

CITY OF DELTA, COLORADO
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2016



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Management's Discussion and Analysis

As management of the City of Delta, we offer readers of the City of Delta's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016.

Financial Highlights

As of the close of the year, the City had \$15,219,072 in combined ending cash and investment balances compared to \$14,535,101 in combined ending cash and investment balances for the previous year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1)government-wide financial statements, 2)fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are 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 are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City of Delta that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include general government, public safety, public works, health and safety and parks and recreation. The business-type activities of the City include the Electric, Sewer, Water, Golf and Refuse operations.

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. The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

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 funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains nine individual governmental 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 the general fund, recreation center fund, and the city-wide capital improvement fund, which are considered to be major funds. Data from four other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the report.

The City adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the general fund, recreation center fund, and the citywide capital improvement fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 6 through 9 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its utility funds and the golf course fund operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles and employees' dental insurance benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the funds. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 10 through 12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 31 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary comparisons for the general fund, recreation center fund and the city-wide capital improvement fund. Required supplementary information can be found on pages 32 through 34 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and budgetary comparison schedules are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 35 through 49 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The City's assets exceeded liabilities by \$59,771,400 at the close of the year 2016.

The largest portion of the City's net position reflects its investment in the capital assets (e.g. land, buildings, infrastructure and equipment); less any related debt used to acquire those assets that are still outstanding. The resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Delta's Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
Current & other assets	\$ 6,138,154	\$ 6,132,272	\$ 10,842,771	\$ 11,551,635	\$ 16,980,925	\$ 17,683,907
Capital assets	52,881,359	49,856,057	22,056,904	21,421,212	74,938,263	71,277,269
Total assets	59,019,513	55,988,329	32,899,675	32,972,847	91,919,188	88,961,176
Long-term liabilities	22,413,854	21,787,287	6,395,907	6,062,641	28,809,761	27,849,928
Other liabilities	1,013,896	573,916	550,409	670,663	1,564,305	1,244,579
Total liabilities	23,427,750	22,361,203	6,946,316	6,733,304	30,374,066	29,094,507
Deferred inflows of resources	-	93,169	-	2,100	-	95,269
Net position:						
Net investment in capital assets	30,770,817	28,390,632	15,878,668	15,588,373	46,649,485	43,979,005
Restricted	2,830,270	3,408,426	-	-	2,830,270	3,408,426
Unrestricted	1,990,676	1,734,899	10,074,691	10,649,070	12,065,367	12,383,969
Total net position	\$ 35,591,763	\$ 33,533,957	\$ 25,953,359	\$ 26,237,443	\$ 61,545,122	\$ 59,771,400

The restricted portion the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

City of Delta's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
Revenues:						
Program revenues:						
Charges for						
services	\$ -	\$ -	\$ 10,358,232	\$ 10,588,528	\$ 10,358,232	\$ 10,588,528
Fees and fines	939,286	949,280	-	-	939,286	949,280
Grants	2,548,082	1,412,712	93,740	173,328	2,641,822	1,586,040
General revenues:						
Taxes:						
Sales tax	5,787,926	5,906,529	-	-	5,787,926	5,906,529
Franchise and						
Occupational tax	153,118	153,874	-	-	153,118	153,874
Cigarette	21,356	21,235	-	-	21,356	21,235
Endowment	1,894	-	-	-	1,894	-
Investment	5,341	17,731	11,056	51,477	16,397	69,208
Miscellaneous	87,819	188,925	189,014	296,406	276,833	485,331
Accounting and						
administration	749,781	749,781	(403,430)	(403,430)	346,351	346,351
Franchise tax						
equivalents	484,971	498,682	(484,971)	(498,682)	-	-
Total revenue	10,779,574	9,898,749	9,763,641	10,207,627	20,543,215	20,106,376
Expenses:						
General government	806,275	757,246	-	-	806,275	757,246
Public safety	1,960,253	1,869,642	-	-	1,960,253	1,869,642
Public works	6,062,699	6,456,450	-	-	6,062,699	6,456,450
Parks and recreation	2,989,407	3,115,755	-	-	2,989,407	3,115,755
Municipal Light & Power	-	-	5,145,417	5,283,307	5,145,417	5,283,307
Sewer	-	-	1,099,801	1,362,108	1,099,801	1,362,108
Water	-	-	1,606,180	1,661,300	1,606,180	1,661,300
Refuse	-	-	428,162	492,624	428,162	492,624
Golf	-	-	1,151,032	1,101,204	1,151,032	1,101,204
Total expenses	11,818,634	12,199,093	9,430,592	9,900,543	21,249,226	22,099,636
Increase in net position						
before transfers	(1,039,060)	(2,300,344)	333,049	307,084	(706,011)	(1,993,260)
Transfers	(20,000)	23,000	-	(23,000)	(20,000)	-
Increase (decrease) in	(1,059,060)	(2,277,344)	333,049	284,084	(726,011)	(1,993,260)
net position						
Prior Period Adjustment	-	219,538	-	-	219,538	-
Net position - January 1st	36,650,823	35,811,301	25,620,310	25,953,359	62,490,671	61,764,660
Net position - December 31st	\$ 35,591,763	\$ 33,533,957	\$ 25,953,359	\$ 26,237,443	\$ 61,764,660	\$ 59,771,400

General Fund Budgetary Highlights

A positive item to note on page 32 regarding the General Fund variance column is a 3.94% increase in sales and uses taxes received over the amount budgeted.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2016, amounts to \$71,277,267 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, and roads and bridges.

City of Delta Capital Assets

(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
Land	\$ 3,672,940	\$ 3,709,250	\$ 952,610	\$ 952,610	\$ 4,625,550	\$ 4,661,860
Construction in Progress	15,800	46,895	-	259,922	15,800	306,817
Improvements other than buildings	4,058,620	3,801,355	243,589	-	4,302,209	3,801,355
Infrastructures	41,351,655	38,682,356	-	-	41,351,655	38,682,356
Buildings	2,412,352	2,254,871	486,811	442,957	2,899,163	2,697,828
Water rights and storage Treatment and generation facilities	-	-	496,425	490,707	496,425	490,707
Collection, transmission and distribution systems	-	-	3,640,399	3,403,798	3,640,399	3,403,798
Street lighting system	-	-	16,018,895	15,679,725	16,018,895	15,679,725
Vehicles and equipment	1,369,993	1,361,330	85,786	81,839	85,786	81,839
Total	<u>\$52,881,360</u>	<u>\$ 49,856,057</u>	<u>\$ 22,056,906</u>	<u>\$ 21,421,210</u>	<u>\$ 74,938,266</u>	<u>\$ 71,277,267</u>

Additional information on the City of Delta's capital assets can be found in note 3 on pages 22 through 24 of this report.

Long-term debt. At the end of the current fiscal year, the City of Delta had total bonded debt and note payable outstanding of \$27,094,822. Of this amount, \$21,365,000 is backed by Sales and Use Tax Revenue collections and the remaining \$5,729,822 debt is secured by specified revenue sources.

City of Delta's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
Sales & use tax revenue bonds	\$ 21,925,000	\$ 21,365,000	\$ -	\$ -	\$ 21,925,000	\$ 21,365,000
Notes payable	-	-	6,075,228	5,729,822	6,075,228	5,729,822
Total	\$ 21,925,000	\$ 21,365,000	\$ 6,075,228	\$ 5,729,822	\$ 28,000,228	\$ 27,094,822

Additional information on the City's long-term debt can be found in note 6 on pages 26 through 27 of this report.

Economic Factors and Future Year's Budgets

The economic condition and outlook for the City in the upcoming year should be stable. The 2017 budget projects a 1% increase for sales tax. The City's 3% sales tax revenue is designated to three funds; 1% General Fund, 1% City Wide Capital Improvement Fund and 1% Parks & Recreation Center Fund. The City Wide Capital Improvement Fund has bond requirements and specific restrictions on how the Sales Tax Revenue can be spent. The Parks & Recreation Center Fund has specific restrictions on how the Sales Tax Revenue can be spent. These plus other factors were considered in preparing the City of Delta's budget for the 2016 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Delta's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the City of Delta, Office of the Finance Director, 360 Main Street, Delta, CO 81416.

Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

INDEPENDENT AUDITORS' REPORT

City Council
City of Delta
Delta, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Delta, Colorado, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the City of Delta's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 3, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages i-vii 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 Management's Discussion and Analysis 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.

Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 32 - 35 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. In addition, the combining and budgetary comparison statements and schedules listed as other supplementary information on pages 36 - 55 are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Local Highway Finance Report* pages 56 - 57 and the supplemental schedules required pursuant to bond agreements on pages 58 - 64 are presented for purposes of legal compliance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Holscher, Mayberry & Company, LLC

Englewood, Colorado
May 9, 2017

CITY OF DELTA, COLORADO

STATEMENT OF NET POSITION

DECEMBER 31, 2016

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 587,240	\$ 564,260	\$ 1,151,500
Investments	2,112,032	9,515,865	11,627,897
Restricted Cash and Investments	2,439,675	-	2,439,675
Receivables			
Accounts Receivable	868,029	1,009,910	1,877,939
Other Receivables	9,621	96,570	106,191
Inventory	111,295	364,512	475,807
Prepaid Expenses	4,380	518	4,898
Total Current Assets	6,132,272	11,551,635	17,683,907
Noncurrent Assets			
Capital Assets not being Depreciated	3,756,145	1,212,532	4,968,677
Capital Assets being Depreciated	95,218,494	44,619,575	139,838,069
Accumulated Depreciation	(49,118,582)	(24,410,895)	(73,529,477)
Total Noncurrent Assets	49,856,057	21,421,212	71,277,269
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 55,988,329	\$ 32,972,847	\$ 88,961,176
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 96,503	\$ 599,118	\$ 695,621
Accrued Liabilities	3,360	-	3,360
Accrued Salaries and Benefits	184,433	61,759	246,192
Deposits and Escrow	189,195	-	189,195
Accrued Interest Payable	100,425	9,786	110,211
Total Current Liabilities	573,916	670,663	1,244,579
Noncurrent Liabilities			
Due within one year	575,000	392,899	967,899
Due in more than one year	21,212,287	5,669,742	26,882,029
Total Noncurrent Liabilities	21,787,287	6,062,641	27,849,928
TOTAL LIABILITIES	22,361,203	6,733,304	29,094,507
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Bond Premiums	80,368	-	80,368
Other Deferred Inflows	12,801	2,100	14,901
TOTAL DEFERRED INFLOWS	93,169	2,100	95,269
NET POSITION			
Net Investment in Capital Assets	28,390,632	15,588,373	43,979,005
Restricted Net Position	3,408,426	-	3,408,426
Unrestricted Net Position	1,734,899	10,649,070	12,383,969
TOTAL NET POSITION	33,533,957	26,237,443	59,771,400
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 55,988,329	\$ 32,972,847	\$ 88,961,176

The accompanying notes are an integral part of these financial statements.

CITY OF DELTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

		PROGRAM REVENUES		
		CHARGES FOR	OPERATING	CAPITAL
	EXPENSES	SERVICES	GRANTS AND CONTRIBUTIONS	GRANTS
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	\$ 1,405,137	\$ 806,153	\$ 567,060	\$ -
Public Safety	1,869,642	62,430	-	-
Public Works	5,808,559	88,081	749,187	-
Culture and Recreation	3,115,755	742,397	96,465	-
TOTAL GOVERNMENT ACTIVITIES	<u>12,199,093</u>	<u>1,699,061</u>	<u>1,412,712</u>	<u>-</u>
Business-type Activities				
Current:				
Municipal Light & Power	5,724,140	6,096,221	-	-
Sewer	1,529,142	1,316,132	-	55,450
Water	1,855,192	1,931,284	72,478	45,400
Refuse	577,976	687,372	-	-
Golf Course	1,116,204	557,519	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>10,802,654</u>	<u>10,588,528</u>	<u>72,478</u>	<u>100,850</u>
TOTAL GOVERNMENT	<u>\$ 23,001,747</u>	<u>\$ 12,287,589</u>	<u>\$ 1,485,190</u>	<u>\$ 100,850</u>
GENERAL REVENUES				
Sales and Use Taxes				
Franchise and In Lieu of Taxes				
Other Taxes				
Interest Income				
Insurance Proceeds				
Other Revenues				
TRANSFERS				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
Prior Period Restatement				
NET POSITION - Beginning (as Restated)				
NET POSITION - Ending				

The accompanying notes are an integral part of the financial statements.

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
--------------------------	-------------------------------	-------

\$ (31,924)	\$ -	\$ (31,924)
(1,807,212)	-	(1,807,212)
(4,971,291)	-	(4,971,291)
<u>(2,276,893)</u>	<u>-</u>	<u>(2,276,893)</u>
<u>(9,087,320)</u>	<u>-</u>	<u>(9,087,320)</u>

-	372,081	372,081
-	(157,560)	(157,560)
-	193,970	193,970
-	109,396	109,396
<u>-</u>	<u>(558,685)</u>	<u>(558,685)</u>
<u>-</u>	<u>(40,798)</u>	<u>(40,798)</u>
<u>(9,087,320)</u>	<u>(40,798)</u>	<u>(9,128,118)</u>

5,906,529	-	5,906,529
633,598	-	633,598
18,958	-	18,958
17,731	51,477	69,208
-	296,405	296,405
210,160	-	210,160
23,000	(23,000)	-
<u>6,809,976</u>	<u>324,882</u>	<u>7,134,858</u>
<u>(2,277,344)</u>	<u>284,084</u>	<u>(1,993,260)</u>
35,591,763	25,953,359	61,545,122
219,538	-	219,538
<u>35,811,301</u>	<u>25,953,359</u>	<u>61,764,660</u>
<u>\$ 33,533,957</u>	<u>\$ 26,237,443</u>	<u>\$ 59,771,400</u>

CITY OF DELTA, COLORADO

BALANCE SHEET**GOVERNMENTAL FUNDS****DECEMBER 31, 2016****With Comparative Totals for December 31, 2015**

		SPEC REV FD	CAP PROJ FD	
		Parks and Recreation Center	City-Wide Capital Improvement	Other
	General Fund	Fund	Fund	Funds
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	\$ 235,392	\$ 212,635	\$ 982	\$ 2,214
Investments	1,268,363	206,494	6,437	-
Restricted Cash and Investments	23,916	-	2,097,331	318,428
Receivables				
Accounts Receivable	256,285	187,598	424,146	-
Other Receivables	-	-	-	9,527
Inventory	-	3,756	-	-
Prepaid Expenses	1,410	2,620	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 1,947,366	\$ 613,103	\$ 2,366,896	\$ 330,169
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 23,006	\$ 24,735	\$ 11,391	\$ 12,310
Accrued Liabilities	3,360	-	-	-
Accrued Salaries and Benefits	119,663	56,033	-	-
Deposits and Escrow	168,500	6,045	14,650	-
TOTAL LIABILITIES	314,529	86,813	26,041	12,310
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Other Deferred Inflows	-	12,801	-	-
FUND BALANCE				
Nonspendable Fund Balance	1,410	6,376	-	39,970
Restricted Fund Balance	282,000	507,113	2,340,855	278,458
Assigned Fund Balance	-	-	-	-
Unassigned Fund Balance	1,349,427	-	-	(569)
TOTAL FUND BALANCE	1,632,837	513,489	2,340,855	317,859
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,947,366	\$ 613,103	\$ 2,366,896	\$ 330,169

The accompanying notes are an integral part of these financial statements.

