staff and the general public concerning County operations and services. Some examples of improved operations, services and efficiencies are listed below:

- Reorganization of Information Technology Department based upon an I.T. audit;
- Implementation of solicitations from Requests for Proposals for internet and telephone services that cut the expenditures in half and created efficiencies and budget reductions;

- Worked with an Energy Service Company (ESCO) to develop and implement a replacement heating system for the 1888 Courthouse;
  - A new energy efficient boiler was installed that operates using natural gas. This boiler was also installed to operate using geothermal energy when it may become available. The new boiler provides even heat throughout the courthouse and operates more efficiently generating annual cost savings.
- Inserted removal storm windows in offices located on the north side of the courthouse facility to improve insulation and reduce heat loss, thus producing cost savings;
- Successfully completed \$1.6 million dollars of grant funded projects in 2014 for: 1) Fairgrounds Grandstands, 2) Ouray County 4-H Event Center Roofing, HVAC and Energy Efficiency improvements, and 3) Waste Tire Mitigation project;
  - HVAC, insulation and roofing upgrades at the Ouray County 4-H Event Center have improved the comfort level of occupants, provided energy efficiencies and protected facility infrastructure.
  - Construction of new Fairgrounds Grandstands have provided many improved efficiencies both from a risk management perspective and visual appeal while preserving and maintaining the County's heritage of equestrian and rodeo events.
- Received a \$600,000 Department of Local Affairs (DOLA) grant for Phase I of a County Road 361 project to repair and make safety improvements to County Road 361, which commenced in 2015 and will be completed in 2016;
- Prepared a Request for Proposal and entered into a contract with Management of America to prepare annual cost allocation plans to reflect the actual cost of doing business.
- Entered into a contract for the preparation of a Road and Bridge Audit;
  - The Audit Report was provided and presented to the Road Committee, Board of County Commissioners and County Staff. Implementation of the audit findings are underway by and through engagement of a consultant to work with the Road Superintendent two full days per week commencing in December 2015, with deliverables due by June 15, 2016.
- Participated in a Classification and Compensation Study in partnership with San Miguel County;
  - The study is complete, has been implemented and funding appropriated accordingly into the 2016 Budget.
- Solicited Requests for Proposals for the Courthouse Restoration;
  - The project commenced in January, 2016. This project is fully funded by an Underfunded Courthouse Commission Grant in the amount of \$75,000.
- Solicited Requests for Proposals for the purpose of developing a Conceptual Plan of County-owned property located in Ridgway and for the development of EMS facility drawings and construction costs;
  - This project is funded by a Department of Local Affairs Administrative Planning Grant, commenced in 2016 and will be finished in 2016.
- Implemented a Single-Point-of-Entry at the Ouray County Courthouse funded by Courthouse Security funding; and
- Received a \$50,000 in grant funding for a Water Study that is currently underway and will be completed in 2016.

*Connie S. Hunt*  
County Administrator

**OURAY COUNTY, COLORADO**  
**STATEMENT OF NET POSITION**  
**December 31, 2015**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,534,161
Restricted cash	123,235
Property taxes receivable	2,054,687
Accrued interest receivable	275
Accounts receivable	142,227
Due from other governmental units	147,379
Inventories	41,180
Capital assets, net	<u>6,098,567</u>
<b>Total assets</b>	<b><u>12,141,711</u></b>
<b>LIABILITIES</b>	
Accounts payable	279,035
Due to other governmental units	10,890
Long-term liabilities	
Due more than one year:	
Leases payable	294,497
Compensated absences	<u>201,997</u>
<b>Total liabilities</b>	<b><u>786,419</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property taxes	<u>2,054,687</u>
<b>NET POSITION</b>	
Invested in capital assets	5,804,070
Restricted for:	
Emergencies	174,881
Unrestricted	<u>3,321,654</u>
<b>Total net position</b>	<b><u>\$ 9,300,605</u></b>

See accompanying notes to the basic financial statements

**OURAY COUNTY, COLORADO**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2015

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Service and Fees</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 2,236,284	\$ 740,074	\$ -	\$ -	\$ (1,496,210)
Judicial	191,214	-	-	-	(191,214)
Public Safety	1,276,832	203,207	-	-	(1,073,625)
Health and welfare	1,604,551	-	-	-	(1,604,551)
Recreation and culture	232,878	44,294	23,448	51,646	(113,490)
Public Works	2,029,155	218,799	779,014	-	(1,031,342)
<b>Total governmental activities</b>	<u>\$ 7,570,914</u>	<u>\$ 1,206,374</u>	<u>\$ 802,462</u>	<u>\$ 51,646</u>	<u>(5,510,432)</u>
<b>General Revenues</b>					
Taxes:					
Property taxes				2,875,742	
Sales taxes and miscellaneous				645,345	
Federal and state				2,207,315	
Miscellaneous				222,844	
<b>Total General Revenues</b>				<u>5,951,246</u>	
<b>Changes in Net Position</b>					440,814
<b>Net Position-January 1</b>					8,859,791
<b>Net Position-December 31</b>					<u>\$ 9,300,605</u>

See accompanying notes to the basic financial statements

**OURAY COUNTY, COLORADO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2015**

	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Social Services Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,006,586	\$ 646,808	\$ 269,182
Restricted cash	120,665	-	2,570
Property taxes receivable	1,420,505	234,772	86,380
Accrued interest receivable	275	-	-
Accounts receivable	-	-	91,251
Due from other governmental	33,241	57,592	23,305
Due from other funds	4,210	-	-
Inventories	-	41,180	-
<b>Total assets</b>	<u>\$ 2,585,482</u>	<u>\$ 980,352</u>	<u>\$ 472,688</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 82,809	\$ 70,781	\$ 95,058
Due to other funds	-	4,210	-
Due to other governmental units	-	-	10,890
<b>Total liabilities</b>	<u>82,809</u>	<u>74,991</u>	<u>105,948</u>
<b>Deferred inflow of resources</b>			
Deferred property taxes	<u>1,420,505</u>	<u>234,772</u>	<u>86,380</u>
<b>Fund balances:</b>			
<b>Nonspendable</b>			
Inventory	-	41,180	-
Trust accounts	-	-	2,570
<b>Restricted for</b>			
Emergency reserve	-	-	-
Road 361	-	-	-
Parks and recreation	-	-	-
<b>Committed</b>			
Road Improvements	-	629,409	-
E-911	-	-	-
Health and welfare	-	-	277,790
Public safety	-	-	-
<b>Assigned</b>			
Fairgrounds	-	-	-
Other grant projects	-	-	-
<b>Unassigned</b>	<u>1,082,168</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>1,082,168</u>	<u>670,589</u>	<u>280,360</u>
<b>Total liabilities, deferred inflow of resources and fund balances</b>	<u>\$ 2,585,482</u>	<u>\$ 980,352</u>	<u>\$ 472,688</u>

See accompanying notes to the basic financial statements

<b>Emergency Medical Services</b>	<b>Public Health Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 620,874	\$ 27,816	\$ 962,895	\$ 3,534,161
-	-	-	123,235
313,030	-	-	2,054,687
-	-	-	275
50,976	-	-	142,227
-	-	33,241	147,379
-	-	-	4,210
-	-	-	41,180
<u>\$ 984,880</u>	<u>\$ 27,816</u>	<u>\$ 996,136</u>	<u>\$ 6,047,354</u>
\$ 21,290	\$ 4,780	\$ 4,317	\$ 279,035
-	-	-	4,210
-	-	-	10,890
<u>21,290</u>	<u>4,780</u>	<u>4,317</u>	<u>294,135</u>
<u>313,030</u>	<u>-</u>	<u>-</u>	<u>2,054,687</u>
-	-	-	41,180
-	-	-	2,570
-	-	174,881	174,881
-	-	88,029	88,029
-	-	78,413	78,413
-	-	410,479	1,039,888
-	-	144,856	144,856
-	23,036	-	300,826
650,560	-	20,978	671,538
-	-	11,450	11,450
-	-	62,733	62,733
-	-	-	1,082,168
<u>650,560</u>	<u>23,036</u>	<u>991,819</u>	<u>3,698,532</u>
<u>\$ 984,880</u>	<u>\$ 27,816</u>	<u>\$ 996,136</u>	<u>\$ 6,047,354</u>