Total	
2016	2015
\$ 451,223	\$ 1,665,085
1,481,294	256,363
2,439,675	2,441,733
868,029	921,860
9,527	-
3,756	3,265
4,030	3,943
<u>\$ 5,257,534</u>	<u>\$ 5,292,249</u>

\$ 71,442	\$ 526,468
3,360	2,512
175,696	154,431
<u>189,195</u>	<u>183,330</u>
<u>439,693</u>	<u>866,741</u>
<u>12,801</u>	<u>15,831</u>
47,756	44,498
3,408,426	3,014,307
-	236,022
<u>1,348,858</u>	<u>1,114,850</u>
<u>4,805,040</u>	<u>4,409,677</u>
<u>\$ 5,257,534</u>	<u>\$ 5,292,249</u>

CITY OF DELTA, COLORADO

RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2016

Fund Balance - Governmental Funds		\$ 4,805,040
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 3,756,145	
Capital assets, being depreciated	90,256,309	
Accumulated depreciation	<u>(45,508,303)</u>	48,504,151
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds		
Bond premiums	<u>(80,368)</u>	(80,368)
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
Internal Service operations primarily benefit Governmental Activities		
Internal Service Fund Net Position		2,170,786
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(21,365,000)	
Accrued interest payable	(100,425)	
Accrued compensated absences	<u>(400,227)</u>	<u>(21,865,652)</u>
Total Net Position - Governmental Activities		<u>\$ 33,533,957</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**GOVERNMENTAL FUNDS****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

		SPEC REV FD	CAP PROJ FD	
		Parks and Recreation	City-Wide Capital	
	General	Center	Improvement	Other
	Fund	Fund	Fund	Funds
REVENUES				
Taxes	\$ 2,425,010	\$ 1,772,457	\$ 2,361,617	\$ -
Intergovernmental Revenues	633,053	100,426	562,480	105,992
Licenses and Permits	114,908	-	-	-
Fines and Forfeits	60,795	-	-	-
Internal Charges	749,781	-	-	-
Charges for Services	16,149	746,199	7,800	3,430
Investment Earnings	6,902	1,107	8,845	877
Other Revenues	58,150	28,930	133,841	-
TOTAL REVENUES	4,064,748	2,649,119	3,074,583	110,299
EXPENDITURES				
Current:				
General Government	1,041,380	-	-	-
Public Safety	1,850,827	-	-	-
Public Works	1,013,575	-	-	33,096
Parks, Recreation and Other	146,288	2,426,309	-	1,181
Internal Charges	-	239,055	71,953	-
Capital Outlay	13,125	65,879	952,242	93,109
Debt Service	-	-	1,781,905	-
TOTAL EXPENDITURES	4,065,195	2,731,243	2,806,100	127,386
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(447)	(82,124)	268,483	(17,087)
OTHER FINANCING SOURCES (USES)				
Transfers (In)	-	-	81,539	23,000
Transfers (Out)	(16,000)	-	-	(81,539)
TOTAL OTHER FINANCING SOURCES (USES)	(16,000)	-	81,539	(58,539)
NET CHANGE IN FUND BALANCE - GAAP BASIS	(16,447)	(82,124)	350,022	(75,626)
FUND BALANCE, BEGINNING	1,649,284	595,613	1,771,295	393,485
Prior Period Restatement	-	-	219,538	-
FUND BALANCE, BEGINNING (As Restated)	1,649,284	595,613	1,990,833	393,485
FUND BALANCE, ENDING	\$ 1,632,837	\$ 513,489	\$ 2,340,855	\$ 317,859

The accompanying notes are an integral part of these financial statements.

Total	
2016	2015
\$ 6,559,084	\$ 6,426,014
1,401,951	2,546,186
114,908	86,628
60,795	110,273
749,781	749,781
773,578	742,386
17,731	5,341
220,921	112,962
<u>9,898,749</u>	<u>10,779,571</u>

1,041,380	1,115,809
1,850,827	1,941,039
1,046,671	900,667
2,573,778	2,474,478
311,008	311,008
1,124,355	2,333,763
<u>1,781,905</u>	<u>1,778,105</u>
<u>9,729,924</u>	<u>10,854,869</u>
<u>168,825</u>	<u>(75,298)</u>

104,539	128,781
<u>(97,539)</u>	<u>(148,781)</u>
<u>7,000</u>	<u>(20,000)</u>
<u>175,825</u>	<u>(95,298)</u>
4,409,677	4,504,975
<u>219,538</u>	<u>-</u>
<u>4,629,215</u>	<u>4,504,975</u>
<u>\$ 4,805,040</u>	<u>\$ 4,409,677</u>

CITY OF DELTA, COLORADO

RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

Change in Fund Balance - Governmental Funds \$ 175,825

Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level

Capitalized Asset Purchases	926,733	
Depreciation Expense	(3,963,399)	
Gain (Loss) on Asset Disposals	-	(3,036,666)
Change in net position - Internal Service Funds	<u>35,893</u>	<u>35,893</u>

Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.

Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level

Principal payments on bonds payable	560,000	
Change in accrued interest payable	1,400	
Amortization of premiums and discounts	3,349	
Change in accrued compensated absences	<u>(17,145)</u>	<u>547,604</u>

Change in Net Position - Governmental Activities \$ (2,277,344)

The accompanying notes are an integral part of these financial statements.

CITY OF DELTA, COLORADO

STATEMENT OF NET POSITION**PROPRIETARY FUNDS****DECEMBER 31, 2016****With Comparative Totals for December 31, 2015**

	Business-type Activities					
	Municipal Light & Power	Sewer	Water	Golf Course	Other	Total Enterprise
	Fund	Fund	Fund	Fund	Funds	Funds
ASSETS AND DEFERRED OUTFLOWS						
ASSETS						
Current Assets						
Cash and Investments						
Cash	\$ 290,403	\$ 63,863	\$ 145,867	\$ 988	\$ 63,139	\$ 564,260
Investments	3,204,808	2,706,571	2,568,193	-	1,036,293	9,515,865
Receivables						
Accounts Receivable	664,152	131,673	141,588	-	72,497	1,009,910
Other Receivables	29,936	1,063	62,773	2,738	60	96,570
Inventory	221,969	27,607	93,427	21,509	-	364,512
Prepaid Expenses	57	216	245	-	-	518
Total Current Assets	<u>4,411,325</u>	<u>2,930,993</u>	<u>3,012,093</u>	<u>25,235</u>	<u>1,171,989</u>	<u>11,551,635</u>
Noncurrent Assets						
Capital Assets not being depreciated	363,872	445,186	259,534	143,940	-	1,212,532
Capital Assets being depreciated	12,543,747	18,046,372	9,375,713	4,653,743	-	44,619,575
Accumulated Depreciation	(5,054,997)	(9,780,600)	(5,316,816)	(4,258,482)	-	(24,410,895)
Total Noncurrent Assets	<u>7,852,622</u>	<u>8,710,958</u>	<u>4,318,431</u>	<u>539,201</u>	<u>-</u>	<u>21,421,212</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 12,263,947</u>	<u>\$ 11,641,951</u>	<u>\$ 7,330,524</u>	<u>\$ 564,436</u>	<u>\$ 1,171,989</u>	<u>\$ 32,972,847</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION						
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ 472,054	\$ 76,349	\$ 31,598	\$ 8,363	\$ 10,754	\$ 599,118
Accrued Salaries and Benefits	18,682	13,597	14,204	9,420	5,856	61,759
Accrued Interest Payable	4,687	2,574	-	2,525	-	9,786
Total Current Liabilities	<u>495,423</u>	<u>92,520</u>	<u>45,802</u>	<u>20,308</u>	<u>16,610</u>	<u>670,663</u>
Noncurrent Liabilities						
Due within one year	199,070	103,705	-	90,124	-	392,899
Due in more than one year	2,326,026	2,032,391	78,596	1,217,235	15,494	5,669,742
Total Noncurrent Liabilities	<u>2,525,096</u>	<u>2,136,096</u>	<u>78,596</u>	<u>1,307,359</u>	<u>15,494</u>	<u>6,062,641</u>
TOTAL LIABILITIES	<u>3,020,519</u>	<u>2,228,616</u>	<u>124,398</u>	<u>1,327,667</u>	<u>32,104</u>	<u>6,733,304</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES						
Other Deferred Inflows	-	-	-	2,100	-	2,100
NET POSITION						
Net Investment in Capital Assets	5,376,162	6,633,086	4,318,431	(739,306)	-	15,588,373
Unrestricted Net Position	3,867,266	2,780,249	2,887,695	(26,025)	1,139,885	10,649,070
TOTAL NET POSITION	<u>9,243,428</u>	<u>9,413,335</u>	<u>7,206,126</u>	<u>(765,331)</u>	<u>1,139,885</u>	<u>26,237,443</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 12,263,947</u>	<u>\$ 11,641,951</u>	<u>\$ 7,330,524</u>	<u>\$ 564,436</u>	<u>\$ 1,171,989</u>	<u>\$ 32,972,847</u>

The accompanying notes are an integral part of these financial statements.

<u>Govt Act</u>			
<u>Internal</u>			
<u>Service</u>		<u>Total</u>	
<u>Funds</u>		<u>2016</u>	<u>2015</u>
\$ 136,017	\$ 700,277	\$ 5,370,472	
630,738	10,146,603	4,083,586	
-	1,009,910	986,315	
94	96,664	35,801	
107,539	472,051	366,234	
350	868	363	
<u>874,738</u>	<u>12,426,373</u>	<u>10,842,771</u>	
-	1,212,532	952,610	
4,962,185	49,581,760	44,094,798	
<u>(3,610,279)</u>	<u>(28,021,174)</u>	<u>(22,990,504)</u>	
1,351,906	22,773,118	22,056,904	
<u>\$ 2,226,644</u>	<u>\$ 35,199,491</u>	<u>\$ 32,899,675</u>	

\$ 25,061	\$ 624,179	\$ 483,876	
8,737	70,496	55,101	
-	9,786	11,083	
<u>33,798</u>	<u>704,461</u>	<u>550,060</u>	
-	392,899	377,275	
<u>22,060</u>	<u>5,691,802</u>	<u>6,018,632</u>	
22,060	6,084,701	6,395,907	
<u>55,858</u>	<u>6,789,162</u>	<u>6,945,967</u>	
-	2,100	349	
1,351,906	16,940,279	15,878,668	
<u>818,880</u>	<u>11,467,950</u>	<u>10,074,691</u>	
<u>2,170,786</u>	<u>28,408,229</u>	<u>25,953,359</u>	
<u>\$ 2,226,644</u>	<u>\$ 35,199,491</u>	<u>\$ 32,899,675</u>	

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	Business-type Activities					
	Municipal Light & Power	Sewer	Water	Golf Course	Other	Total Enterprise
	Fund	Fund	Fund	Fund	Funds	Funds
Operating Revenues						
Utility Charges	\$ 6,078,129	\$ 1,307,645	\$ 1,930,301	\$ -	\$ 687,372	\$ 10,003,447
Golf Course Charges	-	-	-	557,519	-	557,519
Internal Charges	-	-	-	-	-	-
Other Charges for Services	18,092	8,487	983	-	-	27,562
Total Revenues	6,096,221	1,316,132	1,931,284	557,519	687,372	10,588,528
Operating Expenses						
Commodity Charges	4,059,596	-	350,781	-	-	4,410,377
Golf Course Pro and Concessions	-	-	-	378,108	-	378,108
Golf Course Maintenance	-	-	-	379,863	-	379,863
Management Fees	440,833	167,034	193,892	15,000	85,352	902,111
Collection, Transmission and Distribution	926,444	204,455	573,577	-	492,624	2,197,100
Production and Treatment	-	-	447,633	-	-	447,633
Claims and Premiums	-	-	-	-	-	-
Maintenance	-	439,372	-	-	-	439,372
Administration	78,209	52,883	21,785	-	-	152,877
Depreciation Expense	352,743	517,239	267,524	282,884	-	1,420,390
Other Capital Outlay	(245,762)	73,955	-	-	-	(171,807)
Total Expenditures	5,612,063	1,454,938	1,855,192	1,055,855	577,976	10,556,024
Operating Income (Loss)	484,158	(138,806)	76,092	(498,336)	109,396	32,504
Other Income (Expense)						
Intergovernmental Revenue	-	-	72,478	-	-	72,478
Investment Earnings	17,278	15,540	13,010	-	5,649	51,477
Other Revenue	205,295	31,493	41,431	3,812	14,374	296,405
Interest Expense	(112,077)	(74,204)	-	(60,349)	-	(246,630)
Gain (Loss) on Sale of Assets	-	-	-	-	-	-
Total Other Income (Expense)	110,496	(27,171)	126,919	(56,537)	20,023	173,730
Net Income (Loss) before Transfers	594,654	(165,977)	203,011	(554,873)	129,419	206,234
Transfers						
Transfers In/(Out)	-	(126,000)	(73,000)	326,000	(150,000)	(23,000)
Net Income (Loss)	594,654	(291,977)	130,011	(228,873)	(20,581)	183,234
Contributed Capital						
Plant Investment Fees	-	55,450	45,400	-	-	100,850
Change in Net Position	594,654	(236,527)	175,411	(228,873)	(20,581)	284,084
Net Position, Beginning	8,648,774	9,649,862	7,030,715	(536,458)	1,160,466	25,953,359
Net Position, Ending	\$ 9,243,428	\$ 9,413,335	\$ 7,206,126	\$ (765,331)	\$ 1,139,885	\$ 26,237,443

The accompanying notes are an integral part of these financial statements.

Govt Activities		
Internal Service		
Funds	Total	
	2016	2015
\$ -	\$ 10,003,447	\$ 9,767,407
-	557,519	555,528
1,039,724	1,039,724	1,007,774
10,062	37,624	44,995
<u>1,049,786</u>	<u>11,638,314</u>	<u>11,375,704</u>
-	4,410,377	4,340,415
-	378,108	414,849
-	379,863	387,787
35,343	937,454	923,744
-	2,197,100	1,829,756
-	447,633	404,260
66,789	66,789	77,151
589,967	1,029,339	1,040,274
10,210	163,087	99,972
415,706	1,836,096	1,647,705
-	(171,807)	221
<u>1,118,015</u>	<u>11,674,039</u>	<u>11,166,134</u>
<u>(68,229)</u>	<u>(35,725)</u>	<u>209,570</u>
-	72,478	14,540
4,017	55,494	12,137
6,080	302,485	193,642
-	(246,630)	(260,794)
<u>78,025</u>	<u>78,025</u>	<u>37,777</u>
<u>88,122</u>	<u>261,852</u>	<u>(2,698)</u>
19,893	226,127	206,872
<u>16,000</u>	<u>(7,000)</u>	<u>20,000</u>
35,893	219,127	226,872
-	100,850	79,200
35,893	319,977	306,072
<u>2,134,893</u>	<u>28,088,252</u>	<u>27,782,180</u>
<u>\$ 2,170,786</u>	<u>\$ 28,408,229</u>	<u>\$ 28,088,252</u>

CITY OF DELTA

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	Business-type Activities					
	Municipal Light & Power Fund	Sewer Fund	Water Fund	Golf Course Fund	Other Funds	Total Enterprise Funds
Cash Flows From Operating Activities:						
Cash Received from Customers	\$ 6,065,631	\$ 1,313,232	\$ 1,883,601	\$ 557,974	\$ 685,477	\$ 10,505,915
Cash Received from Interfund Services Provided	-	-	-	-	-	-
Cash Paid to Suppliers	(4,379,646)	(461,273)	(1,110,669)	(426,251)	(387,569)	(6,765,408)
Cash Paid for Interfund Services	(440,833)	(167,034)	(193,892)	(15,000)	(85,352)	(902,111)
Cash Paid to Employees	(363,935)	(256,508)	(287,483)	(321,977)	(102,613)	(1,332,516)
Net Cash Provided by Operating Activities	<u>881,217</u>	<u>428,417</u>	<u>291,557</u>	<u>(205,254)</u>	<u>109,943</u>	<u>1,505,880</u>
Cash Flows From Capital and Related Financing Activities:						
Tap Fees Received	-	55,450	45,400	-	-	100,850
Debt Principal Payments	(159,650)	(99,781)	-	(85,965)	-	(345,396)
Grant Proceeds	-	-	72,478	-	-	72,478
Interest Payments	(112,705)	(74,535)	-	(60,687)	-	(247,927)
Proceeds of Capital Asset Sales	-	-	-	-	-	-
Acquisition of Capital Assets	(491,872)	(78,035)	(210,255)	(4,538)	-	(784,700)
Cash Flows Used by Capital and Related Financing Activities	<u>(764,227)</u>	<u>(196,901)</u>	<u>(92,377)</u>	<u>(151,190)</u>	<u>-</u>	<u>(1,204,695)</u>
Cash Flows (Uses) From Noncapital Financing Activities:						
Cash from Other Funds	-	(126,000)	(73,000)	326,000	(150,000)	(23,000)
Other Revenues (Expense)	205,295	31,493	41,431	3,812	14,374	296,405
Net Cash Provided (Used) by Noncapital Financing Activities	<u>205,295</u>	<u>(94,507)</u>	<u>(31,569)</u>	<u>329,812</u>	<u>(135,626)</u>	<u>273,405</u>
Cash Flows (Uses) From Investing Activities:						
Interest Received	17,278	15,540	13,010	-	5,649	51,477
Net Cash Used by Investing Activities	<u>17,278</u>	<u>15,540</u>	<u>13,010</u>	<u>-</u>	<u>5,649</u>	<u>51,477</u>
Net Increase (Decrease) in Cash	339,563	152,549	180,621	(26,632)	(20,034)	626,067
Cash - Beginning	<u>3,155,648</u>	<u>2,617,885</u>	<u>2,533,439</u>	<u>27,620</u>	<u>1,119,466</u>	<u>9,454,058</u>
Cash - Ending	<u>\$ 3,495,211</u>	<u>\$ 2,770,434</u>	<u>\$ 2,714,060</u>	<u>\$ 988</u>	<u>\$ 1,099,432</u>	<u>\$ 10,080,125</u>
Cash	\$ 290,403	\$ 63,863	\$ 145,867	\$ 988	\$ 63,139	\$ 564,260
Investments	<u>3,204,808</u>	<u>2,706,571</u>	<u>2,568,193</u>	<u>-</u>	<u>1,036,293</u>	<u>9,515,865</u>
Total	<u>\$ 3,495,211</u>	<u>\$ 2,770,434</u>	<u>\$ 2,714,060</u>	<u>\$ 988</u>	<u>\$ 1,099,432</u>	<u>\$ 10,080,125</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:						
Operating Income (Loss)	<u>\$ 484,158</u>	<u>\$ (138,806)</u>	<u>\$ 76,092</u>	<u>\$ (498,336)</u>	<u>\$ 109,396</u>	<u>\$ 32,504</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation Expense	352,743	517,239	267,524	282,884	-	1,420,390
Changes in Assets and Liabilities Related to Operations:						
(Increase) Decrease in:						
Accounts Receivable	(17,011)	(2,705)	(1,984)	-	(1,895)	(23,595)
Other Receivables	(13,579)	(195)	(45,699)	(1,296)	-	(60,769)
Inventory	810	9,279	(4,473)	(3,894)	-	1,722
Prepaid Expenses	-	90	(245)	-	-	(155)
(Increase) Decrease in:						
Accounts Payable	69,317	42,956	(3,273)	5,252	991	115,243
Accrued Salaries and Benefits	2,413	1,675	(282)	1,538	1,312	6,656
Deposits and Escrow	-	-	-	-	-	-
Accrued Compensated Absences	2,366	(1,116)	3,897	6,847	139	12,133
Other Deferred Inflows	-	-	-	1,751	-	1,751
Total Adjustments	<u>397,059</u>	<u>567,223</u>	<u>215,465</u>	<u>293,082</u>	<u>547</u>	<u>-</u>
Net Cash Used for Operating Activities	<u>\$ 881,217</u>	<u>\$ 428,417</u>	<u>\$ 291,557</u>	<u>\$ (205,254)</u>	<u>\$ 109,943</u>	<u>\$ 1,505,880</u>

The accompanying notes are an integral part of these financial statements.

Govt Activities		
Internal Service		
Funds	Total	
	2016	2015
\$ 9,968	\$ 10,515,883	\$ 10,309,472
1,039,724	1,039,724	1,007,774
(472,173)	(7,237,581)	(6,972,863)
(35,343)	(937,454)	(923,744)
(170,335)	(1,502,851)	(1,495,829)
<u>371,841</u>	<u>1,877,721</u>	<u>1,924,810</u>
-	100,850	79,200
-	(345,396)	(363,334)
-	72,478	14,540
-	(247,927)	(261,416)
79,892	79,892	37,778
(428,937)	(1,213,637)	(988,422)
<u>(349,045)</u>	<u>(1,553,740)</u>	<u>(1,481,654)</u>
16,000	(7,000)	20,000
6,080	302,485	193,642
<u>22,080</u>	<u>295,485</u>	<u>213,642</u>
4,017	55,494	12,137
<u>4,017</u>	<u>55,494</u>	<u>12,137</u>
48,893	674,960	668,935
<u>717,862</u>	<u>10,171,920</u>	<u>9,502,985</u>
<u>\$ 766,755</u>	<u>\$ 10,846,880</u>	<u>\$ 10,171,920</u>
\$ 136,017	\$ 700,277	\$ 5,461,613
<u>630,738</u>	<u>10,146,603</u>	<u>4,710,307</u>
<u>\$ 766,755</u>	<u>\$ 10,846,880</u>	<u>\$ 10,171,920</u>
<u>\$ (68,229)</u>	<u>\$ (35,725)</u>	<u>\$ 209,570</u>
415,706	1,836,096	1,647,705
-	(23,595)	(46,927)
(94)	(60,863)	(10,711)
20,504	22,226	64,596
(350)	(505)	6,614
3,584	118,827	59,002
715	7,371	(12,589)
-	-	(299)
5	12,138	8,370
-	1,751	(521)
<u>440,070</u>	<u>1,913,446</u>	<u>1,715,240</u>
<u>\$ 371,841</u>	<u>\$ 1,877,721</u>	<u>\$ 1,924,810</u>

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. THE FINANCIAL REPORTING ENTITY

The City of Delta, Colorado (referred to hereafter as the City) is incorporated as a home-rule City under the laws of the State of Colorado with a Council-Manager form of government. The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Blended Component Unit – The Delta Urban Renewal Authority is responsible for downtown beautification projects and is governed by a board comprised of the City's elected council. The Authority had no transactions for the current or prior years.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Municipal Light & Power, Sewer, Water, Golf Course, Refuse and the City's internal service funds are charges to customers for sales and services. The Utility Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The City does not have *fiduciary* fund types.

The City reports the following major governmental funds:

General Fund. This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Parks & Rec. Center Fund. This fund accounts for the revenues and expenditures associated with recreational activities and to account for sales tax revenues collected.

City-Wide Capital Improvement Fund. This fund accounts for sales tax revenues used to improve streets and sidewalks, capital improvements, and to reduce debt incurred for city-wide improvements.

The City reports the following major enterprise funds:

Municipal Light & Power Fund. This fund accounts for revenues and expenses associated with providing electric services to City residents.

Sewer Fund. This fund accounts for revenues and expenses associated with the collection and treatment of sewage within the City.

Water Fund. This fund accounts for revenues and expenses associated with providing water services to City residents.

Golf Course Fund. This fund accounts for revenues and expenses associated with the public golf course operated by the City.

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

The City reports the following fund type:

Internal Service Funds. These funds account for equipment purchased and dental insurance coverage provided to other departments and employees on a cost-reimbursement basis.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchanges, include sales taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes are recognized in the period for which the taxes are collected by vendors. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

D. ASSETS, LIABILITIES, AND EQUITY

Deposits and investments. The cash balances of substantially all funds are pooled for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at December 31, 2016 based on market prices. The individual funds' portions of the pool's fair value are presented as cash and cash equivalents or short-term investments. Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average monthly balance of each participating fund.

Cash and cash equivalents. The City considers all cash on hand, demand deposits and short-term highly liquid investments with an original maturity of three months or less to be cash equivalents.

Property taxes. Property taxes are levied on December 22 and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31, net of an estimated uncollectible portion.

For the fiscal year 2016, the City did not levy property taxes.

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND EQUITY (continued)

Inventories. Inventories of supplies in the proprietary fund types are stated at cost using the first-in/first-out (FIFO) method.

Capital assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets are reported at estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Assets with a useful life of a year or greater with an acquisition value of at least \$1,000 are capitalized.

Enterprise Fund construction costs are increased by interest incurred on bonds during the construction period and reduced by earnings from investment of the unexpended bond proceeds.

Depreciation is calculated using the straight-line method over the estimated useful lives, and no depreciation is recorded in the year of acquisition or construction of such assets. Capital assets acquired by capital lease are depreciated over the estimated useful lives and are included in depreciation expense in the appropriate fund. The estimated useful lives are as follows:

Infrastructure	15 years
Equipment	5-15 years
Transmission and distribution lines and meters	20-40 years
Treatment and filtration plants	20-50 years
Buildings	35 years

Long-term debt. 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 position.

In the fund financial statements, governmental fund types the face amount of debt issued is reported as other financing sources.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND EQUITY (continued)

Compensated absences. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The City has a policy to award a one-time cash payment between \$250 and \$1,000 to employees who retire with fifteen or more continuous years of service with the City. For 2016, no employee would be eligible based on this criteria, so no liability has been accrued.

Deferred Inflows of Resources. In addition to liabilities, the statement of net position will sometimes report a separate section for 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 so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from recreation center fund prepaid funds plus the city wide capital fund deposits on account. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position/Fund Balances. In the government-wide financial statements and for the proprietary fund statements, net position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balance are reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND EQUITY (continued)

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

Net Position/Fund Equity Flow Assumptions. Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Prior Period Restatement of Governmental Fund Balance. The restatement in the amount of \$219,538 relates to the Truck Route Capital Project. The City litigated a claim with one of the contractors for \$149,345 and an agreement with a property owner for \$70,193 was never finalized.

E. BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing budgets:

1. Budgets are required by state law for all governmental and proprietary funds.
2. During September the proposed budget is submitted to the City Council for the fiscal year commencing the following January 1.
3. Prior to December 31, the budget is adopted and appropriations are authorized by ordinance at the fund level for all funds. The legal level of budgetary control is at the individual fund level for all funds.
4. Budgets are adopted on a basis consistent with the accounting basis of all funds except for proprietary-type funds. In the proprietary funds, the City budgets for capital outlays, and bond principal and interest payments and does not budget for depreciation.

CITY OF DELTA, COLORADO**NOTES TO FINANCIAL STATEMENTS****December 31, 2016****1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****E. BUDGETS AND BUDGETARY ACCOUNTING (continued)**

5. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class and in total by each fund. The total fund level constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to approval by ordinance from the City Council. Within the fund level control basis, management may transfer appropriations without Council approval. Budget amounts included in the budgetary comparison schedules are based on the final legally amended budget.
6. Appropriations lapse at the end of each year, and the City Council may adopt supplemental appropriations during the year. The City Council may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by the City Council when adopting supplemental appropriations.

Originally adopted budgeted and appropriated expenditures for the year ended December 31, 2016 are as follows:

	Original Budget	Supplemental Budget	Final Budget
General Fund	\$ 4,205,121	\$ -	\$ 4,205,121
Parks & Rec. Center Fund	2,979,811	-	2,979,811
City-Wide Capital Improvement Fund	2,420,325	-	2,420,325
Nonmajor Governmental Funds	1,935,905	-	1,935,905
Capital Project Fund	-	82,000	82,000
Municipal Light & Power Fund	7,334,823	-	7,334,823
Sewer Fund	1,644,927	-	1,644,927
Water Fund	2,107,043	-	2,107,043
Golf Course Fund	926,656	-	926,656
Nonmajor Enterprise Fund	730,037	-	730,037
D.U.R.A.	-	34,000	34,000
Internal Service Funds	1,273,861	-	1,273,861
Total Appropriations	\$25,558,509	\$ 116,000	\$ 25,674,509

F. COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

CITY OF DELTA, COLORADO**NOTES TO FINANCIAL STATEMENTS****December 31, 2016****2 - DEPOSITS AND INVESTMENTS****DEPOSITS**

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must at least be equal to 102% of the aggregate uninsured deposits.