See accompanying notes to the basic financial statements

**OURAY COUNTY, COLORADO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**December 31, 2015**

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<b>Total governmental fund balances</b>	<b>\$ 3,698,532</b>
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<b>6,098,567</b>
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	<b>(201,997)</b>
Leases payable	<b>(294,497)</b>
	<hr/>
<b>Net position of governmental activities</b>	<b><u><u>\$ 9,300,605</u></u></b>

See accompanying notes to the basic financial statements

**OURAY COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2015**

	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Social Services Fund</u>
<b>REVENUES</b>			
Property Taxes	\$ 1,542,740	\$ 254,430	\$ 94,885
Sales Taxes	645,345	-	-
Intergovernmental	575,250	1,166,931	1,122,805
Licenses and permits	192,685	9,009	-
Charges for services	242,949	-	-
Fees, fines and forfeits	510,196	18,268	-
Miscellaneous	44,534	119,067	825
<b>Total revenues</b>	<u>3,753,699</u>	<u>1,567,705</u>	<u>1,218,515</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,094,090	-	-
Judicial	191,214	-	-
Public safety	695,006	-	-
Health and welfare	41,245	-	1,227,347
Recreation and culture	204,003	-	-
Public Works	130,061	1,711,804	-
Debt Service	63,411	93,188	-
Capital outlay	148,068	425,806	-
<b>Total expenditures</b>	<u>3,567,098</u>	<u>2,230,798</u>	<u>1,227,347</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>186,601</u>	<u>(663,093)</u>	<u>(8,832)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan Proceeds	36,936	-	-
Transfers in	10,080	706,318	-
Transfers out	(155,883)	-	-
<b>Total other financing sources (uses)</b>	<u>(108,867)</u>	<u>706,318</u>	<u>-</u>
<b>Net change to fund balance</b>	77,734	43,225	(8,832)
<b>Fund balance, January 1</b>	1,004,434	689,704	289,192
<b>Decrease an inventory</b>	-	(62,340)	-
<b>Fund balance, December 31</b>	<u>\$ 1,082,168</u>	<u>\$ 670,589</u>	<u>\$ 280,360</u>

See accompanying notes to the basic financial statements

<b>Emergency Medical Services</b>	<b>Public Health Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 339,297	\$ -	\$ 644,390	\$ 2,875,742
-	-	-	645,345
3,298	101,689	91,450	3,061,423
-	-	-	201,694
159,692	-	43,515	446,156
-	-	-	528,464
21	35,636	52,821	252,904
<u>502,308</u>	<u>137,325</u>	<u>832,176</u>	<u>8,011,728</u>
-	-	78,049	2,172,139
-	-	-	191,214
503,463	-	3,681	1,202,150
-	335,959	-	1,604,551
-	-	-	204,003
-	-	-	1,841,865
-	-	-	156,599
66,585	-	-	640,459
<u>570,048</u>	<u>335,959</u>	<u>81,730</u>	<u>8,012,980</u>
<u>(67,740)</u>	<u>(198,634)</u>	<u>750,446</u>	<u>(1,252)</u>
-	-	-	36,936
-	155,883	-	872,281
-	-	(716,398)	(872,281)
-	<u>155,883</u>	<u>(716,398)</u>	<u>36,936</u>
(67,740)	(42,751)	34,048	35,684
718,300	65,787	957,771	3,725,188
-	-	-	(62,340)
<u>\$ 650,560</u>	<u>\$ 23,036</u>	<u>\$ 991,819</u>	<u>\$ 3,698,532</u>

See accompanying notes to the basic financial statements

**OURAY COUNTY, COLORADO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2015**

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Net change in fund balances - total governmental funds \$ 35,684

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

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

Fixed assets current additions	\$	632,267	
Depreciation expense		(308,506)	
Excess of capital outlay over depreciation			<b>323,761</b>

The issuance of long-term debt provides current resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. This is the amount by which issuance of long-term debt exceeded principal payments on debt in the current period.

Loan proceeds	\$	(36,936)	
Increase in accrued vacation and sick leave		39,393	
Principal payment on long-term debt		141,252	
			<b>143,709</b>
Change in Inventory-Gravel			<b>(62,340)</b>

**Change in net position of governmental funds \$ 440,814**

**OURAY COUNTY, COLORADO**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**December 31, 2015**

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	<u>Treasurer's Agency Fund</u>
Cash and investments	<u>\$ 338,756</u>
Due to other governments	<u>\$ 338,756</u>

See accompanying notes to the basic financial statements

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

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**Note 1 – Summary of Significant Accounting Policies**

The accounting and reporting policies of Ouray County, Colorado conform to generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the County's financial statements.

**A. Reporting Entity**

Ouray County is located in western Colorado with a population of approximately 4,600. The principal town and city are Ridgway and Ouray. Ouray County is a political subdivision of the State of Colorado, governed by an elected three-member Board of County Commissioners. The County has six other elected officials; the Assessor, the Clerk and Recorder, the Coroner, the Sheriff, the Surveyor and the Treasurer. Ouray County is included in the Seventh Judicial District. An elected District Attorney for the District serves Montrose, Delta, Gunnison, San Miguel, Hinsdale and Ouray Counties. The County's General Fund accounts for all financial operating transactions of the offices of the elected officials and all Ouray County contributions to the Seventh Judicial District Attorney's office.

Blended presented component unit. E-911 Authority serves all the citizens of the County for emergency telephone services.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and user charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

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**Note 1 – Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. The County considers revenues to be available if they are collectible within 180 days except for property taxes which are considered available if they are collectible within sixty days after year-end. Property taxes, sales taxes, licenses, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

**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 recognize 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.

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
(continued)

The government reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Road and Bridge Fund* records costs related to County road and bridge construction and maintenance. By State law, Colorado counties are required to maintain a road and bridge fund. A portion of road and bridge taxes is allocated to cities and towns for use in their road and street activities.
- The *Social Services Fund* accounts for the administration and operations of the County's public health and welfare system.
- The *Emergency Medical Services Fund* accounts for the administration and operations of the County's ambulance services.
- The *Public Health Fund* accounts for the administration and operations of the County's public health department.

The government reports the following non-major governmental funds:

- *Conservation Trust Fund* reflects the receipt of the County's share of Colorado Lottery funds and money from other sources to be used for recreation purposes within the County.
- *Contingent Fund* reflects the accumulation and disbursement of funds set aside to be used as needed for unforeseen contingencies.
- *Fairgrounds Fund* reflects the accumulation and disbursement of funds set aside to be used as needed for operation and maintenance of the fairgrounds.
- *Special Grant Administration Fund* reflects receipts and disbursements of funds from special grants.
- *E-911 Authority Fund* reflects receipts from service users to be used for emergency telephone services.
- *Road and Bridge Impact Fees Fund* reflects receipts from impact fees to be used for road projects.
- *Samson Law Fund* reflects receipt of court fees.
- *Road and Bridge 361 Fund* reflects principal and interest to be used to maintain Highway 361.
- *Public Access Group Fund* reflects receipts from grants and donations to be used to preserve public access on existing and historical public trails and roads.
- *Road and Bridge Sales Tax Fund* reflects the collection of 1% sales tax to be used for additional road and bridge expenditures.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are certain charges between the County's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
(continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues included all taxes.