CUSTODIAL CREDIT RISK - DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2016 none of the City's bank balances of \$15,256,112 were exposed to custodial credit risk as \$750,000 was insured and \$14,506,112 was collateralized by securities pledged by financial institutions. Book balances of the City's deposits were \$15,215,572. The City also has \$3,500 of cash on hand included as cash and cash equivalents for financial statement presentation.

INVESTMENTS

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended December 31, 2016 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

Description	Level 1	Level 2	Level 3	Total	Weighted Maturity	Rating
Colotrust Plus +	\$ -	\$ 9,155,593	\$ -	\$ 9,155,593	N/A	AAAm
Csafe	-	4,011,024	-	4,011,024	N/A	AAAm
Total Investments	\$ -	\$ 13,166,617	\$ -	\$ 13,166,617		

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

- Local Government Pools - Valued at the proportionate share of ownership of the quoted market prices of the underlying assets.

The City recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2016, there were no changes in the methods or assumptions utilized to derive the fair value of the City's assets and liabilities.

Interest rate risk. The City does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts.

CITY OF DELTA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

2 - DEPOSITS AND INVESTMENTS (continued)

The City's general investment policy is to apply the prudent-person rule: Prudence and protection of City funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety and interest of the local economy. As of December 31, 2016, the City's investment in Colotrust Plus was rated AAAM by Standard & Poor's.

Concentration of credit risk. Investments must be in accordance with Colorado statutes and no more than 80% of the total portfolio may be invested in any single type of investment. Investments in any one financial institution may not exceed 30% of the City's portfolio unless the investments are obligations of the United States Government.

A reconciliation of cash and investment balances is as follows:

Cash & cash equivalents	\$ 1,696,275
Investments	11,370,845
Temporarily restricted cash	316,209
Temporarily restricted investments	1,795,772
Permanently restricted cash	39,970
Total	\$ 15,219,072

Petty Cash	\$ 3,500
Cash Deposits	2,048,955
Government Pools	13,166,617
	\$ 15,219,072

Description	Fair Value
Cash & cash equivalents	\$ 1,696,276
Investments	11,370,845
Restricted deposits (truck route Rail Road)	316,209
Restricted C/D (debt service bond reserve)	1,781,122
Restricted governmental pools(police seizure)	14,650
Permanently restricted deposit (perpetual care deposits)	39,970
Total	\$ 15,219,072

These balances are allocated in the financial statements as follows:

Government-wide cash	\$ 1,696,275
Government-wide investments	11,370,845
Government-wide restricted cash	316,209
Government-wide restricted investments	1,795,772
Government-wide permanently restricted cash	39,970
	\$ 15,219,072

CITY OF DELTA, COLORADO**NOTES TO FINANCIAL STATEMENTS****December 31, 2016****3. - CAPITAL ASSETS**

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

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Construction in Progress	\$ 15,800	\$ 31,095	\$ -	\$ 46,895
Land	3,672,940	36,310	-	3,709,250
Total Capital assets not being depreciated	<u>3,688,740</u>	<u>67,405</u>	<u>-</u>	<u>3,756,145</u>
Capital assets being depreciated:				
Land improvements	8,189,007	113,151	-	8,302,158
Infrastructure - road network	73,699,065	875,434	-	74,574,499
Buildings	6,858,251	11,856	-	6,870,107
Vehicles	2,235,801	244,442	260,981	2,219,262
Equipment	3,251,045	192,727	191,304	3,252,468
Total capital assets being depreciated	<u>94,233,169</u>	<u>1,437,610</u>	<u>452,285</u>	<u>95,218,494</u>
Less accumulated depreciation for:				
Land improvements	4,130,387	370,416	-	4,500,803
Infrastructure - road network	32,496,755	3,395,388	-	35,892,143
Buildings	4,445,899	169,337	-	4,615,236
Vehicles	1,540,040	237,449	260,981	1,516,508
Equipment	2,576,814	206,517	189,439	2,593,892
Total accumulated depreciation	<u>45,189,895</u>	<u>4,379,107</u>	<u>450,420</u>	<u>49,118,582</u>
Total capital assets being depreciated, net	<u>49,043,274</u>	<u>(2,941,497)</u>	<u>1,865</u>	<u>46,099,912</u>
Governmental activity capital assets, net	<u>\$ 52,732,014</u>	<u>\$ (2,874,092)</u>	<u>\$ 1,865</u>	<u>\$ 49,856,057</u>

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

3. – CAPITAL ASSETS (continued)

	<u>Business-Type Activities</u>			
	Beginning Balance	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land and Easements	\$ 952,610	\$ -	\$ -	\$ 952,610
Construction in Progress	-	259,922	-	259,922
Total Capital assets not being depreciated	952,610	259,922	-	1,212,532
Capital assets being depreciated:				
Land improvements	3,625,777	-	-	3,625,777
Water rights and storage reservoirs	607,491	-	-	607,491
Treatment and generation facilities	9,520,705	-	-	9,520,705
Collection, transmission and distribution system	28,502,660	502,728	-	29,005,388
Buildings and improvements	1,158,565	4,538	-	1,163,103
Street lighting system	181,387	2,099	-	183,486
Equipment	498,213	15,410	-	513,623
Total capital assets being depreciated	44,094,798	524,775	-	44,619,573
Less accumulated depreciation for:				
Land improvements	3,382,188	243,590	-	3,625,778
Water rights and storage reservoirs	111,066	5,718	-	116,784
Treatment and generation facilities	5,880,306	236,601	-	6,116,907
Collection, transmission and distribution system	12,483,765	841,898	-	13,325,663
Buildings and improvements	671,754	48,392	-	720,146
Street lighting system	95,601	6,046	-	101,647
Equipment	365,824	38,147	-	403,971
Total accumulated depreciation	22,990,504	1,420,392	-	24,410,896
Total capital assets being depreciated, net	21,104,294	(895,617)	-	20,208,677
Business-Type activity capital assets, net	\$ 22,056,904	\$ (635,695)	\$ -	\$ 21,421,209

CITY OF DELTA, COLORADO**NOTES TO FINANCIAL STATEMENTS****December 31, 2016****3 - CAPITAL ASSETS (continued)**

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

Governmental Activities	
General government	\$ 46,939
Public safety	18,814
Public works, including depreciation of general infrastructure assets	3,395,388
Parks and recreation	502,259
Capital assets held by the City's internal service fund are charged to various functions based on their usage of the assets	<u>415,707</u>
Total Depreciation expense	
Governmental activities	<u><u>\$ 4,379,107</u></u>
 Business-Type Activities	
Municipal Light and Power	\$ 352,743
Golf Course	282,885
Sewer	517,241
Water	<u>267,523</u>
Total Depreciation expense	
Business-Type activities	<u><u>\$ 1,420,392</u></u>

4 - EMPLOYEE RETIREMENT PLANS

The City provides pension benefits for all of its full time employees in two separate defined contribution plans. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

All non-police employees are eligible to participate in the plan that is administered by the City six months from the date of employment, police officers participate from the date of hire. City ordinance requires that the City contribute 5% of the non-police employee's base salary and 10% of the police officer's base salary. Non-police employees are required to contribute 3% of their base salary and may elect to contribute up to 10%. Police officers are required to contribute 8% of their base salary. City contributions for all employees become 20% vested after the first year, increasing an additional 20% each year until the employee becomes fully vested after 5 years. Any nonvested City contributions forfeited by an employee who leaves the City's employment are remitted to the City. The City's policy is to use these forfeited contributions to pay the expenses of administering the plan or reduce future contributions to the plan.

The City's total payroll for fiscal year 2016 was \$4,902,942. The City's contributions were calculated using the base salary of \$4,045,494. The City made the required contributions of \$246,823 and the employees made required and elective contribution of \$237,896 or \$484,719 in total.

CITY OF DELTA, COLORADO**NOTES TO FINANCIAL STATEMENTS****December 31, 2016**

5 - COMMITMENTS**Raw Water Purchase**

The City has entered into a contract with the Tri-County Conservancy District to purchase water from the Dallas Creek Project as follows:

<u>Annual Purchase and Operation and Maintenance Commitment</u>	<u>Calendar Years</u>	<u>Annual Payments</u>
Block One, Two and Three		
3,700 acre feet annually	2017-2049	\$ 313,070

The purchase price per acre foot shall not exceed the average cost of all municipal and industrial water for which the Tri-County Water Conservancy District is obligated to pay the United States for such water which is limited to \$38,000,000. The purchase price is currently \$77.61 per acre foot; with potential cost adjustments at no longer than five year intervals. Such annual payments are subject to adjustment as a result of rate adjustments. In addition, the City pays the District a proportionate amount of the operations, maintenance and replacement costs of the project attributable to municipal and industrial uses which were set at \$7.00 per acre foot subject to annual adjustment.

Electricity Purchase

The City has entered into a contract with the Western Area Power Administration (WAPA) through the year 2024 to purchase electrical energy at quantities and rates mutually agreed upon on an annual basis between WAPA and the City.

The City has a contract with the Municipal Energy Agency of Nebraska (MEAN) which shall continue in effect for a period of 26 years to purchase electrical energy needed in excess of the amounts contracted with WAPA as follows:

	<u>Summer Season (June/September)</u>	<u>Winter Season (October/December)</u>
Base Energy	0.02513	0.02676
Incremental Energy	0.04377	0.04662

During 2016, the City purchased 59,148,005 kilowatt hours for \$4,059,597.

CITY OF DELTA, COLORADO**NOTES TO FINANCIAL STATEMENTS****December 31, 2016****6 - LONG-TERM DEBT****A. CITY OF DELTA SALES AND USE TAX REVENUE BONDS PAYABLE FROM GOVERNMENTAL ACTIVITIES:**

\$24,385,000 Sales and Use Tax Revenue Bond of September 24, 2010 bearing interest at 2.00% to 6.082% payable on June 1 and December 1 through 2039, \$20,790,000 of these bonds are Build America Bonds for the purpose of the Recovery Act and to receive a cash subsidy from the United States Treasury equal to 35% of the interest payable on these bonds. The bond reserve requirement at 12/31/2016 = \$1,781,905 which is covered through the City Wide Capital Improvement Fund and the Capital Project Fund Restricted Fund Balance.

Total Outstanding Sales and Use Tax Revenue Bonds as of December 31st, 2016 = \$21,365,000

B. CITY OF DELTA SEWER REVENUE REFUNDING BANK LOAN, GOLF COURSE AND MUNICIPAL LIGHT AND POWER NOTE PAYABLE FROM BUSINESS-TYPE ACTIVITIES:

\$2,509,154 Sewer Revenue Refunding Bank Loan of May 18, 2012 bearing interest of 3.43% until May 18th, 2032 due in monthly principal and interest installments of \$14,526.

Total Outstanding Sewer Revenue Refunding Bank Loan as of December 31st, 2016 = \$2,077,872

\$7,000,000 Golf Course and Municipal Light and Power Note Payable of August 15, 2005 payable in variable monthly installments, including interest at 4.505% per annum; matures August 15, 2020, with a balloon payment of approximately \$2,649,560.

Total Outstanding Golf Course and M.L&P. Note Payable as of December 31st, 2016 = \$3,651,950

Total payable from business-type activities: \$ 5,729,822

C. PRINCIPAL AND INTEREST PAYMENT REQUIREMENTS

Principal and interest payment requirements on the City's General Obligation, Revenue Bonds and Notes payable from governmental and business-type activities are as follows:

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 575,000	\$ 1,205,105	\$ 361,201	\$ 229,874
2018	590,000	1,187,855	376,876	214,364
2019	605,000	1,164,368	393,075	198,173
2020	625,000	1,138,770	2,957,959	137,370
2021-2025	3,420,000	5,231,675	639,255	232,325
2026-2030	4,075,000	4,226,268	760,702	111,059
2031-2035	4,930,000	2,913,582	240,754	6,334
2036-2039	6,545,000	1,178,086		
	<u>\$ 21,365,000</u>	<u>\$ 18,245,709</u>	<u>\$ 5,729,822</u>	<u>\$ 1,129,499</u>

CITY OF DELTA, COLORADO**NOTES TO FINANCIAL STATEMENTS****December 31, 2016****6 - LONG-TERM DEBT (continued)****D. CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2016 was as follows:

	<u>Governmental Activities</u>			Balance 12/31/16	Due within one year	Interest Expense
	Balance 01/01/16	Additions	Reductions			
2010 Sales & Use Tax Revenue Bonds	\$21,925,000	\$ -	\$ 560,000	\$21,365,000	\$ 575,000	\$1,205,105
Bond Premiums	83,717	-	3,349	80,368	-	-
Compensated Absences	405,137	-	4,910	400,227	-	-
Total	<u>\$23,003,765</u>	<u>\$ -</u>	<u>\$ 568,259</u>	<u>\$21,845,595</u>	<u>\$ 575,000</u>	<u>\$1,205,105</u>

	<u>Business-Type Activities</u>			Balance 12/31/16	Due within one year	Interest Expense
	Balance 01/01/16	Additions	Reductions			
MEAN Litigation Note Payable	\$ 103,018	\$ -	\$ 31,698	\$ 71,320	\$ 31,697	\$ -
2012 Sewer Revenue Bank Loan	2,177,653	-	99,781	2,077,872	103,705	70,611
Golf Course & M.L.&P. Note Payable	3,897,566	-	245,616	3,651,950	257,496	159,263
Compensated Absences	217,670	34,193	-	251,863	-	-
Total	<u>\$ 6,395,907</u>	<u>\$ 34,193</u>	<u>\$ 377,095</u>	<u>\$ 6,053,005</u>	<u>\$ 392,898</u>	<u>\$ 229,874</u>

The City is part of a Power Pool with MEAN of Nebraska and that pool closed a legal settlement in which the City is responsible for its portion of the settlement. The current amount allocated to the City = \$71,320 which is required to be paid equally over the next three plus years.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year end, \$22,060 of accrued costs of compensated absences are included in the above amounts. Also, for the governmental activities, accrued costs of employees' future compensated absences are generally liquidated by the general fund and the recreation center fund.

D. INTEREST EXPENSE

Interest incurred and expensed in the major enterprise funds was as follows:

	Municipal	Golf	
	Light & Power	Course	Sewer
Interest Expense	\$ 112,077	\$ 60,349	\$ 74,204

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

6 - LONG-TERM DEBT (continued)

F. RATE MAINTENANCE

The loan agreement dated August 15, 2005 and Ordinance No. 5, 2005, dated July 5, 2005, for the Municipal Light & Power Fund (MLP) requires the City to establish, maintain, enforce, and collect rates, fees, and charges for services furnished by, or the use of, the MLP system to create Net Revenue (Gross Revenue after deducting Operation and Maintenance expenses) in an amount equal to not less than 100% of the amount necessary to pay when due the principal of and interest on the loan coming due during such calendar year. In the event that the Net Revenue at any time is not sufficient to make such payments, the City shall promptly increase such rates, fees, and charges to an extent which will ensure the payments and accumulations required by Ordinance No. 5, 2005.

G. INTEREST RATE SWAP

Objective of the interest rate swap. As a means to lower its borrowing costs, when compared against fixed-rate bonds or loans at the time of issuance in August 2005, the City entered into an interest rate swap in connection with its note, originally issued for \$7,000,000. The intention of the swap was to effectively change the City's variable interest rate on the note to a synthetic fixed rate of 4.505 percent.

Terms. The note and the related swap agreement mature on August 17, 2020, and the notional amount was \$7,000,000. The swap was entered at the same time the note was issued (August 15, 2005). Under the swap, the City pays the counterparty a fixed payment of 4.505 percent and receives a variable payment computed as 61 percent of the London Interbank Offered Rate (LIBOR) plus 61 percent of the 2 percent margin under the fixed rate.

Fair value. At December 31, 2016 the swap had a fair value of \$(264,399) as represented by the counterparty.

Termination risk. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The City may terminate all or any part of the agreement by providing two business days prior notice to the counterparty and provide evidence of its ability to pay any termination amount that the City owes.

Associated debt. Debt service requirements are included in the business activities principal and interest payment requirements of note 6.C.

CITY OF DELTA, COLORADO**NOTES TO FINANCIAL STATEMENTS****December 31, 2016****7 - INTERFUND TRANSFERS**

Interfund transfers to supplement the expenditures/expenses of other funds were as follows:

Transfers Out	Transfers In				Total
	Debt Service Fund	C.W.C.I. Fund	Golf Fund	Nonmajor Governmental Fund	
General Fund	-	-	-	16,000	16,000
City-Wide Capital Improvement Fund	1,392,846	-	-	-	1,392,846
Capital Project Fund	-	81,539	-	-	81,539
Sewer Fund	-	-	126,000	-	126,000
Water Fund	-	-	50,000	23,000	73,000
Nonmajor Enterprise Fund	-	-	150,000	-	150,000
	<u>1,392,846</u>	<u>81,539</u>	<u>326,000</u>	<u>39,000</u>	<u>1,839,385</u>

8 – JOINTLY GOVERNED ORGANIZATION**Project 7 Water Authority**

In 1977, the City along with the City of Montrose, the Town of Olathe, the Tri-County Water Conservancy District and the Menoken Water District entered into a contract to create a separate governmental entity, the Project 7 Water Authority, which owns and operates a water treatment facility. The Authority is governed by a board consisting of appointed representatives from each of the contracting entities. The Authority produces treated water that is purchased by the 5 contracting parties and one other water district that operate water distribution systems. The City is obligated by contract to purchase the treatment of 500 million gallons of water annually from the Authority so long as the Authority has any unpaid debt, other than from operating expenses. The rate for 2016 was 90 cents per thousand gallons which results in a minimum annual purchase commitment of \$425,000, but the rate charged may be changed by action of the Authority. During 2016 the City was allowed to purchase treatment of 497 million gallons for \$447,633 since the other entities in the joint venture purchased amounts less of their commitments. At December 31, 2016, the City owed the Authority \$21,433. Separate financial statements of Project 7 Water Authority are available from the Authority.

9 – RISK MANAGEMENT**Participation in Public Entity Risk Pool**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a participant in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA operates as a common risk management and insurance program for 238 members participating in the Property & Casualty Pool. The City pays an annual premium to CIRSA for its general insurance coverage. The agreement for formation of CIRSA provides that CIRSA will be financed by member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. The City continues to carry commercial insurance for worker's compensation, employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF DELTA, COLORADO**NOTES TO FINANCIAL STATEMENTS****December 31, 2016****9 – RISK MANAGEMENT (continued)****Employee Dental Benefit Plan**

The City adopted an employee dental benefit plan whereby the City self-insures only \$1,000 per individual and dependents of covered dental claims and \$1,000 of orthodontic claims for dependents based on approximately 88 employees and 143 dependents covered in 2016. The City estimates and records incurred but not reported medical claims liability in the Employee's Dental Benefit Fund based on historical experience of outstanding medical claims. Changes in the reported medical claims liability since January 1, 2015 resulted in the following:

Year	<u>Dental Claims</u>			
	Beginning Balance	Claims & Changes in Estimates	Claim Balance Payments	Ending Balance
2015	\$ -	\$ 51,603	\$ 51,603	\$ -
2016	\$ -	\$ 51,716	\$ 51,716	\$ -

Unemployment Benefit Plan

The City does not purchase unemployment insurance and self-insures for unemployment benefits payable to former employees. The City records incurred but not reported unemployment claims liability in the funds based on actual experience of outstanding unemployment claims. Changes in the reported unemployment claims liability since January 1, 2015 resulted from the following:

Year	<u>Unemployment Claims</u>			
	Beginning Balance	Claims & Changes in Estimates	Claim Balance Payments	Ending Balance
2015	\$ -	\$ 30,698	\$ 30,698	\$ -
2016	\$ -	\$ 23,144	\$ 23,144	\$ -

10 - TAX, SPENDING AND DEBT LIMITATIONS

The State Constitution, Article X, Section 20, has several limitations regarding revenue raising, spending abilities, and other specific requirements of state and local governments. The Section is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the Section. However, the City has made certain interpretations of the Section's language in order to determine its compliance. The emergency reserves required under the Section have been funded in the General Fund.

11 - CONTINGENT LIABILITIES

Under the terms of federal and state grants, costs may be questioned as not being appropriate expenses that could lead to reimbursement to the grantor agencies. City management is not aware of any such expenses that would not be allowed. The City has received notices of claims for damages from one party. The City attorney is not able to make any conclusions as to material loss contingencies not covered by insurance resulting from any potential litigation. No adjustments to the financial statements have been made for such contingencies.

CITY OF DELTA, COLORADO**NOTES TO FINANCIAL STATEMENTS****December 31, 2016**

12 – FUND BALANCE DETAIL

	General Fund	Parks & Recreation Center Fund	City-wide Capital Improvement Fund	Other Governmental Fund
Fund Balances:				
Nonspendable:				
Prepays & Inventory	\$ 1,410	\$ 2,620	\$ -	\$ -
Perpetual Care	-	-	-	39,970
Restricted for:				
Emergency	264,259	-	-	-
Parks & Recreation Center	15,601	414,877	-	278,458
Debt Service	-	-	1,787,559	-
Police Seizure	14,650	-	-	-
Assigned for:				
Subsequent year's expenditures	369,732	95,992	6,901	-
Unassigned:				
General Fund	967,185	-	-	-
C.W.C.I. Fund	-	-	546,397	(567)
	<u>\$1,632,837</u>	<u>\$ 513,489</u>	<u>\$ 2,340,857</u>	<u>\$ 317,861</u>

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE**General Fund****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016				2015
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
REVENUES					
Taxes					
Sales and Use Taxes	\$ 1,705,339	\$ 1,705,339	\$ 1,772,455	\$ 67,116	\$ 1,729,796
Franchise and In Lieu of Taxes	597,345	597,345	633,598	36,253	617,443
Other Taxes	18,000	18,000	18,957	957	20,645
Total Tax Revenue	2,320,684	2,320,684	2,425,010	104,326	2,367,884
Intergovernmental Revenues					
Cigarette Taxes	26,000	26,000	21,235	(4,765)	21,356
Highway Users	303,659	303,659	320,602	16,943	321,511
Road and Bridge	40,000	40,000	37,624	(2,376)	38,699
Clerk/Motor Vehicle Fees	32,000	32,000	36,040	4,040	35,475
Mineral Lease	100,000	100,000	72,823	(27,177)	115,415
Severance Tax	125,000	125,000	49,227	(75,773)	158,451
Federal Grants	-	-	427	427	97,372
State Grants	56,775	56,775	95,075	38,300	59,109
Total Intergovernmental Revenue	683,434	683,434	633,053	(50,381)	847,388
Licenses and Permits					
Liquor Licenses	4,300	4,300	4,141	(159)	5,401
Building Permits	40,000	40,000	60,769	20,769	40,751
Annexation/Other P&Z Fees	22,000	22,000	21,012	(988)	10,860
Animal Licenses	1,200	1,200	1,635	435	1,490
Other Licenses	26,500	26,500	27,351	851	28,126
Total Licenses and Permits	94,000	94,000	114,908	20,908	86,628
Fines and Forfeits					
	80,000	80,000	60,795	(19,205)	110,273
Internal Charges					
Administrative/Management Fees	749,781	749,781	749,781	-	749,781
Charges for Services					
Utility Charges	7,900	7,900	6,300	(1,600)	7,900
Sales of Goods	5,000	5,000	5,145	145	6,720
Other Charges for Services	2,100	2,100	4,704	2,604	2,134
Total Charges for Services	15,000	15,000	16,149	1,149	16,754
Investment Earnings					
	1,200	1,200	6,902	5,702	1,737
Other Revenues					
Donations	-	-	-	-	250
Insurance Proceeds/Recoveries	-	-	-	-	16,667
Other Miscellaneous Revenue	25,000	25,000	58,150	33,150	44,361
Total Other Revenue	25,000	25,000	58,150	33,150	61,278
TOTAL REVENUES	3,969,099	3,969,099	4,064,748	95,649	4,241,723

See accompanying Independent Auditors' Report.

(Continued)

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE**General Fund**

FOR THE YEAR ENDED DECEMBER 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2015 Actual
(Continued)					
EXPENDITURES					
General Government					
Mayor and Council/Board	62,638	62,638	63,941	(1,303)	55,652
Administrator/Manager	317,962	317,962	316,146	1,816	391,969
Clerk	61,344	61,344	58,408	2,936	51,045
Treasurer/Finance	430,718	430,718	433,468	(2,750)	416,030
Attorney	15,000	15,000	22,158	(7,158)	37,826
Other General Government	179,934	179,934	147,259	32,675	163,287
Total General Government	1,067,596	1,067,596	1,041,380	26,216	1,115,809
Public Safety					
Police	1,785,260	1,785,260	1,726,519	58,741	1,815,963
Animal Control	21,458	21,458	15,469	5,989	17,291
Municipal Court	43,992	43,992	43,678	314	43,018
Code Enforcement	65,451	65,451	65,161	290	64,767
Total Public Safety	1,916,161	1,916,161	1,850,827	65,334	1,941,039
Public Works					
Community Development	187,397	187,397	178,119	9,278	90,697
Planning and Zoning	99,702	99,702	106,547	(6,845)	94,359
Engineering	83,704	83,704	82,745	959	80,606
Streets	648,240	648,240	646,164	2,076	635,005
Total Public Works/Comm Devel	1,019,043	1,019,043	1,013,575	5,468	900,667
Parks, Recreation and Other					
Culture	9,547	9,547	9,420	127	9,951
Cemetery	142,374	142,374	136,868	5,506	122,643
Total Parks, Recreation & Other	151,921	151,921	146,288	5,633	132,594

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE**General Fund****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance With Final Budget	
(Continued)					
Capital Outlay					
General Government Capital Outlay	-	-	2,529	(2,529)	5,058
Public Safety Capital Outlay	30,400	30,400	8,869	21,531	13,596
Public Works Capital Outlay	4,000	4,000	1,727	2,273	-
Total Capital Outlay	<u>34,400</u>	<u>34,400</u>	<u>13,125</u>	<u>21,275</u>	<u>18,654</u>
Contingency Reserve					
TOTAL EXPENDITURES	<u>4,189,121</u>	<u>4,189,121</u>	<u>4,065,195</u>	<u>123,926</u>	<u>4,108,763</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(220,022)	(220,022)	(447)	219,575	132,960
OTHER FINANCING SOURCES (USES)					
Transfers (Out)	<u>(16,000)</u>	<u>(16,000)</u>	<u>(16,000)</u>	-	<u>(20,000)</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (236,022)</u>	<u>\$ (236,022)</u>	(16,447)	<u>\$ 219,575</u>	112,960
FUND BALANCE, BEGINNING			1,649,284		1,536,324
FUND BALANCE, ENDING			<u>\$ 1,632,837</u>		<u>\$ 1,649,284</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE**Parks and Recreation Center Fund****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2015 Actual
REVENUES					
Taxes					
Sales and Use Taxes	\$ 1,705,338	\$ 1,705,338	\$ 1,772,457	\$ 67,119	\$ 1,729,799
Intergovernmental Revenues					
State Grants	247,000	247,000	99,926	(147,074)	-
Other Intergovernmental	-	-	500	500	-
Total Intergovernmental Revenue	247,000	247,000	100,426	(146,574)	-
Charges for Services					
Recreation/Comm Ctr Charges	765,050	765,050	742,397	(22,653)	711,415
Rents	4,050	4,050	3,802	(248)	3,924
Total Charges for Services	769,100	769,100	746,199	(22,901)	715,339
Investment Earnings	500	500	1,107	607	485
Other Revenues					
Donations	-	-	10,761	10,761	1,644
Other Miscellaneous Revenue	-	-	18,169	18,169	31,952
Total Other Revenue	-	-	28,930	28,930	33,596
TOTAL REVENUES	2,721,938	2,721,938	2,649,119	(72,819)	2,479,219
EXPENDITURES					
Parks, Recreation and Other					
Parks	686,315	686,315	752,814	66,499	688,220
Recreation	984,929	984,929	961,502	(23,427)	910,895
Parks and Recreation Administration	737,206	737,206	700,692	(36,514)	721,879
Other Parks and Recreation	12,806	12,806	11,301	(1,505)	10,977
Total Parks, Recreation & Other	2,421,256	2,421,256	2,426,309	5,053	2,331,971
Internal Charges					
Administrative/Management Fees	239,055	239,055	239,055	-	239,055
Capital Outlay					
Parks, Recreation and Other Capital Outlay	319,500	319,500	65,879	253,621	73,230
TOTAL EXPENDITURES	2,979,811	2,979,811	2,731,243	258,674	2,644,256
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ (257,873)	\$ (257,873)	(82,124)	\$ 185,855	(165,037)
FUND BALANCE, BEGINNING			595,613		760,650
FUND BALANCE, ENDING			\$ 513,489		\$ 595,613

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2016

With Comparative Totals for December 31, 2015

	<u>SPECIAL REVENUE FUNDS</u>	
	<u>Conservation</u>	<u>Delta Urban</u>
	<u>Trust</u>	<u>Renewal</u>
	<u>Fund</u>	<u>Authority</u>
		<u>Fund</u>
ASSETS AND DEFERRED OUTFLOWS		
ASSETS		
Current Assets		
Cash and Investments		
Cash	\$ -	\$ 2,214
Restricted Cash and Investments	278,458	-
Receivables		
Other Receivables	-	9,527
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 278,458</u>	<u>\$ 11,741</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ -	\$ 12,310
FUND BALANCE		
Nonspendable Fund Balance	-	-
Restricted Fund Balance	278,458	-
Unassigned Fund Balance	-	(569)
TOTAL FUND BALANCE	<u>278,458</u>	<u>(569)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 278,458</u>	<u>\$ 11,741</u>

See accompanying Independent Auditors' Report.