**D. Assets, Liabilities, and Net Assets or Equity**

*1. Cash and Investments*

The County considers cash and cash equivalents in proprietary funds to be cash on hand and demand deposits. In addition, because the treasury pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

For purposes of the statement of cash flows, the proprietary fund types consider all highly liquid investments with an original maturity of one year or less to be cash equivalents.

*2. Receivable and Payable Balances*

Significant components of receivables and payables are disaggregated in the financial statements. All receivables are expected to be collected within one year. All material payables are expected to be paid within one year with the exception of the amounts for the accrual for compensated absences and capital leases.

*3. Property Taxes*

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable either in two installments due on February 28 and June 15 or in full on April 30. The County, through the Ouray County Treasurer, bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County. Taxes levied in 2015 for collection in 2016 are recorded in governmental funds as taxes receivable and deferred inflow of resources as of December 31, 2015 since the amount is measurable but not available until 2016. An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be negligible based upon an analysis of historical trends.

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**D. Assets, Liabilities, and Net Assets or Equity** (continued)

*4. Interfund Transactions*

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. At year end, outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” These amounts are eliminated in the Total Column on the “statement of net position” column. Any residual balances outstanding between “discrete presented component units” and the “primary government” are reported on a separate line.

*5. Inventories*

Inventories are valued at cost which is determined using the first-in, first-out method. Inventories in most Governmental funds are recorded as expenditures when purchased. Inventories in the Road and Bridge Fund are recorded as expenditures when consumed rather than when purchased.

*6. Capital Assets*

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation on capital assets, with the exception of infrastructure, is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20 to 50 Years
Land improvements (depreciable)	25 to 30 Years
Equipment and Furniture	5 to 7 Years

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**D. Assets, Liabilities, and Net Assets or Equity** (continued)

*6. Capital Assets (continued)*

As allowed by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the County has adopted an alternative method for reporting costs associated with certain infrastructure assets. Under this alternative method, referred to as the "modified approach," infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and/or efficiency of infrastructure assets reported under the modified approach.

*7. Future Compensated Absences*

The personnel rules policy manual states that all vacation may accrue up to 400 hours. Sick leave is accrued at twelve (12) days per year up to 480 hours. Upon resignation, termination, retirement or separation from retirement or separation from employment only accrued vacation is paid.

*8. Long-term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. At December 31, 2015, the long term debt that Ouray County has is the accrual of compensated absences and capital leases.

*9. Fund Equity*

Beginning with fiscal year 2011, the County implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. 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;

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**D. Assets, Liabilities, and Net Assets or Equity** (continued)

*9. Fund Equity (continued)*

- 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.

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

*10. Net Position*

Net position represents the difference between assets, liabilities and deferred inflows. Net position invested in capital assets, consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are constraints placed on their use either by law through constitutional provisions or enabling legislation or through restrictions externally imposed by creditors, grantors, laws, or regulations of other governments.

The reserve for emergencies as required by Section 20 to Article X of the Colorado Constitution, also known as the Taxpayer's Bill of Rights (TABOR) is classified as restricted net assets on the entity-wide statements. The County, through voter approval, has been authorized to retain, expand, and benefit from all non-property tax revenues collected during 1995, and each subsequent year.

*11. Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**D. Assets, Liabilities, and Net Assets or Equity** (continued)

*12. Contraband Proceeds*

The Colorado Contraband Forfeiture Act requires the proceeds from the seizure of contraband be audited although they are not subject to the appropriations process. During 2015, the County had no proceeds from the seizures of contraband.

**Note 2 – Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

Annual budgets are adopted for all funds, except agency funds, of the County. The Budget Office submits a proposed operating budget for the following calendar year to the County Commissioners prior to October 15 of each year. The budget is prepared using the modified accrual basis of accounting. The operating budget includes proposed expenditures/expenses and the anticipated revenues. As required by statute, public hearings are conducted to obtain citizen's comments. Prior to the levy of property tax, the budget is legally adopted through the passage of a budget adoption and appropriation resolution.

**B. Budgeted Level of Expenditures**

The budgetary control is maintained at the department level for the general fund and at specific fund level for all other funds. Although the budget shows various classifications by object and by function, the department directors are authorized to transfer budgeted amounts within each of the object classifications. All annual appropriations lapse at year end.

For the budget to actual reporting required by state statues the proprietary funds present the adjustments necessary to reconcile ending net income (loss) on the budgetary basis to the GAAP basis net change in fund balance.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget. The General Fund could be in violation of Colorado local budget law because actual expenditures exceeded budgetary amounts.

**Note 3 – Cash and Investments**

**A. Deposits**

Title II, Article 10.5 of the Colorado Revised Statutes, (the Public Deposit Protection Act of 1989); require all public monies to be deposited in financial institutions that have been designated as eligible public depositories. Eligible public depositories must pledge eligible collateral, as promulgated by the State banking board, having a market value in excess of 102% of the aggregate uninsured public deposits.

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

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**Note 3 – Cash and Investments (continued)**

**A. Deposits (continued)**

Eligible collateral must be held in a single financial institution collateral pool in the custody of any federal reserve bank or any branch thereof or of any depository trust company which is a member of the Federal Reserve System, and which is supervised by the state banking board. The Statutes further restrict such deposits to eligible public depositories having their principal offices within the State of Colorado. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At year end the carrying amount of the County's Primary Government's Funds deposits were \$2,255,330 and the bank balance was \$2,269,734. Of the bank balance \$752,437 was covered by FDIC insurance. The remaining \$1,517,297 was collateralized under the above referenced statute.

**B. Investments**

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; written repurchase agreements collateralized by certain authorized securities; certain money market funds; guaranteed investments contracts and local government investment pools.

The local government investment pool is the Colorado Government Liquid Asset Trust (COLOTRUST). This pooled investment vehicle was established by local government entities in Colorado to pool surplus funds for investment purposes. This pool is overseen by the State Securities Commission. COLOTRUST operate similarly to money market funds and each share valued at \$1.00. The investment pool is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. All securities owned by each pooled investment 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 each pool investor. 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.

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

**Note 3 – Cash and Investments (continued)**

**B. Investments (continued)**

Table 1 - Summary of Combined Cash and Investments Held By Primary Government and Component Unit.

Description	Cost
Cash on hand	\$ 250
Demand deposits	1,670,909
Colotrust	1,740,572
Certificates of deposit and savings	626,366
Outstanding Warrants – Social Services and other	(41,945)
<b>Total</b>	<b>\$ 3,966,152</b>

**Note 4 – Interfund Transactions**

Due to/Due From

The County reports interfund balances between many of its funds. The sum of all balances presented in this table agrees with the sum of interfund balances presented in the balance sheets for governmental and proprietary funds.