<u>CAP PROJECTS</u>		<u>PERMANENT</u>	
Capital Projects	Perpetual Care	Total	
Fund	Fund	2016	2015
\$ -	\$ -	\$ 2,214	\$ -
-	39,970	318,428	630,171
-	-	9,527	-
<u>\$ -</u>	<u>\$ 39,970</u>	<u>\$ 330,169</u>	<u>\$ 630,171</u>
\$ -	\$ -	\$ 12,310	\$ 236,686
-	39,970	39,970	37,290
-	-	278,458	356,195
-	-	(569)	-
<u>-</u>	<u>39,970</u>	<u>317,859</u>	<u>393,485</u>
<u>\$ -</u>	<u>\$ 39,970</u>	<u>\$ 330,169</u>	<u>\$ 630,171</u>

CITY OF DELTA, COLORADO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	<u>SPECIAL REVENUE FUNDS</u>	
	Conservation	Delta Urban
	Trust	Renewal
	Fund	Authority
	Fund	Fund
REVENUES		
Intergovernmental Revenues	\$ 96,465	\$ 9,527
Charges for Services	-	-
Investment Earnings	877	-
TOTAL REVENUES	97,342	9,527
EXPENDITURES		
Current:		
Public Works	-	33,096
Parks, Recreation and Other	431	-
Capital Outlay	93,109	-
TOTAL EXPENDITURES	93,540	33,096
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	3,802	(23,569)
OTHER FINANCING SOURCES (USES)		
Transfers (In)	-	23,000
Transfers (Out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	23,000
NET CHANGE IN FUND BALANCE - GAAP BASIS	3,802	(569)
FUND BALANCE, BEGINNING	274,656	-
FUND BALANCE, ENDING	\$ 278,458	\$ (569)

See accompanying Independent Auditors' Report.

CAP PROJECT		PERMANENT	
Capital Projects Fund	Perpetual Care Fund	Total	
		2016	2015
\$ -	\$ -	\$ 105,992	\$ 84,710
-	3,430	3,430	4,280
-	-	877	663
-	3,430	110,299	89,653
-	-	33,096	-
-	750	1,181	9,913
-	-	93,109	110,985
-	750	127,386	120,898
-	2,680	(17,087)	(31,245)
-	-	23,000	128,781
(81,539)	-	(81,539)	-
(81,539)	-	(58,539)	128,781
(81,539)	2,680	(75,626)	97,536
81,539	37,290	393,485	295,949
<u>\$ -</u>	<u>\$ 39,970</u>	<u>\$ 317,859</u>	<u>\$ 393,485</u>

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE**Conservation Trust Fund****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016				2015
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
REVENUES					
Intergovernmental Revenues					
Cons Trust Fund Revenue	\$ 91,000	\$ 91,000	\$ 96,465	\$ 5,465	\$ 84,710
Investment Earnings	125	125	877	752	189
TOTAL REVENUES	<u>91,125</u>	<u>91,125</u>	<u>97,342</u>	<u>6,217</u>	<u>84,899</u>
EXPENDITURES					
Parks, Recreation and Other					
Parks	-	-	431	431	9,913
Capital Outlay					
Parks, Recreation and Other Capital Outlay	<u>153,000</u>	<u>153,000</u>	<u>93,109</u>	<u>59,891</u>	<u>63,269</u>
Contingency Reserve					
TOTAL EXPENDITURES	<u>153,000</u>	<u>153,000</u>	<u>93,540</u>	<u>60,322</u>	<u>73,182</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (61,875)</u>	<u>\$ (61,875)</u>	3,802	<u>\$ 66,539</u>	11,717
FUND BALANCE, BEGINNING			274,656		262,939
FUND BALANCE, ENDING			<u>\$ 278,458</u>		<u>\$ 274,656</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE

Delta Urban Renewal Authority Fund

FOR THE YEAR ENDED DECEMBER 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2015 Actual
REVENUES					
Intergovernmental Revenues					
State Grants	\$ -	\$ -	\$ 9,527	\$ 9,527	\$ -
EXPENDITURES					
Public Works					
Community Development	-	34,000	33,096	904	-
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	-	(34,000)	(23,569)	10,431	-
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	23,000	\$ 23,000	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ -</u>	<u>\$ (34,000)</u>	<u>(569)</u>	<u>\$ 33,431</u>	<u>-</u>
FUND BALANCE, BEGINNING			-		-
FUND BALANCE, ENDING			<u>\$ (569)</u>		<u>\$ -</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE**City-Wide Capital Improvement Fund****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016				2015
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
REVENUES					
Taxes					
Sales and Use Taxes	\$ 2,305,754	\$ 2,305,754	\$ 2,361,617	\$ 55,863	\$ 2,328,331
Intergovernmental Revenues					
Federal Grants	385,815	385,815	390,961	5,146	383,032
Other Intergovernmental	180,000	180,000	171,519	(8,481)	1,231,056
Total Intergovernmental Revenue	565,815	565,815	562,480	(3,335)	1,614,088
Charges for Services					
Rents	-	-	7,800	7,800	6,013
Investment Earnings	3,870	3,870	8,845	4,975	2,456
Other Revenues					
Sale of Capital Assets	-	-	-	-	18,088
Other Miscellaneous Revenue	-	-	133,841	133,841	-
Total Other Revenue	-	-	133,841	133,841	18,088
TOTAL REVENUES	2,875,439	2,875,439	3,074,583	199,144	3,968,976
EXPENDITURES					
Internal Charges					
Administrative/Management Fees	71,953	71,953	71,953	-	71,953
Capital Outlay					
Other Capital Outlay	955,526	955,526	952,242	3,284	2,130,894
Debt Service					
Principal	560,000	560,000	560,000	-	540,000
Interest	1,221,905	1,221,905	1,221,905	-	1,238,105
Total Debt Service	1,781,905	1,781,905	1,781,905	-	1,778,105
Contingency Reserve	-	-	-	-	-
TOTAL EXPENDITURES	2,809,384	2,809,384	2,806,100	3,284	3,980,952
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	66,055	66,055	268,483	202,428	(11,976)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	81,539	81,539	-
Transfers (Out)	-	-	-	-	(128,781)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	81,539	81,539	(128,781)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ 66,055	\$ 66,055	350,022	\$ 283,967	(140,757)
FUND BALANCE, BEGINNING			1,771,295		1,912,052
Prior Period Restatement			219,538		-
FUND BALANCE, BEGINNING (As Restated)			1,990,833		1,912,052
FUND BALANCE, ENDING			\$ 2,340,855		\$ 1,771,295

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE**Capital Projects Fund****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance With Final Budget	
REVENUES					
Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ 474
EXPENDITURES					
Capital Outlay					
Public Works Capital Outlay	-	-	-	-	47,716
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	-	-	-	-	(47,242)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	128,781
Transfers (Out)	-	(82,000)	(81,539)	461	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ -</u>	<u>\$ (82,000)</u>	<u>(81,539)</u>	<u>\$ 461</u>	<u>81,539</u>
FUND BALANCE, BEGINNING			81,539		-
FUND BALANCE, ENDING			<u>\$ -</u>		<u>\$ 81,539</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE

Perpetual Care Fund

FOR THE YEAR ENDED DECEMBER 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2015 Actual
REVENUES					
Charges for Services					
Sales of Goods	\$ 3,500	\$ 3,500	\$ 3,430	\$ (70)	\$ 4,280
EXPENDITURES					
Parks, Recreation and Other					
Cemetery	1,000	1,000	750	250	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ 2,500</u>	<u>\$ 2,500</u>	2,680	<u>\$ 180</u>	4,280
FUND BALANCE, BEGINNING			37,290		33,010
FUND BALANCE, ENDING			<u>\$ 39,970</u>		<u>\$ 37,290</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

COMBINING SCHEDULE OF NET POSITION**NONMAJOR ENTERPRISE FUNDS****DECEMBER 31, 2016****With Comparative Totals for December 31, 2015**

	Refuse	Total	
	Fund	2016	2015
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 63,139	\$ 63,139	\$ 1,101,884
Investments	1,036,293	1,036,293	17,582
Receivables			
Accounts Receivable	72,497	72,497	70,602
Other Receivables	60	60	60
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,171,989</u>	<u>\$ 1,171,989</u>	<u>\$ 1,190,128</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 10,754	\$ 10,754	\$ 9,763
Accrued Salaries and Benefits	5,856	5,856	4,543
Total Current Liabilities	16,610	16,610	14,306
Noncurrent Liabilities			
Due in more than one year	15,494	15,494	15,356
TOTAL LIABILITIES	32,104	32,104	29,662
NET POSITION			
Unrestricted Net Position	1,139,885	1,139,885	1,160,466
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 1,171,989</u>	<u>\$ 1,171,989</u>	<u>\$ 1,190,128</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	Refuse	Total	
	Fund	2016	2015
Operating Revenues			
Utility Charges	\$ 687,372	\$ 687,372	\$ 673,847
Operating Expenses			
Management Fees	85,352	85,352	84,701
Collection, Transmission and Distribution	492,624	492,624	428,162
Total Expenditures	577,976	577,976	512,863
Operating Income (Loss)	109,396	109,396	160,984
Other Income (Expense)			
Investment Earnings	5,649	5,649	1,142
Other Revenue	14,374	14,374	15,704
Total Other Income (Expense)	20,023	20,023	16,846
Net Income (Loss) before Transfers	129,419	129,419	177,830
Transfers			
Transfers In/(Out)	(150,000)	(150,000)	(180,000)
Change in Net Position	(20,581)	(20,581)	(2,170)
Net Position, Beginning	1,160,466	1,160,466	1,162,636
Net Position, Ending	<u>\$ 1,139,885</u>	<u>\$ 1,139,885</u>	<u>\$ 1,160,466</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA

COMBINING SCHEDULE OF CASH FLOWS -
NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	Refuse	Total	
	Fund	2016	2015
Cash Flows From Operating Activities:			
Cash Received from Customers	\$ 685,477	\$ 685,477	\$ 675,208
Cash Paid to Suppliers	(387,569)	(387,569)	(338,957)
Cash Paid for Interfund Services	(85,352)	(85,352)	(84,701)
Cash Paid to Employees	(102,613)	(102,613)	(90,229)
Net Cash Provided by Operating Activities	<u>109,943</u>	<u>109,943</u>	<u>161,321</u>
Cash Flows (Uses) From Noncapital Financing Activities:			
Cash from Other Funds	(150,000)	(150,000)	(180,000)
Other Revenues (Expense)	14,374	14,374	15,704
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(135,626)</u>	<u>(135,626)</u>	<u>(164,296)</u>
Cash Flows (Uses) From Investing Activities:			
Interest Received	5,649	5,649	1,142
Net Increase (Decrease) in Cash	(20,034)	(20,034)	(1,833)
Cash - Beginning	1,119,466	1,119,466	1,121,299
Cash - Ending	<u>\$ 1,099,432</u>	<u>\$ 1,099,432</u>	<u>\$ 1,119,466</u>
Cash	\$ 63,139	\$ 63,139	\$ 1,101,884
Investments	1,036,293	1,036,293	17,582
Total	<u>\$ 1,099,432</u>	<u>\$ 1,099,432</u>	<u>\$ 1,119,466</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for			
Operating Activities:			
Operating Income (Loss)	\$ 109,396	\$ 109,396	\$ 160,984
Adjustments to Reconcile Operating Income (Loss)			
to Net Cash Provided by Operating Activities:			
Changes in Assets and Liabilities Related to Operations:			
(Increase) Decrease in:			
Accounts Receivable	(1,895)	(1,895)	1,421
Other Receivables	-	-	(60)
Prepaid Expenses	-	-	776
(Increase) Decrease in:			
Accounts Payable	991	991	(222)
Accrued Salaries and Benefits	1,312	1,312	(647)
Accrued Compensated Absences	139	139	(931)
Total Adjustments	<u>547</u>	<u>547</u>	<u>337</u>
Net Cash Used for Operating Activities	<u>\$ 109,943</u>	<u>\$ 109,943</u>	<u>\$ 161,321</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**BUDGET AND ACTUAL****Municipal Light & Power Fund****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016			
	Final		Variance	2015
	Budget	Actual	with Final	Actual
			Budget	
Operating Revenues				
Utility Charges	\$ 5,631,000	\$ 6,078,129	\$ 447,129	\$ 5,930,400
Other Charges for Services	40,000	18,092	(21,908)	27,630
Total Revenues	<u>5,671,000</u>	<u>6,096,221</u>	<u>425,221</u>	<u>5,958,030</u>
Operating Expenses				
Commodity Charges	4,265,000	4,059,596	205,404	3,995,522
Management Fees	419,337	440,833	(21,496)	431,642
Collection, Transmission and Distribution	1,793,029	926,444	866,585	648,183
Administration	59,949	78,209	(18,260)	34,750
Other Capital Outlay	<u>527,000</u>	<u>246,110</u>	<u>280,890</u>	<u>189,253</u>
Total Expenditures	<u>7,064,315</u>	<u>5,751,192</u>	<u>1,313,123</u>	<u>5,299,350</u>
Operating Income (Loss)	<u>(1,393,315)</u>	<u>345,029</u>	<u>1,738,344</u>	<u>658,680</u>
Other Income (Expense)				
Investment Earnings	3,400	17,278	13,878	3,805
Other Revenue	94,000	205,295	111,295	96,408
Debt Service	<u>(270,508)</u>	<u>(271,727)</u>	<u>(1,219)</u>	<u>(303,557)</u>
Total Other Income (Expense)	<u>426,892</u>	<u>(49,154)</u>	<u>(476,046)</u>	<u>(203,344)</u>
Change in Net Position (Budget Basis)	<u>\$ (966,423)</u>	<u>295,875</u>	<u>\$ 1,262,298</u>	<u>455,336</u>
Budget to GAAP Reconciliation				
Principal Paid		159,650		184,365
Depreciation Expense		(352,743)		(347,549)
Capital Outlay		<u>491,872</u>		<u>189,032</u>
Change in Net Position - GAAP Basis		594,654		481,184
Net Position, Beginning		<u>8,648,774</u>		<u>8,167,590</u>
Net Position, Ending		<u>\$ 9,243,428</u>		<u>\$ 8,648,774</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**BUDGET AND ACTUAL****Sewer Fund****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016			
	Final Budget	Actual	Variance with Final Budget	2015 Actual
Operating Revenues				
Utility Charges	\$ 1,293,600	\$ 1,307,645	\$ 14,045	\$ 1,295,968
Other Charges for Services	6,500	8,487	1,987	7,001
Total Revenues	<u>1,300,100</u>	<u>1,316,132</u>	<u>16,032</u>	<u>1,302,969</u>
Operating Expenses				
Management Fees	166,752	167,034	(282)	166,344
Collection, Transmission and Distribution	216,579	204,455	12,124	181,145
Production and Treatment	160,000	-	160,000	-
Maintenance	455,587	439,372	16,215	442,453
Administration	51,692	52,883	(1,191)	34,254
Other Capital Outlay	<u>240,000</u>	<u>151,990</u>	<u>88,010</u>	<u>178,126</u>
Total Expenditures	<u>1,290,610</u>	<u>1,015,734</u>	<u>274,876</u>	<u>1,002,322</u>
Operating Income (Loss)	<u>9,490</u>	<u>300,398</u>	<u>290,908</u>	<u>300,647</u>
Other Income (Expense)				
Investment Earnings	3,500	15,540	12,040	3,269
Other Revenue	32,200	31,493	(707)	34,225
Debt Service	<u>(174,316)</u>	<u>(173,985)</u>	<u>331</u>	<u>(174,187)</u>
Total Other Income (Expense)	<u>(138,616)</u>	<u>(126,952)</u>	<u>11,664</u>	<u>(136,693)</u>
Net Income (Loss) before Transfers	<u>(129,126)</u>	<u>173,446</u>	<u>302,572</u>	<u>163,954</u>
Transfers				
Transfers In/(Out)	<u>(180,000)</u>	<u>(126,000)</u>	<u>54,000</u>	<u>(180,000)</u>
Net Income (Loss), Budget Basis	<u>(309,126)</u>	<u>47,446</u>	<u>356,572</u>	<u>(16,046)</u>
Contributed Capital				
Plant Investment Fees	<u>25,000</u>	<u>55,450</u>	<u>30,450</u>	<u>59,400</u>
Change in Net Position (Budget Basis)	<u>\$ (284,126)</u>	<u>102,896</u>	<u>\$ 387,022</u>	<u>43,354</u>
Budget to GAAP Reconciliation				
Principal Paid		99,781		96,765
Depreciation Expense		(517,239)		(364,527)
Capital Outlay		<u>78,035</u>		<u>178,126</u>
Change in Net Position - GAAP Basis		<u>(236,527)</u>		<u>(46,282)</u>
Net Position, Beginning		<u>9,649,862</u>		<u>9,696,144</u>
Net Position, Ending		<u>\$ 9,413,335</u>		<u>\$ 9,649,862</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**BUDGET AND ACTUAL****Water Fund****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016			2015
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Utility Charges	\$ 1,735,300	\$ 1,930,301	\$ 195,001	\$ 1,867,192
Sales of Goods	500	-	(500)	-
Other Charges for Services	1,200	983	(217)	666
Total Revenues	<u>1,737,000</u>	<u>1,931,284</u>	<u>194,284</u>	<u>1,867,858</u>
Operating Expenses				
Commodity Charges	349,561	350,781	(1,220)	344,893
Management Fees	184,254	193,892	(9,638)	190,714
Collection, Transmission and Distribution	634,047	573,577	60,470	572,266
Production and Treatment	425,000	447,633	(22,633)	404,260
Administration	24,182	21,785	2,397	21,108
Other Capital Outlay	440,000	210,255	229,745	111,300
Total Expenditures	<u>2,057,044</u>	<u>1,797,923</u>	<u>259,121</u>	<u>1,644,541</u>
Operating Income (Loss)	<u>(320,044)</u>	<u>133,361</u>	<u>453,405</u>	<u>223,317</u>
Other Income (Expense)				
Intergovernmental Revenue	190,000	72,478	(117,522)	14,540
Investment Earnings	2,500	13,010	10,510	2,840
Other Revenue	35,750	41,431	5,681	38,709
Total Other Income (Expense)	<u>228,250</u>	<u>126,919</u>	<u>(101,331)</u>	<u>56,089</u>
Net Income (Loss) before Transfers	<u>(91,794)</u>	<u>260,280</u>	<u>352,074</u>	<u>279,406</u>
Transfers				
Transfers In/(Out)	<u>(50,000)</u>	<u>(73,000)</u>	<u>(23,000)</u>	<u>(50,000)</u>
Net Income (Loss), Budget Basis	<u>(141,794)</u>	<u>187,280</u>	<u>329,074</u>	<u>229,406</u>
Contributed Capital				
Plant Investment Fees	<u>15,000</u>	<u>45,400</u>	<u>30,400</u>	<u>19,800</u>
Change in Net Position (Budget Basis)	<u>\$ (126,794)</u>	<u>232,680</u>	<u>\$ 359,474</u>	<u>249,206</u>
Budget to GAAP Reconciliation				
Depreciation Expense		(267,524)		(263,653)
Capital Outlay		<u>210,255</u>		<u>111,300</u>
Change in Net Position - GAAP Basis		175,411		96,853
Net Position, Beginning		<u>7,030,715</u>		<u>6,933,862</u>
Net Position, Ending		<u>\$ 7,206,126</u>		<u>\$ 7,030,715</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**BUDGET AND ACTUAL****Refuse Fund****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016			
	Final Budget	Actual	Variance with Final Budget	2015 Actual
Operating Revenues				
Utility Charges	\$ 667,000	\$ 687,372	\$ 20,372	\$ 673,847
Operating Expenses				
Management Fees	84,432	85,352	(920)	84,701
Collection, Transmission and Distribution	495,605	492,624	2,981	428,162
Total Expenditures	580,037	577,976	2,061	512,863
Operating Income (Loss)	86,963	109,396	22,433	160,984
Other Income (Expense)				
Investment Earnings	1,200	5,649	4,449	1,142
Other Revenue	17,000	14,374	(2,626)	15,704
Total Other Income (Expense)	18,200	20,023	1,823	16,846
Net Income (Loss) before Transfers	105,163	129,419	24,256	177,830
Transfers				
Transfers In/(Out)	(150,000)	(150,000)	-	(180,000)
Change in Net Position (Budget Basis)	\$ (44,837)	(20,581)	\$ 24,256	(2,170)
Net Position, Beginning		1,160,466		1,162,636
Net Position, Ending		\$ 1,139,885		\$ 1,160,466

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**BUDGET AND ACTUAL****Golf Course Fund****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016		Variance with Final Budget	2015 Actual
	Final Budget	Actual		
Operating Revenues				
Golf Course Charges	\$ 551,559	\$ 557,519	\$ 5,960	\$ 555,528
Operating Expenses				
Golf Course Pro and Concessions	370,737	378,108	(7,371)	414,849
Golf Course Maintenance	395,239	379,863	15,376	387,787
Management Fees	15,000	15,000	-	15,000
Other Capital Outlay	-	4,538	(4,538)	-
Total Expenditures	780,976	777,509	3,467	817,636
Operating Income (Loss)	(229,417)	(219,990)	9,427	(262,108)
Other Income (Expense)				
Other Revenue	-	3,812	3,812	3,968
Debt Service	(145,681)	(146,315)	(634)	(146,385)
Total Other Income (Expense)	(145,681)	(142,503)	3,178	(142,417)
Net Income (Loss) before Transfers	(375,098)	(362,493)	12,605	(404,525)
Transfers				
Transfers In/(Out)	380,000	326,000	(54,000)	410,000
Change in Net Position (Budget Basis)	\$ 4,902	(36,493)	\$ (41,395)	5,475
Budget to GAAP Reconciliation				
Principal Paid		85,966		82,205
Depreciation Expense		(282,884)		(284,216)
Capital Outlay		4,538		-
Change in Net Position - GAAP Basis		(228,873)		(196,536)
Net Position, Beginning		(536,458)		(339,922)
Net Position, Ending		\$ (765,331)		\$ (536,458)

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

COMBINING SCHEDULE OF NET POSITION**INTERNAL SERVICE FUNDS****DECEMBER 31, 2016****With Comparative Totals for December 31, 2015**

	Internal Service	Employees'	Total	
	Fund	Dental	2016	2015
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	\$ 130,670	\$ 5,347	\$ 136,017	\$ 91,141
Investments	630,738	-	630,738	626,721
Other Receivables	94	-	94	-
Inventory	107,539	-	107,539	128,043
Prepaid Expenses	350	-	350	-
Total Current Assets	<u>869,391</u>	<u>5,347</u>	<u>874,738</u>	<u>845,905</u>
Noncurrent Assets				
Capital Assets being depreciated	4,962,185	-	4,962,185	4,985,533
Accumulated Depreciation	<u>(3,610,279)</u>	<u>-</u>	<u>(3,610,279)</u>	<u>(3,644,991)</u>
Total Noncurrent Assets	<u>1,351,906</u>	<u>-</u>	<u>1,351,906</u>	<u>1,340,542</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 2,221,297</u>	<u>\$ 5,347</u>	<u>\$ 2,226,644</u>	<u>\$ 2,186,447</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 25,061	\$ -	\$ 25,061	\$ 21,478
Accrued Salaries and Benefits	<u>8,737</u>	<u>-</u>	<u>8,737</u>	<u>8,021</u>
Total Current Liabilities	<u>33,798</u>	<u>-</u>	<u>33,798</u>	<u>29,499</u>
Noncurrent Liabilities				
Due in more than one year	<u>22,060</u>	<u>-</u>	<u>22,060</u>	<u>22,055</u>
TOTAL LIABILITIES	<u>55,858</u>	<u>-</u>	<u>55,858</u>	<u>51,554</u>
NET POSITION				
Net Investment in Capital Assets	1,351,906	-	1,351,906	1,340,542
Unrestricted Net Position	<u>813,533</u>	<u>5,347</u>	<u>818,880</u>	<u>794,351</u>
TOTAL NET POSITION	<u>2,165,439</u>	<u>5,347</u>	<u>2,170,786</u>	<u>2,134,893</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 2,221,297</u>	<u>\$ 5,347</u>	<u>\$ 2,226,644</u>	<u>\$ 2,186,447</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**INTERNAL SERVICE FUNDS****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	Internal Service	Employees' Dental	Total	
	Fund	Fund	2016	2015
Operating Revenues				
Internal Charges	\$ 1,008,761	\$ 30,963	\$ 1,039,724	\$ 1,007,774
Other Charges for Services	-	10,062	10,062	9,698
Total Revenues	<u>1,008,761</u>	<u>41,025</u>	<u>1,049,786</u>	<u>1,017,472</u>
Operating Expenses				
Management Fees	35,343	-	35,343	35,343
Claims and Premiums	25,283	41,506	66,789	77,151
Maintenance	589,967	-	589,967	597,821
Administration	-	10,210	10,210	9,860
Depreciation Expense	<u>415,706</u>	<u>-</u>	<u>415,706</u>	<u>387,760</u>
Total Expenditures	<u>1,066,299</u>	<u>51,716</u>	<u>1,118,015</u>	<u>1,107,935</u>
Operating Income (Loss)	<u>(57,538)</u>	<u>(10,691)</u>	<u>(68,229)</u>	<u>(90,463)</u>
Other Income (Expense)				
Investment Earnings	4,017	-	4,017	1,081
Other Revenue	6,080	-	6,080	4,628
Gain (Loss) on Sale of Assets	<u>78,025</u>	<u>-</u>	<u>78,025</u>	<u>37,777</u>
Total Other Income (Expense)	<u>88,122</u>	<u>-</u>	<u>88,122</u>	<u>43,486</u>
Net Income (Loss) before Transfers	30,584	(10,691)	19,893	(46,977)
Transfers				
Transfers In/(Out)	<u>-</u>	<u>16,000</u>	<u>16,000</u>	<u>20,000</u>
Change in Net Position	30,584	5,309	35,893	(26,977)
Net Position, Beginning	<u>2,134,855</u>	<u>38</u>	<u>2,134,893</u>	<u>2,161,870</u>
Net Position, Ending	<u>\$ 2,165,439</u>	<u>\$ 5,347</u>	<u>\$ 2,170,786</u>	<u>\$ 2,134,893</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA

**COMBINING SCHEDULE OF CASH FLOWS -
INTERNAL SERVICE FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	Internal Service Fund	Employees' Dental Fund	Total	
			2016	2015
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ (94)	\$ 10,062	\$ 9,968	\$ 9,775
Cash Received from Interfund Services Provided	1,008,761	30,963	1,039,724	1,007,774
Cash Paid to Suppliers	(420,457)	(51,716)	(472,173)	(484,088)
Cash Paid for Interfund Services	(35,343)	-	(35,343)	(35,343)
Cash Paid to Employees	(170,335)	-	(170,335)	(172,741)
Net Cash Provided by Operating Activities	<u>382,532</u>	<u>(10,691)</u>	<u>371,841</u>	<u>325,377</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds of Capital Asset Sales	79,892	-	79,892	37,777
Acquisition of Capital Assets	(428,937)	-	(428,937)	(509,964)
Cash Flows Used by Capital and Related Financing Activities	<u>(349,045)</u>	<u>-</u>	<u>(349,045)</u>	<u>(472,187)</u>
Cash Flows (Uses) From Noncapital Financing Activities:				
Cash from Other Funds	-	16,000	16,000	20,000
Other Revenues (Expense)	6,080	-	6,080	4,628
Net Cash Provided (Used) by Noncapital Financing Activities	<u>6,080</u>	<u>16,000</u>	<u>22,080</u>	<u>24,628</u>
Cash Flows (Uses) From Investing Activities:				
Interest Received	<u>4,017</u>	<u>-</u>	<u>4,017</u>	<u>1,081</u>
Net Increase (Decrease) in Cash	43,584	5,309	48,893	(121,101)
Cash - Beginning	<u>717,824</u>	<u>38</u>	<u>717,862</u>	<u>838,963</u>
Cash - Ending	<u>\$ 761,408</u>	<u>\$ 5,347</u>	<u>\$ 766,755</u>	<u>\$ 717,862</u>
Cash	\$ 130,670	\$ 5,347	\$ 136,017	\$ 91,141
Investments	<u>630,738</u>	<u>-</u>	<u>630,738</u>	<u>626,721</u>
Total	<u>\$ 761,408</u>	<u>\$ 5,347</u>	<u>\$ 766,755</u>	<u>\$ 717,862</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	\$ (57,538)	\$ (10,691)	\$ (68,229)	\$ (90,463)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	415,706	-	415,706	387,760
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Other Receivables	(94)	-	(94)	77
Inventory	20,504	-	20,504	21,419
Prepaid Expenses	(350)	-	(350)	765
(Increase) Decrease in:				
Accounts Payable	3,584	-	3,584	4,863
Accrued Salaries and Benefits	715	-	715	357
Accrued Compensated Absences	5	-	5	599
Total Adjustments	<u>440,070</u>	<u>-</u>	<u>440,070</u>	<u>415,840</u>
Net Cash Used for Operating Activities	<u>\$ 382,532</u>	<u>\$ (10,691)</u>	<u>\$ 371,841</u>	<u>\$ 325,377</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**BUDGET AND ACTUAL****Internal Service Fund****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016			2015
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Internal Charges	\$ 1,091,026	\$ 1,008,761	\$ (82,265)	\$ 977,937
Operating Expenses				
Management Fees	35,343	35,343	-	35,343
Claims and Premiums	26,734	25,283	1,451	25,548
Maintenance	668,484	589,967	78,517	597,821
Other Capital Outlay	483,400	428,937	54,463	127,830
Total Expenditures	1,213,961	1,079,530	134,431	786,542
Operating Income (Loss)	(122,935)	(70,769)	52,166	191,395
Other Income (Expense)				
Investment Earnings	750	4,017	3,267	1,081
Other Revenue	-	6,080	6,080	4,628
Gain (Loss) on Sale of Assets	5,000	78,025	73,025	37,777
Total Other Income (Expense)	5,750	88,122	82,372	43,486
Change in Net Position (Budget Basis)	\$ (117,185)	17,353	\$ 134,538	234,881
Budget to GAAP Reconciliation				
Depreciation Expense		(415,706)		(387,760)
Capital Outlay		428,937		127,830
Change in Net Position - GAAP Basis		30,584		(25,049)
Net Position, Beginning		2,134,855		2,159,904
Net Position, Ending		\$ 2,165,439		\$ 2,134,855