Inter-fund receivable and payable balances at December 31, 2015 were as follows:

Fund	Inter-fund Receivable	Inter-fund Payable
General Fund	\$ 4,210	-
Road and Bridge	-	\$4,210

Transfers

Transfers are indicative of funding for various County operations and re-allocation of special revenues. The following schedule briefly summarizes the County's transfer activity:

Fund	Transfers In	Transfers (Out)
General	\$ 10,800	\$ 155,883
Road and Bridge	\$ 706,318	
Public Health	\$ 155,883	
Road and Bridge Impact		\$ 63,318
Road and Bridge Sales Tax		\$ 643,000
Conservation Trust		\$ 10,800

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

**Note 5 – Capital Assets**

	Balance 1/1/2015	Additions	Dispositions	Balance 12/31/2015
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 631,934	\$ -	\$ -	\$ 631,934
Land improvements	741,070	-	-	741,070
Infrastructure	589,669	-	-	589,669
Construction in Progress	-	401,081	-	401,081
	<u>1,962,673</u>	<u>401,081</u>	<u>-</u>	<u>2,363,754</u>
Capital assets being depreciated				
Buildings and improvements	3,733,431	66,130	-	3,799,561
Equipment and furniture	4,261,418	165,056	-	4,426,474
	<u>7,994,849</u>	<u>231,186</u>	<u>-</u>	<u>8,226,035</u>
Less accumulated depreciation				
Buildings and improvements	(940,566)	(102,838)		(1,043,404)
Equipment and furniture	(3,242,150)	(205,668)		(3,447,818)
	<u>(4,182,716)</u>	<u>(308,506)</u>	<u>-</u>	<u>(4,491,222)</u>
Capital assets being depreciated, net	<u>3,812,133</u>	<u>(77,320)</u>	<u>-</u>	<u>3,734,813</u>
Total governmental Activities capital assets	<u>\$ 5,774,806</u>	<u>\$ 323,761</u>	<u>\$ -</u>	<u>\$ 6,098,567</u>

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

***Governmental activities:***

General government	\$ 90,515
Public safety	70,640
Public works	118,476
<u>Culture and Recreation</u>	<u>28,875</u>
<u>Total depreciation -governmental activities</u>	<u>\$ 308,506</u>

**Note 6 – Long-Term Liabilities**

Long-term obligations

The County has entered into various capital leases and financed the following items:

Boiler \$ 190,636 due in ten annual payments of \$ 23,832.95, including interest at 4.5% beginning July 15, 2010.

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

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**Note 6 – Long-Term Liabilities** (continued)

2012 Chevy Tahoe 4X4 \$24,035, due in 4 payments of \$6,845.57, including interest at 5.0% beginning August 15, 2013.

2013 Chevy Tahoe \$24,350, due in 4 payments of \$6,846.63, including interest at 4.50% beginning on August 15, 2014.

2014 Chevy Tahoe \$23,546, due in 4 payments of \$6,710.27, including interest at 5% beginning on August 15, 2015.

2014 Chevy Tahoe \$28,138, due in 4 payments of \$7,866.64, including interest at 5% beginning on August 15, 2015.

2014 Caterpillar Motor Grader \$183,483, due in 5 payments of \$39,707.97, including interest at 2.70% beginning on September 30, 2014.

2015 John Deere Tractor \$36,936, due in 4 payments of \$10,222.66, including interest at 4.00% beginning on August 14, 2015.

**Boiler**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 19,985	\$ 3,848	\$ 23,833
2017	20,885	2,948	23,833
2018	21,825	2,008	23,833
2019	22,807	1,026	23,833
	<u>\$ 85,502</u>	<u>\$ 9,830</u>	<u>\$ 95,332</u>

2012 Chevy Tahoe 4X4

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 6,505	\$ 341	\$ 6,846
Total	<u>\$ 6,505</u>	<u>\$ 341</u>	<u>\$ 6,846</u>

2013 Chevy Tahoe 4X4

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 6,288	\$ 559	\$ 6,847
2017	6,552	294	6,846
Total	<u>\$ 12,840</u>	<u>\$ 853</u>	<u>\$ 13,693</u>

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

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**Note 6 – Long-Term Liabilities** (continued)

2014 Chevy Tahoe

	Principal	Interest	Total
2016	\$ 5,788	\$ 922	\$ 6,710
2017	6,086	624	6,710
2018	6,391	319	6,710
Total	\$ 18,265	\$ 1,865	\$ 20,130

2014 Chevy Tahoe

	Principal	Interest	Total
2016	\$ 6,785	\$ 1,081	\$ 7,866
2017	7,135	731	7,866
2018	7,492	375	7,867
Total	\$ 21,412	\$ 2,187	\$ 23,599

2014 Caterpillar Motor Grader

	Principal	Interest	Total
2016	\$ 36,656	\$ 3,052	\$ 39,708
2017	37,646	2,062	39,708
2018	38,735	1,046	39,781
Total	\$ 113,037	\$ 6,160	\$ 119,197

2015 John Deere Tractor

	Principal	Interest	Total
2016	\$ 8,597	\$ 1,625	\$ 10,222
2017	9,073	1,149	10,222
2018	9,441	781	10,222
2019	9,825	398	10,223
Total	\$ 36,936	\$ 3,953	\$ 40,889

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

**Note 6 – Long-Term Liabilities** (continued)

The following is a summary of capitalized leases for the year ended December 31, 2015

Governmental Activities	Balance 1/1/2015	Additions	Reductions	Balance 12/31/2015	Due Within One Year
Capital leases					
Boiler	\$ 104,627	-	\$ (19,125)	\$ 85,502	\$ 19,985
Various heavy equipment	62,195	-	(62,195)	-	-
2012 Chevy Tahoe	12,714	-	(6,209)	6,505	6,505
2013 Chevy Tahoe	18,864	-	(6,024)	12,840	6,288
2014 Chevy Tahoe	23,546	-	(5,281)	18,265	5,788
2014 Chevy Tahoe	28,138	-	(6,726)	21,412	6,785
2014 Motor grader	148,729	-	(35,692)	113,037	36,656
John Deere Tractor	-	36,936	-	36,936	8,597
Total	<u>\$ 398,813</u>	<u>\$ 36,936</u>	<u>\$ (141,252)</u>	<u>\$ 294,497</u>	<u>\$ 90,604</u>

**Note 7– Retirement Plan**

Ouray County is a member employer of the Colorado County Officials and Employees Retirement Association (CCOERA). This association was formed by Colorado State Statute to provide retirement benefits to employees of Colorado local governments. CCOERA administers two different retirement plans a 401(a) Defined Contribution Plan and a 457 Deferred Compensation Plan.

Ouray County provides pension benefits for all of its full-time employees with the Colorado County Officials and Employees Retirement Association Retirement Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate one year from the date of employment. Elected officials are eligible to participate immediately. Participation is mandatory for all eligible employees and for all elected officials. Both the County and the employee contribute 5% of the employee's monthly base salary to the plan. Employees may also make additional contributions up to a maximum of 10% of compensation.

The County's contribution for each employee (and interest allocated to the employee's account) is 100% vested after ten years. If an elected official fails to become re-elected, they immediately become fully vested. Any non-vested County contributions forfeited by an employee who leaves the County's employment are remitted to the County. The County's total payroll was \$2,905,094 in 2015. The total payroll covered by the pension plan was \$2,605,669 in 2015. The total contribution paid was \$ 282,865 in 2015 (12 % of covered payroll), \$152,582 by the employees and \$130,283 by the County.

The County has no liability for losses under the plan.

Complete financial statements for the retirement plans may be obtained from the CCOERA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

**Note 8 – Post Employment Benefits**

The County provides no post employment benefits to employees who retire from the County other than those mandated by the State and Federal governments.

The “Consolidated Omnibus Budget Reconciliation Act of 1985” (COBRA), that is mandated by the Federal Government, requires that employers allow eligible employees the opportunity to purchase medical and dental insurance for various periods of time after their employment is discontinued. Ouray County complies with the Federal Statutes.

**Note 9 – Noncash Program Activity**

Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures  
For the Year Ended December 31, 2015

Ouray County Department of Social Services  
Expenditure/Revenue Report  
For the Year Ended December 2015

	County EBT Expended Authorizations	State & Fed Share of All Authorizations	Expenditures By County Warrant	County EBT Authorizations Plus Expend By Co. Warrant	Total County Expenditures
TANF	\$ 18,901.59	\$ (31,868.56)	\$ 21,558.07	\$ 40,459.66	\$ 8,591.10
Child Care	2,093.07	(5,322.69)	7,092.55	9,185.62	3,862.93
Child Welfare Mobility Grant	-	1,717.37	(1,717.37)	(1,717.37)	-
Child Welfare	69,203.73	(174,599.67)	145,511.47	214,715.20	40,155.53
Employment First	-	(7,829.76)	9,151.51	9,151.51	1,321.75
Administration	-	(138,713.53)	166,390.79	166,390.79	27,677.26
CORE Services	-	(266,083.48)	269,080.55	269,080.55	2,997.07
IV-D Administration	-	(4,424.76)	6,092.24	6,092.24	1,667.48
Aid to Needy Disabled	12,470.10	(9,976.07)	-	12,470.10	2,494.03
Old Age Pension	71,255.33	(73,652.30)	2,396.97	73,652.30	-
Home Care Allowance	-	-	-	-	-
LEAP	45,183.89	(48,371.89)	3,188.00	48,371.89	-
General Assistance	-	-	5,541.93	5,541.93	5,541.93
TANF Collections	-	(1,210.12)	(20.00)	(20.00)	(1,230.12)
Miscellaneous	8,380.30	(98,219.11)	5,581.96	13,962.26	(84,256.85)
Subtotal	227,488.01	(858,554.57)	639,848.67	867,336.68	8,822.11
Food Assistance	360,010.56	(360,010.56)	-	360,010.56	-
Grant Total	<u>\$ 587,498.57</u>	<u>\$ (1,218,565.13)</u>	<u>\$ 639,848.67</u>	<u>\$ 1,227,347.24</u>	<u>\$ 8,822.11</u>

Welfare payments authorized by the Ouray County Department of Human Services. These County authorizations are paid by the Colorado Department of Human Services by QUEST debit cards or by electronic funds transfer (EFT).

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

**Note 9 – Noncash Program Activity** (continued)

- A. County share of EBT authorizations - these amounts are settled monthly by a reduction of State cash advances to the County.
- B. Expenditures made by County warrants or other County payment methods
- C. This represents the total cost of the welfare programs that are administered by Ouray County.
- D. This total matches the expenditures on the Social Services Department Fund Statement of Revenues, Expenditures, and Changes in Fund Balance.

**Note 10 – Budget Amendment**

During 2015 the County amended its budget. The following is a schedule of the changes to the original budget:

Fund	Original Budget	Amendment	Final Budget
General	\$ 3,497,112	\$ 202,974	\$ 3,700,086
Road and Bridge	2,822,274		2,822,274
Social Services	1,401,495		1,401,495
Public Health	309,770	26,189	335,959
Conservation Trust	13,080		13,080
Road and Bridge Sales Tax	660,000	949	660,949
Fairgrounds	100		100
Road and Bridge Impact Fees	64,018		64,018
EMS	656,082		656,082
Samson Law Fund	1,515		1,515
Special Grants	-	23,836	23,836
Road and Bridge 361	35,473		35,473
<b>Totals</b>	<b>\$ 9,460,919</b>	<b>\$253,948</b>	<b>\$ 9,714,867</b>

**Note 11–Risk Management**

*Colorado Counties Casualty and Property Pool*

The County is exposed to various risks of loss related to property and casualty losses. The County has joined together with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The Pool provides the County with general property, vehicle comprehensive and collision, and various liability insurance coverage.

The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

**Ouray County, Colorado**  
**Notes to Basic Financial Statements**  
**December 31, 2015**

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**Note 12 – Special Assessment**

On September 1, 1996, a special assessment bond for Local Improvement District No. 1995-1 was issued. This bond does not constitute a debt or an indebtedness of Ouray County within the meaning of any constitutional or statutory limitation or provision, and shall not be considered or held to be a general obligation of the County. No property of the County shall be liable to be forfeited or taken in payment of the special assessment bonds.

In 1997 a special assessment bond for Local Improvement District No. 1997-1 was issued. This bond does not constitute a debt of an indebtedness of Ouray County within the meaning of any constitutional or statutory limitations or provision, and shall not be considered or held to be a general obligation of the County. No property of the County shall be liable to be forfeited or taken in payment of the special assessment bonds.

**Note 13 – 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. The amendment is complex and subject to judicial interpretation. However, the County had made certain interpretations of the amendment's language in order to determine its compliance.

The County, through voter approval, has been authorized to retain, expand and benefit from all non-proprietary tax revenues collected during 1995 and each subsequent year. Also, the County's reserve for emergencies is classified as restricted net assets and is the Contingent Fund.

**OURAY COUNTY, COLORADO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2015**

REVENUES	Budgeted		Actual	Variance
	Original	Final		
Property taxes	\$ 1,557,779	\$ 1,557,779	\$ 1,542,740	\$ (15,039)
Sales taxes and other	566,000	566,000	645,345	79,345
Intergovernmental	451,128	451,128	575,250	124,122
Licenses and permits	173,000	173,000	192,685	19,685
Charges for services	101,228	101,228	242,949	141,721
Fees, fines and forfeits	559,241	559,241	510,196	(49,045)
Miscellaneous	74,221	74,221	44,534	(29,687)
Supplement	-	269,612	-	(269,612)
<b>Total revenues</b>	<b>3,482,597</b>	<b>3,752,209</b>	<b>3,753,699</b>	<b>1,490</b>
<b>EXPENDITURES</b>				
Assessor	253,474	253,474	250,096	3,378
Administration other	177,606	177,606	308,468	(130,862)
Administrator	255,519	255,519	254,974	545
Board of County Commissioners	201,115	201,115	208,828	(7,713)
Clerk and Recorder	247,980	247,980	229,131	18,849
County Attorney	117,072	117,072	110,829	6,243
County Coroner	36,891	36,891	39,625	(2,734)
County Jail	50,100	50,100	67,585	(17,485)
Courthouse Security	54,211	54,211	55,591	(1,380)
District Attorney	80,385	80,385	80,385	-
Elections	20,716	20,716	22,581	(1,865)
Emergency Management	36,174	36,174	59,796	(23,622)
Employee Benefits	72,359	72,359	76,452	(4,093)
Extension Services	3,920	3,920	3,920	-
Fairgrounds	178,889	178,889	187,329	(8,440)
Information Technology	150,669	150,669	148,676	1,993
Juvenile Diversion	11,000	11,000	11,000	-
Land Use	225,649	225,649	226,400	(751)
Maintenance of Buildings	164,820	164,820	144,842	19,978
Public Telecommunications	8,000	8,000	9,249	(1,249)
Public Trustee	27,441	27,441	27,447	(6)
Recreation and Culture	7,100	7,100	7,425	(325)
Sheriff	537,610	537,610	501,034	36,576
Social Programs	1,100	1,100	847	253
Surveyor	2,568	2,568	2,368	200
Transfer Station	800	800	773	27
Treasurer	196,511	196,511	189,907	6,604
Weed department	125,641	125,641	130,061	(4,420)
Supplement	-	202,974	-	202,974
<b>Total department expenses</b>	<b>3,245,320</b>	<b>3,448,294</b>	<b>3,355,619</b>	<b>92,675</b>
Debt service payments	63,410	63,410	63,411	(1)
Capital Outlay	30,999	30,999	111,132	(80,133)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	13,080	13,080	10,080	(3,000)
Transfers out	(155,883)	(155,883)	(155,883)	-
<b>Total other financing sources and uses</b>	<b>(142,803)</b>	<b>(142,803)</b>	<b>(145,803)</b>	<b>(3,000)</b>
<b>Net change to fund balance</b>	<b>65</b>	<b>66,703</b>	<b>77,734</b>	<b>11,031</b>
<b>Fund balance, January 1</b>	<b>849,974</b>	<b>849,974</b>	<b>1,004,434</b>	<b>154,460</b>
<b>Fund balance, December 31</b>	<b>\$ 850,039</b>	<b>\$ 916,677</b>	<b>\$ 1,082,168</b>	<b>\$ 165,491</b>