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**BUDGET AND ACTUAL****Employees' Dental Fund****FOR THE YEAR ENDED DECEMBER 31, 2016****With Comparative Totals for the Year Ended December 31, 2015**

	2016			2015
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Internal Charges	\$ 33,127	\$ 30,963	\$ (2,164)	\$ 29,837
Other Charges for Services	10,826	10,062	(764)	9,698
Total Revenues	43,953	41,025	(2,928)	39,535
Operating Expenses				
Claims and Premiums	50,000	41,506	8,494	51,603
Administration	9,900	10,210	(310)	9,860
Total Expenditures	59,900	51,716	8,184	61,463
Net Income (Loss) before Transfers	(15,947)	(10,691)	5,256	(21,928)
Transfers				
Transfers In/(Out)	16,000	16,000	-	20,000
Change in Net Position (Budget Basis)	\$ 53	5,309	\$ 5,256	(1,928)
Net Position, Beginning		38		1,966
Net Position, Ending		\$ 5,347		\$ 38

See accompanying Independent Auditors' Report.

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Delta
		YEAR ENDING : December 2016
This Information From The Records of the City of Delta, CC	Prepared By: Phone:	Tod DeZeeuw, CPA 970-874-7908

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	891,187
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	583,558
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	86,904
2. General fund appropriations		b. Snow and ice removal	25,936
3. Other local imposts (from page 2)	3,287,878	c. Other	1,945
4. Miscellaneous local receipts (from page 2)	68,145	d. Total (a. through c.)	114,785
5. Transfers from toll facilities		4. General administration & miscellaneous:	36,959
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	695,232
a. Bonds - Original Issues		6. Total (1 through 5)	2,321,721
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	1,221,905
7. Total (1 through 6)	3,356,023	b. Redemption	560,000
B. Private Contributions		c. Total (a. + b.)	1,781,905
C. Receipts from State government (from page 2)	356,642	2. Notes:	
D. Receipts from Federal Government (from page 2)	390,961	a. Interest	
E. Total receipts (A.7 + B + C + D)	4,103,626	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	1,781,905
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	4,103,626

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	21,925,000		560,000	21,365,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	4,103,626	4,103,626		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (mm/yy): December 2016	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	7,350
b. Other local imposts:		b. Traffic Fines & Penalties	60,795
1. Sales Taxes	3,250,254	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	37,624	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	3,287,878	h. Other	
c. Total (a. + b.)	3,287,878	i. Total (a. through h.)	68,145
(Carry forward to page 1)		(Carry forward to page 1)	
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	320,602	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	36,040	d. Federal Transit Admin	
d. Other (Specify)	0	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	390,961
f. Total (a. through e.)	36,040	g. Total (a. through f.)	390,961
4. Total (1. + 2. + 3.f)	356,642	3. Total (1. + 2.g)	
		(Carry forward to page 1)	
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		136,865	136,865
(3). System Preservation			0
(4). System Enhancement & Operatior		754,322	754,322
(5). Total Construction (1) + (2) + (3) + (4)	0	891,187	891,187
d. Total Capital Outlay (Lines I.a. + I.b. + I.c.5)	0	891,187	891,187
		(Carry forward to page 1)	
Notes and Comments:			

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2016

TABLE 1
Debt Service Coverage

	2012	2013	2014	2015	2016
City CIF Tax	\$ 1,606,938	\$ 1,643,294	\$ 1,671,214	\$ 1,729,795	\$ 1,772,454
County CIF Tax	553,211	570,040	588,584	598,535	589,163
Interest Earnings	7,592	6,459	2,982	296	475
Total Pledged Revenues	\$ 2,167,741	\$ 2,219,793	\$ 2,262,780	\$ 2,328,626	\$ 2,362,092

Maximum Annual Debt Service

TABLE 2
History of City CIF Tax

Year	City CIF Sales Tax Collections	City CIF Use Tax Collections	Total City CIF Tax Collections
2012	\$ 1,578,651	\$ 28,287	\$ 1,606,938
2013	1,611,577	31,717	1,643,294
2014	1,643,489	27,725	1,671,214
2015	1,704,691	25,104	1,729,795
2016	1,728,141	44,313	1,772,454

TABLE 3
History of County CIF Tax

Year	Total County CIF Sales Tax
2012	\$ 553,211
2013	570,040
2014	588,584
2015	598,535
2016	589,163

CITY OF DELTA, COLORADO**SUPPLEMENTAL SCHEDULES REQUIRED****PURSUANT TO BOND AGREEMENTS****(Continuing Disclosure Undertaking)****December 31, 2016**

TABLE 4
Monthly Comparison of Collections of City CIF Tax

Month	2015 Current Month	2015 Period To Date	2016 Current Month	2016 Period To Date	Percent Change
January	\$ 169,190	\$ 169,190	\$ 179,812	\$ 179,812	6.3%
February	129,866	299,056	119,404	299,216	0.1%
March	118,619	417,675	130,437	429,653	2.9%
April	146,760	564,435	151,908	581,561	3.0%
May	135,666	700,101	133,330	714,891	2.1%
June	141,954	842,055	155,331	870,222	3.3%
July	153,950	996,005	161,704	1,031,926	3.6%
August	145,144	1,141,149	148,101	1,180,027	3.4%
September	139,706	1,280,855	148,767	1,328,794	3.7%
October	151,787	1,432,642	160,051	1,488,845	3.9%
November	140,664	1,573,306	133,924	1,622,769	3.1%
December	156,489	1,729,795	149,685	1,772,454	2.5%

TABLE 5
Monthly Comparison of Collections of County CIF Tax

Month	2015 Current Month	2015 Period To Date	2016 Current Month	2016 Period To Date	Percent Change
January	\$ -	\$ -	\$ -	\$ -	0.0%
February	379	379	451	451	19.0%
March	59,600	59,979	44,674	45,125	-24.8%
April	41,907	101,886	47,191	92,316	-9.4%
May	48,141	150,027	50,548	142,864	-4.8%
June	47,106	197,133	47,632	190,496	-3.4%
July	48,558	245,691	49,890	240,386	-2.2%
August	49,367	295,058	51,441	291,827	-1.1%
September	52,620	347,678	42,279	334,106	-3.9%
October	49,118	396,796	56,099	390,205	-1.7%
November	57,635	454,431	51,436	441,641	-2.8%
December	144,104	598,535	147,522	589,163	-1.6%

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2016

Table 6
Top 10 Generators of City 3% Sales & Use Tax

<u>Business Type</u>	<u>3% Sales & Use Tax Receipts</u>	<u>% of Total Collections</u>
Retail	\$ 1,549,041	30.9%
Grocery	449,572	9.0%
Government	257,691	5.1%
Grocery	243,937	4.9%
Government	152,658	3.0%
Retail	122,395	2.4%
Retail	110,615	2.2%
Utility	80,160	1.6%
Restaurant	74,300	1.5%
Retail	57,937	1.2%
Auto	57,254	1.1%
Auto	54,198	1.1%
Total =	\$ 3,209,758	

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2016

Table 7

City-Wide Capital Improvement Fund
Budget Summary & Comparison

	2015 Budget	2016 Budget	2016 Actual
Revenues			
Sales Tax	\$ 1,615,245	\$ 1,680,339	\$ 1,728,141
Use Tax	25,000	25,000	44,313
County Sales Tax	565,600	600,415	589,163
Income From Investments	1,500	250	475
Grant	1,664,500	180,000	171,519
Miscellaneous	17,800	-	223,181
Total Revenues	3,889,645	2,486,004	2,756,792
Expenditures			
Miscellaneous Engineering	125,000	40,000	11,331
Sidewalk Projects	40,000	10,000	9,255
Murals/Public Art	2,500	-	-
ADA Compliance	3,500	-	-
Public Facilities	1,011,202	76,876	68,969
Street Improvement Projects	400,000	424,000	543,648
Storm Water System Improvements	1,500,000	400,000	314,390
Non-Departmental	76,873	76,603	76,602
Transfers to Other Funds	1,427,946	1,392,846	1,392,846
Total Expenditures	4,587,021	2,420,325	2,417,041
 Fund Balance - Beginning	 1,086,137	 63,160	 213,545
Fund Balance - Ending	\$ 388,761	\$ 128,839	\$ 553,296

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2016

Table 8
Capital Improvements Plan Summary

Project Categories	2017	2018	2019	2020	2021
Parks	162,500				
Recreation Center	28,000	51,000	104,500	13,000	135,000
City-Wide Improvements	925,000	875,000	875,000	875,000	875,000
Electrical	1,115,000	385,000	85,000	85,000	85,000
Sewer	610,000	410,000	410,000	410,000	410,000
Water	250,000	250,000	250,000	250,000	250,000
Internal Service	445,138	276,861	183,111		

CITY OF DELTA, COLORADO**SUPPLEMENTAL SCHEDULES REQUIRED****PURSUANT TO BOND AGREEMENTS****(Continuing Disclosure Undertaking)****December 31, 2016**

Table 9
History of General Fund Revenues
Expenditures & Changes in Fund Balances

Revenues	2012	2013	2014	2015	2016
Taxes	\$ 1,606,938	\$ 1,643,294	\$ 1,671,214	\$ 1,771,798	\$ 1,812,648
Franchise Tax Equivalents	617,829	651,857	652,650	617,442	633,598
Licenses & Permits	85,696	86,168	109,357	75,767	93,895
Intergovernmental	1,026,333	760,622	823,988	826,032	611,818
Charges for Services	38,492	28,055	37,737	19,593	30,592
Fines & Forfeitures	81,130	77,324	80,283	110,273	60,795
Other Rental	7,280	7,625	6,377	-	-
Miscellaneous	130,194	48,638	67,765	69,300	64,719
Accounting & Adm. Charges	425,000	425,000	720,844	749,781	749,781
Investment Earnings	2,413	2,375	1,928	1,737	6,902
Total Revenues	4,021,305	3,730,958	4,172,143	4,241,723	4,064,748
Expenditures					
General Government	1,028,799	952,577	927,518	1,074,852	1,028,594
Public Safety	1,689,436	1,771,966	1,720,823	1,829,559	1,735,388
Community Development	260,448	269,074	273,928	265,662	367,411
Public Works	603,355	675,744	654,861	635,005	647,891
Animal & Code Enforcement	118,115	106,627	86,159	82,058	80,630
Parks & Cemetery	898,726	903,315	897,367	132,594	136,868
IT	63,138	65,203	61,098	50,611	29,366
Non-Departmental	150,539	56,791	32,099	58,422	55,048
	4,812,556	4,801,297	4,653,853	4,128,763	4,081,196
Revenues Over (Under)					
Expenditures	(791,251)	(1,070,339)	(481,710)	112,960	(16,448)
Other Financing Sources					
Transfers In Total	1,075,000	950,000	469,000	-	-
Revenues & Other Financing Sources Over (Under)					
Expenditures	283,749	(120,339)	(12,710)	112,960	(16,448)
Fund Balance - Beginning	1,385,624	1,669,373	1,549,034	1,536,324	1,649,284
Fund Balance - Ending	\$ 1,669,373	\$ 1,549,034	\$ 1,536,324	\$ 1,649,284	\$ 1,632,836

CITY OF DELTA, COLORADO**SUPPLEMENTAL SCHEDULES REQUIRED****PURSUANT TO BOND AGREEMENTS****(Continuing Disclosure Undertaking)****December 31, 2016**

Table 10
General Fund Budget Summary & Comparison

	2015 Budget	2016 Budget	2016 Actual
Revenues			
Taxes	\$ 1,684,245	\$ 1,749,339	\$ 1,812,648
Franchise Tax Equivalents	584,820	597,345	633,598
Licenses & Permits	70,800	72,000	93,895
Intergovernmental	807,101	657,434	611,818
Charges for Services	30,250	29,000	30,592
Fines & Forfeitures	80,000	80,000	60,795
Miscellaneous	30,200	34,200	64,719
Accounting & Adm. Charges	749,781	749,781	749,781
Other Financing Sources	930,000	-	6,902
Total Revenues	4,967,197	3,969,099	4,064,748
Expenditures			
Personnel	2,971,992	3,096,801	3,056,846
Charges & Services	1,877,016	1,077,920	1,011,225
Capital Outlay	36,523	30,400	13,125
Total Expenditures	4,885,531	4,205,121	4,081,196
 Fund Balance - Beginning	 1,591,317	 1,431,674	 1,649,284
Fund Balance - Ending	\$ 1,672,982	\$ 1,195,652	\$ 1,632,836

Table 11
Revenue Obligations of the City

Revenue Obligation	Principal Amount Outstanding
Municipal Light & Power Revenue Notes, Series 2000	\$ 3,651,950
Sewer Note, Series 2012	2,077,872
Sales & Use Tax Revenue Bonds, Series 2010	21,365,000
Total Revenue Obligations Outstanding	<u>\$ 27,094,822</u>