**OURAY COUNTY, COLORADO**  
**ROAD AND BRIDGE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2015**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes and other	\$ 254,884	\$ 254,884	\$ 254,430	\$ (454)
Intergovernmental:				
Federal shared revenues	176,653	176,653	173,930	(2,723)
State shared revenues	741,001	741,001	795,497	54,496
State Grants	728,005	728,005	197,504	(530,501)
Total intergovernmental revenues	<u>1,645,659</u>	<u>1,645,659</u>	<u>1,166,931</u>	<u>(478,728)</u>
Licenses and permits	<u>3,500</u>	<u>3,500</u>	<u>9,009</u>	<u>5,509</u>
Miscellaneous:				
Refund of expenditures	196,650	196,650	107,877	(88,773)
Sale of fixed assets	-	-	10,200	10,200
Other miscellaneous revenues	850	850	990	140
Total miscellaneous revenues	<u>197,500</u>	<u>197,500</u>	<u>119,067</u>	<u>(78,433)</u>
Fees	<u>18,000</u>	<u>18,000</u>	<u>18,268</u>	<u>268</u>
<b>Total revenues</b>	<u>2,119,543</u>	<u>2,119,543</u>	<u>1,567,705</u>	<u>(551,838)</u>
<b>EXPENDITURES</b>				
Operations	1,979,243	1,979,243	1,711,804	267,439
Debt service	93,026	93,026	93,188	(162)
Capital outlay	750,005	750,005	425,806	324,199
<b>Total expenditures</b>	<u>2,822,274</u>	<u>2,822,274</u>	<u>2,230,798</u>	<u>591,476</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(702,731)</u>	<u>(702,731)</u>	<u>(663,093)</u>	<u>39,638</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>706,318</u>	<u>706,318</u>	<u>706,318</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>706,318</u>	<u>706,318</u>	<u>706,318</u>	<u>-</u>
<b>Net change to fund balance</b>	3,587	3,587	43,225	39,638
<b>Fund balance, January 1</b>	470,256	470,256	689,704	219,448
<b>Decrease an inventory</b>	-	-	(62,340)	(62,340)
<b>Fund balance, December 31</b>	<u>\$ 473,843</u>	<u>\$ 473,843</u>	<u>\$ 670,589</u>	<u>\$ 196,746</u>

**OURAY COUNTY, COLORADO**  
**SOCIAL SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2015**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 93,200	\$ 93,200	\$ 94,885	\$ 1,685
County administration	84,264	84,264	130,548	46,284
Old age pension	81,500	81,500	73,652	(7,848)
Aid to the needy and disabled	8,800	8,800	9,976	1,176
Child care	28,000	28,000	5,323	(22,677)
Food assistance	458,000	458,000	367,841	(90,159)
Child welfare	199,678	199,678	172,843	(26,835)
Core services	277,967	277,967	266,083	(11,884)
Leap	64,650	64,650	48,372	(16,278)
CSBG grant	500	500	3,708	3,208
Colorado works	57,600	57,600	31,868	(25,732)
Child support	3,660	3,660	4,425	765
Adult protection	10,932	10,932	8,166	(2,766)
Miscellaneous	-	-	825	825
<b>Total revenues</b>	<u>1,368,751</u>	<u>1,368,751</u>	<u>1,218,515</u>	<u>(150,236)</u>
<b>EXPENDITURES</b>				
County funded grants	26,000	26,000	14,434	11,566
County administration	105,480	105,480	166,390	(60,910)
Old age pension	82,000	82,000	73,652	8,348
Colorado works	72,000	72,000	40,440	31,560
Aid to the needy and disabled	11,000	11,000	12,470	(1,470)
Child care	35,000	35,000	9,186	25,814
General assistance	7,500	7,500	5,542	1,958
Leap	64,650	64,650	48,372	16,278
Child welfare	245,878	245,878	214,715	31,163
Core services	279,622	279,622	267,363	12,259
CSBG grant	1,000	1,000	300	700
Child support	5,500	5,500	6,092	(592)
Food assistance	450,000	450,000	360,011	89,989
Adult protection	13,665	13,665	10,494	3,171
Cost allocation	2,200	2,200	(2,114)	4,314
<b>Total expenditures</b>	<u>1,401,495</u>	<u>1,401,495</u>	<u>1,227,347</u>	<u>174,148</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(32,744)	(32,744)	(8,832)	23,912
<b>Fund balance, January 1</b>	<u>229,587</u>	<u>229,587</u>	<u>289,192</u>	<u>59,605</u>
<b>Fund balance, December 31</b>	<u>\$ 196,843</u>	<u>\$ 196,843</u>	<u>\$ 280,360</u>	<u>\$ 83,517</u>

**OURAY COUNTY, COLORADO**  
**PUBLIC HEALTH FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2015**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental:				
Federal shared revenues	\$ 32,737	\$ 32,737	\$ 44,342	\$ 11,605
State shared revenues	31,991	31,991	50,872	18,881
State Grants	8,300	8,300	6,475	(1,825)
<b>Total intergovernmental revenues</b>	<u>73,028</u>	<u>73,028</u>	<u>101,689</u>	<u>28,661</u>
Miscellaneous:				
Refund of expenditures	34,875	34,875	27,650	(7,225)
Other miscellaneous revenues	20,984	20,984	7,986	(12,998)
<b>Total miscellaneous revenues</b>	<u>55,859</u>	<u>55,859</u>	<u>35,636</u>	<u>(20,223)</u>
<b>Total revenues</b>	<u>128,887</u>	<u>128,887</u>	<u>137,325</u>	<u>8,438</u>
<b>EXPENDITURES</b>				
Public Health	309,770	335,959	335,959	-
<b>Total expenditures</b>	<u>309,770</u>	<u>335,959</u>	<u>335,959</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(180,883)</u>	<u>(207,072)</u>	<u>(198,634)</u>	<u>8,438</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	180,883	180,883	155,883	(25,000)
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>180,883</u>	<u>180,883</u>	<u>155,883</u>	<u>(25,000)</u>
<b>Net change to fund balance</b>	-	(26,189)	(42,751)	(16,562)
<b>Fund balance, January 1</b>	65,787	65,787	65,787	-
<b>Fund balance, December 31</b>	<u>\$ 65,787</u>	<u>\$ 39,598</u>	<u>\$ 23,036</u>	<u>\$ (16,562)</u>

**OURAY COUNTY, COLORADO**  
**EMERGENCY MEDICAL SERVICES**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2015**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 339,162	\$ 339,162	\$ <b>339,297</b>	\$ 135
Intergovernmental	200	200	<b>197</b>	(3)
Charges for services	162,100	162,100	<b>159,692</b>	(2,408)
Grants	75,750	75,750	<b>3,101</b>	(72,649)
Miscellaneous	-	-	<b>21</b>	21
<b>Total revenues</b>	<u>577,212</u>	<u>577,212</u>	<u><b>502,308</b></u>	<u>(74,904)</u>
<b>EXPENDITURES</b>				
Public safety	516,082	516,082	<b>503,463</b>	12,619
Capital outlay	140,000	140,000	<b>66,585</b>	73,415
<b>Total expenditures</b>	<u>656,082</u>	<u>656,082</u>	<u><b>570,048</b></u>	<u>86,034</u>
<b>Net change to fund balance</b>	(78,870)	(78,870)	<b>(67,740)</b>	11,130
<b>Fund balance, January 1</b>	680,584	680,584	<b>718,300</b>	37,716
<b>Fund balance, December 31</b>	<u>\$ 601,714</u>	<u>\$ 601,714</u>	<u><b>\$ 650,560</b></u>	<u>\$ 48,846</u>

**OURAY COUNTY, COLORADO**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**December 31, 2015**

	<u>Conservation Trust</u>	<u>Contingent</u>	<u>Fairgrounds</u>	<u>Special Grant</u>	<u>Road and Bridge Impact</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 78,413	\$ 174,881	\$ 11,450	\$ 67,050	\$ 114,091
Due from other governmental	-	-	-	-	-
<b>Total assets</b>	<u>78,413</u>	<u>174,881</u>	<u>11,450</u>	<u>67,050</u>	<u>114,091</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 4,317	\$ -
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,317</u>	<u>-</u>
<b>Fund balances</b>					
Reserved for:					
Emergencies	-	174,881	-	-	-
Unreserved:	78,413	-	11,450	62,733	114,091
<b>Total fund balances</b>	<u>78,413</u>	<u>174,881</u>	<u>11,450</u>	<u>62,733</u>	<u>114,091</u>
<b>Total liabilities and fund balances</b>	<u>\$ 78,413</u>	<u>\$ 174,881</u>	<u>\$ 11,450</u>	<u>\$ 67,050</u>	<u>\$ 114,091</u>

<u>Samson Law</u>	<u>E-911 Authority</u>	<u>Road and Bridge 361</u>	<u>Public Access Group</u>	<u>Road and Bridge Sales Tax</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 16,356	\$ 144,856	\$ 88,029	\$ 4,622	\$ 263,147	\$ 962,895
-	-	-	-	33,241	33,241
<u>16,356</u>	<u>144,856</u>	<u>88,029</u>	<u>4,622</u>	<u>296,388</u>	<u>996,136</u>
<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,317</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,317</u>
-	-	-	-	-	174,881
<u>16,356</u>	<u>144,856</u>	<u>88,029</u>	<u>4,622</u>	<u>296,388</u>	<u>816,938</u>
<u>16,356</u>	<u>144,856</u>	<u>88,029</u>	<u>4,622</u>	<u>296,388</u>	<u>991,819</u>
<u>\$ 16,356</u>	<u>\$ 144,856</u>	<u>\$ 88,029</u>	<u>\$ 4,622</u>	<u>\$ 296,388</u>	<u>\$ 996,136</u>

**OURAY COUNTY, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**Year Ended December 31, 2015**

	<b>Conservation Trust</b>	<b>Contingent</b>	<b>Fairgrounds</b>	<b>Special Grant Fund</b>	<b>Road and Bridge Impact</b>
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	23,448	-	-	68,002	-
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Interest earnings	108	-	-	-	-
Miscellaneous	-	-	270	-	52,273
<b>Total revenues</b>	<u>23,556</u>	<u>-</u>	<u>270</u>	<u>68,002</u>	<u>52,273</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	3	23,836	523
Public safety	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>3</u>	<u>23,836</u>	<u>523</u>
<b>Excess (deficiency) of revenues over expenditures</b>	23,556	-	267	44,166	51,750
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer out	(10,080)	-	-	-	(63,318)
<b>Total other financing sources (uses)</b>	<u>(10,080)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,318)</u>
<b>Net change to fund balance</b>	13,476	-	267	44,166	(11,568)
<b>Fund balance, January 1</b>	64,937	174,881	11,183	18,567	125,659
<b>Fund balance, December 31</b>	<u>\$ 78,413</u>	<u>\$ 174,881</u>	<u>\$ 11,450</u>	<u>\$ 62,733</u>	<u>\$ 114,091</u>

<u>Samson Law</u>	<u>E-911 Authority</u>	<u>Road and Bridge 361</u>	<u>Public Access Group</u>	<u>Road and Bridge Sales Tax</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 644,390	\$ 644,390
-	-	-	-	-	91,450
-	43,515	-	-	-	43,515
-	11	159	-	-	278
-	-	-	-	-	52,543
<u>-</u>	<u>43,526</u>	<u>159</u>	<u>-</u>	<u>644,390</u>	<u>832,176</u>
265	-	35,473	-	17,949	78,049
-	3,681	-	-	-	3,681
<u>265</u>	<u>3,681</u>	<u>35,473</u>	<u>-</u>	<u>17,949</u>	<u>81,730</u>
(265)	39,845	(35,314)	-	626,441	750,446
-	-	-	-	(643,000)	(716,398)
-	-	-	-	(643,000)	(716,398)
(265)	39,845	(35,314)	-	(16,559)	34,048
16,621	105,011	123,343	4,622	312,947	957,771
<u>\$ 16,356</u>	<u>\$ 144,856</u>	<u>\$ 88,029</u>	<u>\$ 4,622</u>	<u>\$ 296,388</u>	<u>\$ 991,819</u>

**OURAY COUNTY, COLORADO**  
**CONSERVATION TRUST FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2015**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 25,000	\$ 25,000	\$ <b>23,448</b>	\$ (1,552)
Miscellaneous income	180	180	<b>108</b>	(72)
<b>Total revenues</b>	<u>25,180</u>	<u>25,180</u>	<u><b>23,556</b></u>	<u>(1,624)</u>
<b>EXPENDITURES</b>				
Recreation	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	25,180	25,180	<b>23,556</b>	(1,624)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(13,080)</u>	<u>(13,080)</u>	<u><b>(10,080)</b></u>	<u>3,000</u>
<b>Net change to fund balance</b>	12,100	12,100	<b>13,476</b>	1,376
<b>Fund balance, January 1</b>	<u>64,937</u>	<u>64,937</u>	<u><b>64,937</b></u>	<u>-</u>
<b>Fund balance, December 31</b>	<u><u>\$ 77,037</u></u>	<u><u>\$ 77,037</u></u>	<u><u><b>\$ 78,413</b></u></u>	<u><u>\$ 1,376</u></u>

**OURAY COUNTY, COLORADO**  
**CONTINGENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2015**

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	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-	-
<b>Net change to fund balance</b>	-	-	-	-
<b>Fund balance, January 1</b>	<u>174,881</u>	<u>174,881</u>	<u><b>174,881</b></u>	-
<b>Fund balance, December 31</b>	<u><u>\$ 174,881</u></u>	<u><u>\$ 174,881</u></u>	<u><u><b>\$ 174,881</b></u></u>	<u><u>\$ -</u></u>

**OURAY COUNTY, COLORADO**  
**FAIRGROUNDS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2015**

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	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 270	(9,730)
<b>EXPENDITURES</b>				
Recreation	100	100	3	(97)
<b>Total expenditures</b>	<b>100</b>	<b>100</b>	<b>3</b>	<b>(97)</b>
<b>Net change to fund balance</b>	<b>9,900</b>	<b>9,900</b>	<b>267</b>	<b>(9,633)</b>
<b>Fund balance, January 1</b>	<b>11,183</b>	<b>11,183</b>	<b>11,183</b>	<b>-</b>
<b>Fund balance, December 31</b>	<b>\$ 21,083</b>	<b>\$ 21,083</b>	<b>\$ 11,450</b>	<b>\$ (9,633)</b>

**OURAY COUNTY, COLORADO**  
**SPECIAL GRANT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2015**

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	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 68,002	<b>\$ 68,002</b>	\$ -
<b>EXPENDITURES</b>				
General Government	-	23,836	<b>23,836</b>	-
<b>Total expenditures</b>	-	23,836	<b>23,836</b>	-
<b>Net change to fund balance</b>	-	<b>44,166</b>	<b>44,166</b>	-
<b>Fund balance, January 1</b>	<u>18,567</u>	<u>18,567</u>	<b><u>18,567</u></b>	-
<b>Fund balance, December 31</b>	<u><u>\$ 18,567</u></u>	<u><u>\$ 62,733</u></u>	<b><u><u>\$ 62,733</u></u></b>	<u><u>\$ -</u></u>

**OURAY COUNTY, COLORADO**  
**ROAD AND BRIDGE IMPACT FEES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2015**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Impact fees	\$ 64,018	\$ 64,018	\$ 52,273	\$ (11,745)
<b>EXPENDITURES</b>				
General Government	700	700	523	177
<b>Total expenditures</b>	<u>700</u>	<u>700</u>	<u>523</u>	<u>177</u>
<b>Excess (deficiency) of revenues over expenditures</b>	63,318	63,318	51,750	(11,568)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(63,318)</u>	<u>(63,318)</u>	<u>(63,318)</u>	<u>-</u>
<b>Net change to fund balance</b>	-	-	(11,568)	(11,568)
<b>Fund balance, January 1</b>	125,659	125,659	125,659	-
<b>Fund balance, December 31</b>	<u>\$ 125,659</u>	<u>\$ 125,659</u>	<u>\$ 114,091</u>	<u>\$ (11,568)</u>

**OURAY COUNTY, COLORADO**  
**E-911 AUTHORITY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2015**

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	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 45,000	\$ 45,000	<b>\$ 43,515</b>	\$ (1,485)
Interest income	10	10	<b>11</b>	1
<b>Total revenues</b>	<u>45,010</u>	<u>45,010</u>	<u><b>43,526</b></u>	<u>(1,484)</u>
<b>EXPENDITURES</b>				
Public safety	38,500	38,500	<b>3,681</b>	34,819
<b>Total expenditures</b>	<u>38,500</u>	<u>38,500</u>	<u><b>3,681</b></u>	<u>34,819</u>
<b>Net change to fund balance</b>	6,510	6,510	<b>39,845</b>	33,335
<b>Fund balance, January 1</b>	<u>70,000</u>	<u>70,000</u>	<u><b>105,011</b></u>	<u>35,011</u>
<b>Fund balance, December 31</b>	<u><u>\$ 76,510</u></u>	<u><u>\$ 76,510</u></u>	<u><u><b>\$ 144,856</b></u></u>	<u><u>\$ 68,346</u></u>

**OURAY COUNTY, COLORADO**  
**SAMSON LAW FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2015**

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	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State revenues	\$ -	\$ -	\$ -	\$ -
Court fees	1,515	1,515	-	(1,515)
<b>Total revenues</b>	<u>1,515</u>	<u>1,515</u>	<u>-</u>	<u>(1,515)</u>
<b>EXPENDITURES</b>				
General government	1,515	1,515	265	1,250
<b>Total expenditures</b>	<u>1,515</u>	<u>1,515</u>	<u>265</u>	<u>1,250</u>
 <b>Net change to fund balance</b>	 -	 -	 (265)	 (265)
 <b>Fund balance, January 1</b>	 <u>16,621</u>	 <u>16,621</u>	 <u>16,621</u>	 -
<b>Fund balance, December 31</b>	<u>\$ 16,621</u>	<u>\$ 16,621</u>	<u>\$ 16,356</u>	<u>\$ (265)</u>

**OURAY COUNTY, COLORADO**  
**ROAD AND BRIDGE 361 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2015**

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	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Grant	\$ -	\$ -	\$ -	\$ -
Interest Earnings	-	-	<b>159</b>	159
	<u>-</u>	<u>-</u>	<u><b>159</b></u>	<u>159</u>
<b>EXPENDITURES</b>	<u>35,473</u>	<u>35,473</u>	<u><b>35,473</b></u>	<u>-</u>
<b>Net change to fund balance</b>	(35,473)	(35,473)	(35,314)	159
<b>Fund balance, January 1</b>	<u>123,344</u>	<u>123,344</u>	<u><b>123,343</b></u>	<u>(1)</u>
<b>Fund balance, December 31</b>	<u><u>\$ 87,871</u></u>	<u><u>\$ 87,871</u></u>	<u><u><b>\$ 88,029</b></u></u>	<u><u>\$ 158</u></u>

**OURAY COUNTY, COLORADO  
PUBLIC ACCESS GROUP FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended December 31, 2015**

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	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Grants	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change to fund balance</b>	-	-	-	-
<b>Fund balance, January 1</b>	<u>4,622</u>	<u>4,622</u>	<b><u>4,622</u></b>	<u>-</u>
<b>Fund balance, December 31</b>	<u><u>\$ 4,622</u></u>	<u><u>\$ 4,622</u></u>	<b><u><u>\$ 4,622</u></u></b>	<u><u>\$ -</u></u>

**OURAY COUNTY, COLORADO**  
**ROAD AND BRIDGE SALES TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2015**

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	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Sales Taxes	\$ 565,000	\$ 565,949	<b>\$ 644,390</b>	\$ 78,441
<b>EXPENDITURES</b>	17,000	17,949	<b>17,949</b>	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In/(out)	(643,000)	(643,000)	<b>(643,000)</b>	-
<b>Net change to fund balance</b>	(95,000)	(95,000)	<b>(16,559)</b>	78,441
<b>Fund balance, January 1</b>	280,315	280,315	<b>312,947</b>	32,632
<b>Fund balance, December 31</b>	<b>\$ 185,315</b>	<b>\$ 185,315</b>	<b>\$ 296,388</b>	<b>\$ 111,073</b>

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: <b>Ouray County</b>
	YEAR ENDING : December 2015
This Information From The Records Of (example - City of _ or County of )	Prepared By: Blair and Associates, PC Phone:

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

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	518,994
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,334,427
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	207,292	b. Snow and ice removal	
3. Other local imposts (from page 2)	326,757	c. Other	
4. Miscellaneous local receipts (from page 2)	935,997	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	377,377
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	250,517
a. Bonds - Original Issues		6. Total (1 through 5)	2,481,315
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,470,046	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	1,011,269	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	2,481,315	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	2,481,315

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		2,481,315	2,481,315		0

Notes and Comments:

Notes and Comments:					
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**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2015

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	233,916	a. Interest on investments	990
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	63,318	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	10,200
4. Licenses	9,009	f. Charges for Services	
5. Specific Ownership &/or Other	20,514	g. Other Misc. Receipts	
6. Total (1. through 5.)	92,841	h. Other	924,807
c. Total (a. + b.)	326,757	i. Total (a. through h.)	935,997
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	779,014	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	34,603	d. Federal Transit Admin	
d. Other (Specify) - Grants	197,652	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	232,255	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,011,269	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		117,913	117,913
(2). Capacity Improvements			0
(3). System Preservation		401,081	401,081
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	518,994	518,994
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	518,994	518,994
			(Carry forward to page 1)

Notes and Comments: