

**CITY OF DELTA
DELTA, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2017

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July 10, 2018

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FINANCIAL SECTION

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

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, 2017.

Financial Highlights

As of the close of the year, the City had \$16,173,801 in combined ending cash and investment balances compared to \$15,219,072 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 six 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 three 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 35 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 54 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 \$57,796,477 at the close of the year 2017.

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	
	2016	2017	2016	2017	2016	2017
Current & other assets	\$ 6,132,272	\$ 6,336,430	\$ 11,551,635	\$ 12,199,207	\$ 17,683,907	\$ 18,535,637
Capital assets	49,856,057	46,674,276	21,421,212	21,257,139	71,277,269	67,931,415
Total assets	<u>55,988,329</u>	<u>53,010,706</u>	<u>32,972,847</u>	<u>33,456,346</u>	<u>88,961,176</u>	<u>86,467,052</u>
Long-term liabilities	21,787,287	21,189,462	6,062,641	5,607,165	27,849,928	26,796,627
Other liabilities	573,916	710,659	670,663	1,072,784	1,244,579	1,783,443
Total liabilities	<u>22,361,203</u>	<u>21,900,121</u>	<u>6,733,304</u>	<u>6,679,949</u>	<u>29,094,507</u>	<u>28,580,070</u>
Deferred inflows of resources	93,169	88,460	2,100	2,045	95,269	90,505
Net position:						
Net investment in capital assets	28,390,632	25,785,288	15,588,373	15,851,752	43,979,005	41,637,040
Restricted	3,408,426	3,517,725	-	-	3,408,426	3,517,725
Unrestricted	<u>1,734,899</u>	<u>1,719,112</u>	<u>10,649,070</u>	<u>10,922,600</u>	<u>12,383,969</u>	<u>12,641,712</u>
Total net position	<u>\$ 33,533,957</u>	<u>\$ 31,022,125</u>	<u>\$ 26,237,443</u>	<u>\$ 26,774,352</u>	<u>\$ 59,771,400</u>	<u>\$ 57,796,477</u>

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	
	2016	2017	2016	2017	2016	2017
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$10,588,528	\$ 10,708,283	\$10,588,528	\$ 10,708,283
Fees and fines	949,280	872,129	-	-	949,280	872,129
Grants	1,412,712	1,572,005	173,328	187,336	1,586,040	1,759,341
General revenues:						
Taxes:						
Sales tax	5,906,529	6,120,467	-	-	5,906,529	6,120,467
Franchise and Occupational tax	153,874	145,824	-	-	153,874	145,824
Cigarette	21,235	18,628	-	-	21,235	18,628
Endowment	-	-	-	-	-	-
Investment	17,731	37,255	51,477	109,481	69,208	146,736
Miscellaneous	188,925	76,647	296,406	243,930	485,331	320,577
Accounting and administration	749,781	801,613	(403,430)	(445,570)	346,351	356,043
Franchise tax equivalents	498,682	508,607	(498,682)	(508,607)	-	-
Total revenue	<u>9,898,749</u>	<u>10,153,175</u>	<u>10,207,627</u>	<u>10,294,853</u>	<u>20,106,376</u>	<u>20,448,028</u>
Expenses:						
General government	757,246	1,786,329	-	-	757,246	1,786,329
Public safety	1,869,642	2,037,306	-	-	1,869,642	2,037,306
Public works	6,456,450	5,832,656	-	-	6,456,450	5,832,656
Health and safety	-	-	-	-	-	-
Parks and recreation	3,115,755	2,965,226	-	-	3,115,755	2,965,226
Capital Outlay	-	36,970	-	-	-	36,970
Municipal Light & Power	-	-	5,283,307	5,531,164	5,283,307	5,531,164
Sewer	-	-	1,362,108	1,274,332	1,362,108	1,274,332
Water	-	-	1,661,300	1,736,676	1,661,300	1,736,676
Refuse	-	-	492,624	484,367	492,624	484,367
Golf	-	-	1,101,204	772,264	1,101,204	772,264
Total expenses	<u>12,199,093</u>	<u>12,658,487</u>	<u>9,900,543</u>	<u>9,798,803</u>	<u>22,099,636</u>	<u>22,457,290</u>
Increase in net assets before transfers	(2,300,344)	(2,505,312)	307,084	496,050	(1,993,260)	(2,009,262)
Transfers	<u>23,000</u>	<u>(6,520)</u>	<u>(23,000)</u>	<u>6,520</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(2,277,344)	(2,511,832)	284,084	502,570	(1,993,260)	(2,009,262)
Prior Period Adjustment	-	-	-	34,339	-	34,339
Net position - January 1st	<u>35,811,301</u>	<u>33,533,957</u>	<u>25,953,359</u>	<u>26,237,443</u>	<u>61,764,660</u>	<u>59,771,400</u>
Net position - December 31st	<u>\$ 33,533,957</u>	<u>\$ 31,022,125</u>	<u>\$26,237,443</u>	<u>\$ 26,774,352</u>	<u>\$59,771,400</u>	<u>\$ 57,796,477</u>

General Fund Budgetary Highlights

A positive item to note on page 32 regarding the General Fund variance column is a 1.60% 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, 2017, amounts to \$67,931,415 (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	
	2016	2017	2016	2017	2016	2017
Land	\$ 3,709,250	\$ 3,709,250	\$ 952,610	\$ 952,610	\$ 4,661,860	\$ 4,661,860
Construction in Progress	46,895	58,681	259,922	520,340	306,817	579,021
Improvements other than buildings	3,801,355	3,592,078	-	-	3,801,355	3,592,078
Infrastructures	38,682,356	35,952,558	-	-	38,682,356	35,952,558
Buildings	2,254,871	2,085,452	442,957	394,338	2,697,828	2,479,790
Water rights and storage Treatment and generation facilities	-	-	490,707	484,990	490,707	484,990
Collection, transmission and distribution systems	-	-	3,403,798	3,169,813	3,403,798	3,169,813
Street lighting system	-	-	15,679,725	15,568,683	15,679,725	15,568,683
Vehicles and equipment	-	-	81,839	76,313	81,839	76,313
	1,361,330	1,276,257	109,652	90,052	1,470,982	1,366,309
Total	\$ 49,856,057	\$ 46,674,276	\$ 21,421,210	\$ 21,257,139	\$ 71,277,267	\$ 67,931,415

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 \$26,158,507. Of this amount, \$20,790,000 is backed by Sales and Use Tax Revenue collections and the remaining \$5,368,507 debt is secured by specified revenue sources.

City of Delta's Outstanding Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2017	2016	2017	2016	2017
Sales & use tax revenue bonds	\$ 21,365,000	\$20,790,000	\$ -	\$ -	\$ 21,365,000	\$ 20,790,000
Notes payable	-	-	5,729,822	5,368,507	5,729,822	5,368,507
Total	\$ 21,365,000	\$20,790,000	\$ 5,729,822	\$5,368,507	\$ 27,094,822	\$ 26,158,507

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 2018 budget projects a .5% 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 2018 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, 2017, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2017, 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 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 9, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 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-vi 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 - 54 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 55 - 59 and the supplemental schedules required pursuant to bond agreements on pages 60 - 66 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.



Englewood, Colorado
May 16, 2018

CITY OF DELTA, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 635,273	\$ 662,248	\$ 1,297,521
Investments	2,634,548	10,125,346	12,759,894
Restricted Cash and Investments	2,116,386	-	2,116,386
Receivables			
Accounts Receivable	834,353	1,017,452	1,851,805
Other Receivables	-	21,716	21,716
Inventory	112,091	371,659	483,750
Prepaid Expenses	3,779	786	4,565
Total Current Assets	<u>6,336,430</u>	<u>12,199,207</u>	<u>18,535,637</u>
Noncurrent Assets			
Capital Assets not being Depreciated	3,767,931	1,472,950	5,240,881
Capital Assets being Depreciated	96,401,191	45,374,636	141,775,827
Accumulated Depreciation	<u>(53,494,846)</u>	<u>(25,590,447)</u>	<u>(79,085,293)</u>
Total Noncurrent Assets	<u>46,674,276</u>	<u>21,257,139</u>	<u>67,931,415</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 53,010,706</u>	<u>\$ 33,456,346</u>	<u>\$ 86,467,052</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 222,340	\$ 1,001,062	\$ 1,223,402
Accrued Liabilities	10,790	-	10,790
Accrued Salaries and Benefits	195,065	62,360	257,425
Deposits and Escrow	183,476	26	183,502
Accrued Interest Payable	98,988	9,336	108,324
Total Current Liabilities	<u>710,659</u>	<u>1,072,784</u>	<u>1,783,443</u>
Noncurrent Liabilities			
Due within one year	590,000	408,574	998,574
Due in more than one year	20,599,462	5,198,591	25,798,053
Total Noncurrent Liabilities	<u>21,189,462</u>	<u>5,607,165</u>	<u>26,796,627</u>
TOTAL LIABILITIES	<u>21,900,121</u>	<u>6,679,949</u>	<u>28,580,070</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Bond Premiums	77,019	-	77,019
Other Deferred Inflows	11,441	2,045	13,486
TOTAL DEFERRED INFLOWS	<u>88,460</u>	<u>2,045</u>	<u>90,505</u>
NET POSITION			
Net Investment in Capital Assets	25,785,288	15,851,752	41,637,040
Restricted Net Position	3,517,725	-	3,517,725
Unrestricted Net Position	1,719,112	10,922,600	12,641,712
TOTAL NET POSITION	<u>31,022,125</u>	<u>26,774,352</u>	<u>57,796,477</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 53,010,706</u>	<u>\$ 33,456,346</u>	<u>\$ 86,467,052</u>

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

CITY OF DELTA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017

	PROGRAM REVENUES			
		OPERATING	CAPITAL	
	CHARGES FOR	GRANTS AND	GRANTS AND	
EXPENSES	SERVICES	CONTRIBUTIONS	CONTRIBUTIONS	
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	\$ 1,786,329	\$ 862,759	\$ 654,560	\$ -
Public Safety	2,037,306	38,102	11,564	-
Public Works	5,832,656	61,589	747,644	-
Culture and Recreation	2,965,226	711,292	158,237	-
Capital Outlay - Non Capitalized	36,970	-	-	-
TOTAL GOVERNMENT ACTIVITIES	12,658,487	1,673,742	1,572,005	-
Business-type Activities				
Current:				
Municipal Light & Power	5,935,160	6,216,982	-	-
Sewer	1,436,195	1,319,741	-	49,050
Water	1,928,026	1,986,845	106,086	32,200
Refuse	604,492	688,533	-	-
Golf Course	849,107	496,182	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	10,752,980	10,708,283	106,086	81,250
TOTAL GOVERNMENT	\$ 23,411,467	\$ 12,382,025	\$ 1,678,091	\$ 81,250
GENERAL REVENUES				
Sales and Use Taxes				
Franchise and In Lieu of Taxes				
Other Taxes				
Interest Income				
Gain (Loss) on Disposal of Capital Assets				
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 ACTIVITES	TOTAL
\$ (269,010)	\$ -	\$ (269,010)
(1,987,640)	-	(1,987,640)
(5,023,423)	-	(5,023,423)
(2,095,697)	-	(2,095,697)
<u>(36,970)</u>	<u>-</u>	<u>(36,970)</u>
<u>(9,412,740)</u>	<u>-</u>	<u>(9,412,740)</u>
-	281,822	281,822
-	(67,404)	(67,404)
-	197,105	197,105
-	84,041	84,041
<u>-</u>	<u>(352,925)</u>	<u>(352,925)</u>
<u>-</u>	<u>142,639</u>	<u>142,639</u>
<u>(9,412,740)</u>	<u>142,639</u>	<u>(9,270,101)</u>
6,120,467	-	6,120,467
634,595	-	634,595
19,836	-	19,836
37,255	109,481	146,736
14,000	-	14,000
-	243,930	243,930
81,275	-	81,275
<u>(6,520)</u>	<u>6,520</u>	<u>-</u>
<u>6,900,908</u>	<u>359,931</u>	<u>7,260,839</u>
<u>(2,511,832)</u>	<u>502,570</u>	<u>(2,009,262)</u>
33,533,957	26,237,443	59,771,400
-	34,339	34,339
<u>33,533,957</u>	<u>26,271,782</u>	<u>59,805,739</u>
<u>\$ 31,022,125</u>	<u>\$ 26,774,352</u>	<u>\$ 57,796,477</u>

CITY OF DELTA, COLORADO

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2017

With Comparative Totals for December 31, 2016

	SPECIAL REVENUE FUNDS		
	General	Parks and	City-Wide Capital
	Fund	Recreation Center	Improvement
	Fund	Fund	Fund
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 228,473	\$ 67,104	\$ 53,081
Investments	1,280,623	207,529	508,578
Restricted Cash and Investments	14,815	-	1,799,888
Receivables			
Accounts Receivable	261,478	271,605	301,270
Other Receivables	-	-	-
Inventory	-	4,836	-
Prepaid Expenses	1,879	1,820	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,787,268</u>	<u>\$ 552,894</u>	<u>\$ 2,662,817</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 123,627	\$ 51,555	\$ 9,122
Accrued Liabilities	10,790	-	-
Accrued Salaries and Benefits	132,968	54,155	-
Deposits and Escrow	163,055	6,421	14,000
TOTAL LIABILITIES	<u>430,440</u>	<u>112,131</u>	<u>23,122</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Other Deferred Inflows	-	11,441	-
FUND BALANCE			
Nonspendable Fund Balance	1,879	6,656	-
Restricted Fund Balance	319,019	326,674	2,614,321
Assigned Fund Balance	177,617	95,992	25,374
Unassigned Fund Balance	858,313	-	-
TOTAL FUND BALANCE	<u>1,356,828</u>	<u>429,322</u>	<u>2,639,695</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 1,787,268</u>	<u>\$ 552,894</u>	<u>\$ 2,662,817</u>

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

Other Funds	Total	
	2017	2016
\$ 7,446	\$ 356,104	\$ 451,223
-	1,996,730	1,481,294
301,683	2,116,386	2,439,675
-	834,353	868,029
-	-	9,527
-	4,836	3,756
-	3,699	4,030
<u>\$ 309,129</u>	<u>\$ 5,312,108</u>	<u>\$ 5,257,534</u>

\$ 6,828	\$ 191,132	\$ 71,442
-	10,790	3,360
-	187,123	175,696
-	183,476	189,195
<u>6,828</u>	<u>572,521</u>	<u>439,693</u>
-	11,441	12,801
44,590	53,125	47,756
257,711	3,517,725	3,422,186
-	298,983	236,022
-	858,313	1,099,076
<u>302,301</u>	<u>4,728,146</u>	<u>4,805,040</u>
<u>\$ 309,129</u>	<u>\$ 5,312,108</u>	<u>\$ 5,257,534</u>

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CITY OF DELTA, COLORADO

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2017**

Fund Balance - Governmental Funds		\$	4,728,146
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	3,767,931	
Capital assets, being depreciated		91,198,058	
Accumulated depreciation		<u>(49,514,284)</u>	45,451,705
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			(77,019)
Internal Service operations primarily benefit Governmental Activities			
Internal Service Fund Net Position			2,193,399
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable		(20,790,000)	
Accrued interest payable		(98,988)	
Accrued compensated absences		<u>(385,118)</u>	<u>(21,274,106)</u>
Total Net Position - Governmental Activities			\$ <u>31,022,125</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, 2017

With Comparative Totals for the Year Ended December 31, 2016

	<u>SPECIAL REVENUE FUNDS</u>		
	General	Parks and Recreation Center	City-Wide Capital Improvement
	Fund	Fund	Fund
REVENUES			
Taxes	\$ 2,483,609	\$ 1,829,181	\$ 2,462,108
Intergovernmental Revenues	1,003,165	73,587	390,921
Licenses and Permits	91,248	-	-
Fines and Forfeits	36,787	-	-
Internal Charges	801,613	-	-
Charges for Services	16,253	717,696	5,525
Investment Earnings	12,425	1,035	21,152
Other Revenues	66,618	12,676	17,941
TOTAL REVENUES	<u>4,511,718</u>	<u>2,634,175</u>	<u>2,897,647</u>
EXPENDITURES			
Current:			
General Government	1,483,014	-	-
Public Safety	2,019,701	-	-
Public Works	1,099,231	-	-
Parks, Recreation and Other	156,806	2,299,143	-
Internal Charges	-	222,184	71,925
Capital Outlay	28,975	103,845	746,777
Debt Service	-	-	1,780,105
TOTAL EXPENDITURES	<u>4,787,727</u>	<u>2,625,172</u>	<u>2,598,807</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>(276,009)</u>	<u>9,003</u>	<u>298,840</u>
OTHER FINANCING SOURCES (USES)			
Transfers (In)	-	-	-
Transfers (Out)	-	(93,170)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(93,170)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE - GAAP BASIS	<u>(276,009)</u>	<u>(84,167)</u>	<u>298,840</u>
FUND BALANCE, BEGINNING	<u>1,632,837</u>	<u>513,489</u>	<u>2,340,855</u>
FUND BALANCE, ENDING	<u>\$ 1,356,828</u>	<u>\$ 429,322</u>	<u>\$ 2,639,695</u>

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

Other Funds	Total	
	2017	2016
\$ -	\$ 6,774,898	\$ 6,559,084
102,373	1,570,046	1,401,951
-	91,248	114,908
-	36,787	60,795
-	801,613	749,781
4,620	744,094	773,578
2,643	37,255	17,731
-	97,235	220,921
<u>109,636</u>	<u>10,153,176</u>	<u>9,898,749</u>
-	1,483,014	1,041,380
-	2,019,701	1,850,827
100,936	1,200,167	1,046,671
-	2,455,949	2,573,778
-	294,109	311,008
110,908	990,505	1,124,355
-	1,780,105	1,781,905
<u>211,844</u>	<u>10,223,550</u>	<u>9,729,924</u>
<u>(102,208)</u>	<u>(70,374)</u>	<u>168,825</u>
86,650	86,650	104,539
-	(93,170)	(97,539)
<u>86,650</u>	<u>(6,520)</u>	<u>7,000</u>
<u>(15,558)</u>	<u>(76,894)</u>	<u>175,825</u>
<u>317,859</u>	<u>4,805,040</u>	<u>4,629,215</u>
<u>\$ 302,301</u>	<u>\$ 4,728,146</u>	<u>\$ 4,805,040</u>

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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, 2017**

Change in Fund Balance - Governmental Funds		\$	(76,894)
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	953,535		
Depreciation Expense	<u>(4,005,981)</u>		(3,052,446)
Internal Service operations primarily benefit Governmental Activities			
Change in net position - Internal Service Funds			22,613
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	575,000		
Change in accrued interest payable	1,437		
Amortization of premiums and discounts	3,349		
Change in accrued compensated absences	<u>15,109</u>		<u>594,895</u>
Change in Net Position - Governmental Activities		\$	<u>(2,511,832)</u>

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

CITY OF DELTA, COLORADO

STATEMENT OF NET POSITION**PROPRIETARY FUNDS**

DECEMBER 31, 2017

With Comparative Totals for December 31, 2016

	Business-type Activities			
	Municipal Light & Power	Sewer	Water	Golf Course
	Fund	Fund	Fund	Fund
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	\$ 240,567	\$ 35,587	\$ 368,223	\$ 5,020
Investments	3,744,415	2,736,598	2,596,763	-
Receivables				
Accounts Receivable	668,497	135,031	139,721	-
Other Receivables	14,914	2,321	2,980	1,501
Inventory	254,341	24,526	78,238	14,554
Prepaid Expenses	57	120	369	240
Total Current Assets	<u>4,922,791</u>	<u>2,934,183</u>	<u>3,186,294</u>	<u>21,315</u>
Noncurrent Assets				
Capital Assets not being depreciated	454,238	615,238	259,534	143,940
Capital Assets being depreciated	12,919,285	18,154,587	9,644,026	4,656,738
Accumulated Depreciation	(5,414,479)	(10,283,359)	(5,594,606)	(4,298,003)
Total Noncurrent Assets	<u>7,959,044</u>	<u>8,486,466</u>	<u>4,308,954</u>	<u>502,675</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 12,881,835</u>	<u>\$ 11,420,649</u>	<u>\$ 7,495,248</u>	<u>\$ 523,990</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 800,734	\$ 147,146	\$ 35,789	\$ 7,441
Accrued Salaries and Benefits	19,661	12,828	15,516	9,289
Deposits and Escrow	26	-	-	-
Accrued Interest Payable	4,356	2,633	-	2,347
Total Current Liabilities	<u>824,777</u>	<u>162,607</u>	<u>51,305</u>	<u>19,077</u>
Noncurrent Liabilities				
Due within one year	206,877	107,370	-	94,327
Due in more than one year	2,085,292	1,913,150	65,465	1,122,799
Total Noncurrent Liabilities	<u>2,292,169</u>	<u>2,020,520</u>	<u>65,465</u>	<u>1,217,126</u>
TOTAL LIABILITIES	<u>3,116,946</u>	<u>2,183,127</u>	<u>116,770</u>	<u>1,236,203</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Other Deferred Inflows	-	300	-	1,745
NET POSITION				
Net Investment in Capital Assets	5,715,993	6,512,514	4,308,954	(685,709)
Unrestricted Net Position	4,048,896	2,724,708	3,069,524	(28,249)
TOTAL NET POSITION	<u>9,764,889</u>	<u>9,237,222</u>	<u>7,378,478</u>	<u>(713,958)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 12,881,835</u>	<u>\$ 11,420,649</u>	<u>\$ 7,495,248</u>	<u>\$ 523,990</u>

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

<u>Govt Act</u>				
Other Fund	Total Enterprise Funds	Internal Service Funds	Total	
			2017	2016
\$ 12,851	\$ 662,248	\$ 279,169	\$ 941,417	\$ 700,277
1,047,570	10,125,346	637,818	10,763,164	10,146,603
				-
74,203	1,017,452	-	1,017,452	1,009,910
-	21,716	-	21,716	96,664
-	371,659	107,255	478,914	472,051
-	786	80	866	868
<u>1,134,624</u>	<u>12,199,207</u>	<u>1,024,322</u>	<u>13,223,529</u>	<u>12,426,373</u>
-	1,472,950	-	1,472,950	1,212,532
-	45,374,636	5,203,133	50,577,769	49,581,760
-	(25,590,447)	(3,980,562)	(29,571,009)	(28,021,174)
-	21,257,139	1,222,571	22,479,710	22,773,118
<u>\$ 1,134,624</u>	<u>\$ 33,456,346</u>	<u>\$ 2,246,893</u>	<u>\$ 35,703,239</u>	<u>\$ 35,199,491</u>
\$ 9,952	\$ 1,001,062	\$ 31,208	\$ 1,032,270	\$ 624,179
5,066	62,360	7,942	70,302	70,496
-	26	-	26	-
-	9,336	-	9,336	9,786
<u>15,018</u>	<u>1,072,784</u>	<u>39,150</u>	<u>1,111,934</u>	<u>704,461</u>
-	408,574	-	408,574	392,899
<u>11,885</u>	<u>5,198,591</u>	<u>14,344</u>	<u>5,212,935</u>	<u>5,691,802</u>
<u>11,885</u>	<u>5,607,165</u>	<u>14,344</u>	<u>5,621,509</u>	<u>6,084,701</u>
<u>26,903</u>	<u>6,679,949</u>	<u>53,494</u>	<u>6,733,443</u>	<u>6,789,162</u>
-	2,045	-	2,045	2,100
-	15,851,752	1,222,571	17,074,323	16,940,279
<u>1,107,721</u>	<u>10,922,600</u>	<u>970,828</u>	<u>11,893,428</u>	<u>11,467,950</u>
<u>1,107,721</u>	<u>26,774,352</u>	<u>2,193,399</u>	<u>28,967,751</u>	<u>28,408,229</u>
<u>\$ 1,134,624</u>	<u>\$ 33,456,346</u>	<u>\$ 2,246,893</u>	<u>\$ 35,703,239</u>	<u>\$ 35,199,491</u>

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**PROPRIETARY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	Business-type Activities			
	Municipal Light & Power	Sewer	Water	Golf Course
	Fund	Fund	Fund	Fund
Operating Revenues				
Utility Charges	\$ 6,199,077	\$ 1,310,130	\$ 1,985,396	\$ -
Golf Course Charges	-	-	-	496,182
Internal Charges	-	-	-	-
Other Charges for Services	17,905	9,611	1,449	-
Total Revenues	<u>6,216,982</u>	<u>1,319,741</u>	<u>1,986,845</u>	<u>496,182</u>
Operating Expenses				
Commodity Charges	4,315,004	-	350,545	-
Golf Course Pro and Concessions	-	-	-	275,504
Golf Course Maintenance	-	-	-	400,903
Management Fees	403,996	161,863	191,349	76,843
Collection, Transmission and Distribution	662,488	227,865	605,171	-
Production and Treatment	-	-	472,213	-
Claims and Premiums	-	-	-	-
Maintenance	-	421,713	-	-
Administration	65,803	51,540	30,958	-
Depreciation Expense	359,482	502,759	277,790	39,522
Other Capital Outlay	23,766	-	-	-
Total Expenditures	<u>5,830,539</u>	<u>1,365,740</u>	<u>1,928,026</u>	<u>792,772</u>
Operating Income (Loss)	<u>386,443</u>	<u>(45,999)</u>	<u>58,819</u>	<u>(296,590)</u>
Other Income (Expense)				
Intergovernmental Revenue	-	-	106,086	-
Investment Earnings	39,607	30,027	28,570	-
Other Revenue	165,693	29,444	33,327	2,798
Interest Expense	(104,621)	(70,455)	-	(56,335)
Gain (Loss) on Sale of Assets	-	-	-	-
Total Other Income (Expense)	<u>100,679</u>	<u>(10,984)</u>	<u>167,983</u>	<u>(53,537)</u>
Net Income (Loss) before Transfers	487,122	(56,983)	226,802	(350,127)
Transfers				
Transfers In/(Out)	-	(168,180)	(86,650)	401,500
Net Income (Loss)	487,122	(225,163)	140,152	51,373
Contributed Capital				
Plant Investment Fees	-	49,050	32,200	-
Change in Net Position	<u>487,122</u>	<u>(176,113)</u>	<u>172,352</u>	<u>51,373</u>
Net Position, Beginning	9,243,428	9,413,335	7,206,126	(765,331)
Prior Period Restatement	34,339	-	-	-
Net Position, Beginning (As Restated)	<u>9,277,767</u>	<u>9,413,335</u>	<u>7,206,126</u>	<u>(765,331)</u>
Net Position, Ending	<u>\$ 9,764,889</u>	<u>\$ 9,237,222</u>	<u>\$ 7,378,478</u>	<u>\$ (713,958)</u>

The accompanying notes are an integral part of these financial statements

Govt Activities				
Other Fund	Total Enterprise Funds	Internal Service Funds	Total	
			2017	2016
\$ 688,533	\$ 10,183,136	\$ -	\$ 10,183,136	\$ 10,003,447
-	496,182	-	496,182	557,519
-	-	1,115,329	1,115,329	1,039,724
-	28,965	9,504	38,469	37,624
<u>688,533</u>	<u>10,708,283</u>	<u>1,124,833</u>	<u>11,833,116</u>	<u>11,638,314</u>
-	4,665,549	-	4,665,549	4,410,377
-	275,504	-	275,504	378,108
-	400,903	-	400,903	379,863
120,125	954,176	61,934	1,016,110	937,454
484,367	1,979,891	-	1,979,891	1,937,178
-	472,213	-	472,213	447,633
-	-	83,565	83,565	66,789
-	421,713	541,218	962,931	1,029,339
-	148,301	9,934	158,235	163,087
-	1,179,553	430,710	1,610,263	1,836,096
-	23,766	-	23,766	88,115
<u>604,492</u>	<u>10,521,569</u>	<u>1,127,361</u>	<u>11,648,930</u>	<u>11,674,039</u>
<u>84,041</u>	<u>186,714</u>	<u>(2,528)</u>	<u>184,186</u>	<u>(35,725)</u>
-	106,086	-	106,086	72,478
11,277	109,481	7,081	116,562	55,494
12,668	243,930	12,358	256,288	302,485
-	(231,411)	-	(231,411)	(246,630)
-	-	5,702	5,702	78,025
<u>23,945</u>	<u>228,086</u>	<u>25,141</u>	<u>253,227</u>	<u>261,852</u>
107,986	414,800	22,613	437,413	226,127
<u>(140,150)</u>	<u>6,520</u>	<u>-</u>	<u>6,520</u>	<u>(7,000)</u>
<u>(32,164)</u>	<u>421,320</u>	<u>22,613</u>	<u>443,933</u>	<u>219,127</u>
-	81,250	-	81,250	100,850
<u>(32,164)</u>	<u>502,570</u>	<u>22,613</u>	<u>525,183</u>	<u>319,977</u>
1,139,885	26,237,443	2,170,786	28,408,229	28,088,252
-	34,339	-	34,339	-
<u>1,139,885</u>	<u>26,271,782</u>	<u>2,170,786</u>	<u>28,442,568</u>	<u>28,088,252</u>
<u>\$ 1,107,721</u>	<u>\$ 26,774,352</u>	<u>\$ 2,193,399</u>	<u>\$ 28,967,751</u>	<u>\$ 28,408,229</u>

CITY OF DELTA

**STATEMENT OF CASH FLOWS -
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 With Comparative Totals for the Year Ended December 31, 2016**

	Business-type Activities			
	Municipal Light & Power Fund	Sewer Fund	Water Fund	Golf Course Fund
	Fund	Fund	Fund	Fund
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 6,227,685	\$ 1,315,424	\$ 2,048,505	\$ 497,065
Cash Received from Interfund Services Provided	-	-	-	-
Cash Paid to Suppliers	(4,390,668)	(378,585)	(1,144,067)	(386,339)
Cash Paid for Interfund Services	(403,996)	(161,863)	(191,349)	(76,843)
Cash Paid to Employees	(378,625)	(260,983)	(307,384)	(284,517)
Net Cash Provided by Operating Activities	<u>1,054,396</u>	<u>513,993</u>	<u>405,705</u>	<u>(250,634)</u>
Cash Flows From Capital and Related Financing Activities:				
Tap Fees Received	-	49,050	32,200	-
Debt Principal Payments	(199,070)	(103,920)	-	(90,124)
Grant Proceeds	-	-	106,086	-
Interest Payments	(104,951)	(70,396)	-	(56,513)
Proceeds of Capital Asset Sales	-	-	-	-
Acquisition of Capital Assets	(465,904)	(278,267)	(268,312)	(2,995)
Net Cash Flows Used by Capital and Related Financing Activities	<u>(769,925)</u>	<u>(403,533)</u>	<u>(130,026)</u>	<u>(149,632)</u>
Cash Flows (Uses) From Noncapital Financing Activities:				
Cash from Other Funds	-	(168,180)	(86,650)	401,500
Other Revenues (Expense)	165,693	29,444	33,327	2,798
Net Cash Provided (Used) by Noncapital Financing Activities	<u>165,693</u>	<u>(138,736)</u>	<u>(53,323)</u>	<u>404,298</u>
Cash Flows (Uses) From Investing Activities:				
Interest Received	39,607	30,027	28,570	-
Net Increase (Decrease) in Cash	489,771	1,751	250,926	4,032
Cash - Beginning	3,495,211	2,770,434	2,714,060	988
Cash - Ending	<u>\$ 3,984,982</u>	<u>\$ 2,772,185</u>	<u>\$ 2,964,986</u>	<u>\$ 5,020</u>
Cash				
Investments	\$ 240,567	\$ 35,587	\$ 368,223	\$ 5,020
Total	<u>3,744,415</u>	<u>2,736,598</u>	<u>2,596,763</u>	<u>-</u>
	<u>\$ 3,984,982</u>	<u>\$ 2,772,185</u>	<u>\$ 2,964,986</u>	<u>\$ 5,020</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	\$ 386,443	\$ (45,999)	\$ 58,819	\$ (296,590)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	359,482	502,759	277,790	39,522
Changes in Assets and Liabilities Related to Operations (Increase) Decrease in:				
Accounts Receivable	(4,345)	(3,359)	1,867	-
Other Receivables	15,022	(1,258)	59,793	1,237
Inventory	(32,372)	3,081	15,189	6,955
Prepaid Expenses	-	96	(124)	(240)
(Increase) Decrease in:				
Accounts Payable	328,680	70,799	4,191	(923)
Accrued Salaries and Benefits	978	(769)	1,312	(131)
Deposits and Escrow	26	-	-	-
Accrued Compensated Absences	482	(11,657)	(13,132)	(110)
Other Deferred Inflows	-	300	-	(354)
Total Adjustments	<u>667,953</u>	<u>559,992</u>	<u>346,886</u>	<u>45,956</u>
Net Cash Used for Operating Activities	<u>\$ 1,054,396</u>	<u>\$ 513,993</u>	<u>\$ 405,705</u>	<u>\$ (250,634)</u>

The accompanying notes are an integral part of these financial statements

					Govt Activities	
Other Fund	Total Enterprise Funds	Internal Service Funds	Total			
			2017	2016		
\$ 686,887	\$ 10,775,566	\$ 9,598	\$ 10,785,164	\$ 10,515,883		
-	-	1,115,329	1,115,329	1,039,724		
(393,604)	(6,693,263)	(477,038)	(7,170,301)	(7,237,581)		
(120,125)	(954,176)	(61,934)	(1,016,110)	(937,454)		
(95,964)	(1,327,473)	(159,488)	(1,486,961)	(1,502,851)		
<u>77,194</u>	<u>1,800,654</u>	<u>426,467</u>	<u>2,227,121</u>	<u>1,877,721</u>		
-	81,250	-	81,250	100,850		
-	(393,114)	-	(393,114)	(345,396)		
-	106,086	-	106,086	72,478		
-	(231,860)	-	(231,860)	(247,927)		
-	-	397,560	397,560	9,741		
-	(1,015,478)	(693,234)	(1,708,712)	(1,143,486)		
-	(1,453,116)	(295,674)	(1,748,790)	(1,553,740)		
(140,150)	6,520	-	6,520	(7,000)		
12,668	243,930	12,358	256,288	302,485		
<u>(127,482)</u>	<u>250,450</u>	<u>12,358</u>	<u>262,808</u>	<u>295,485</u>		
11,277	109,481	7,081	116,562	55,494		
(39,011)	707,469	150,232	857,701	674,960		
1,099,432	10,080,125	766,755	10,846,880	10,171,920		
<u>\$ 1,060,421</u>	<u>\$ 10,787,594</u>	<u>\$ 916,987</u>	<u>\$ 11,704,581</u>	<u>\$ 10,846,880</u>		
\$ 12,851	\$ 662,248	\$ 279,169	\$ 941,417	\$ 700,277		
1,047,570	10,125,346	637,818	10,763,164	10,146,603		
<u>\$ 1,060,421</u>	<u>\$ 10,787,594</u>	<u>\$ 916,987</u>	<u>\$ 11,704,581</u>	<u>\$ 10,846,880</u>		
\$ 84,041	\$ 186,714	\$ (2,528)	\$ 184,186	\$ (35,725)		
-	1,179,553	430,710	1,610,263	1,836,096		
(1,706)	(7,543)	-	(7,543)	(23,595)		
60	74,854	94	74,948	(60,863)		
-	(7,147)	284	(6,863)	22,226		
-	(268)	270	2	(505)		
(801)	401,946	6,147	408,093	118,827		
(790)	600	(794)	(194)	7,371		
-	26	-	26	-		
(3,610)	(28,027)	(7,716)	(35,743)	12,138		
-	(54)	-	(54)	1,751		
<u>(6,847)</u>	<u>-</u>	<u>428,995</u>	<u>2,042,935</u>	<u>1,913,446</u>		
<u>\$ 77,194</u>	<u>\$ 1,800,654</u>	<u>\$ 426,467</u>	<u>\$ 2,227,121</u>	<u>\$ 1,877,721</u>		

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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, 2017

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, 2017

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, 2017 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 2017, the City did not levy property taxes.

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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.

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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 2017, 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, 2017

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.

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.
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.

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETS AND BUDGETARY ACCOUNTING (continued)

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, 2017 are as follows:

	Original Budget	Supplemental Budget	Final Budget
General Fund	\$ 4,343,111	\$ 605,500	\$ 4,948,611
Parks & Rec. Center Fund	2,766,020	-	2,766,020
City-Wide Capital Improvement Fund	2,439,173	-	2,439,173
Nonmajor Governmental Funds	1,869,105	-	1,869,105
Municipal Light & Power Fund	7,195,106	-	7,195,106
Sewer Fund	1,909,404	-	1,909,404
Water Fund	2,359,830	-	2,359,830
Golf Course Fund	930,916	-	930,916
Nonmajor Enterprise Fund	762,075	-	762,075
D.U.R.A.	650,400	-	650,400
Internal Service Funds	1,175,546	3,000	1,178,546
Total Appropriations	<u>\$26,400,686</u>	<u>\$ 608,500</u>	<u>\$ 27,009,186</u>

For the year ended December 31, 2017, the City expended amounts in excess of the amounts budgeted for the Conservation Trust Fund and the Dental Fund. Such over expenditure may be a violation of Colorado State Law and the City's charter.

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, 2017

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, 2017 none of the City's bank balances of \$16,130,593 were exposed to custodial credit risk as \$500,000 was insured and \$15,630,593 was collateralized by securities pledged by financial institutions but not in the City's name. Book balances of the City's deposits were \$16,170,299. 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, 2017 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3). The City's local government pool investments are not subject to categorization:

<u>Description</u>	<u>Weighted</u>		<u>Rating</u>
	<u>Maturity</u>	<u>Fair Value</u>	
Colotrust Plus +	N/A	\$ 9,762,420	AAAm
CSAFE	N/A	4,555,357	AAAm
ICMA - Mutual Funds (Level 2)	N/A	12,021	N/A
Total Investments		<u>\$ 14,329,799</u>	

During the year ended December 31, 2017, the City invested funds in CSAFE and Colotrust. As investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. The pools invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. The pools are rated AAAm by the Standard and Poor's Corporation.

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.

2 - DEPOSITS AND INVESTMENTS (continued)

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.

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, 2017, the City's investment in Colotrust Plus and Csafe were 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	\$ 1,295,145
Investments	13,019,361
Temporarily restricted investments	1,814,703
Permanently restricted cash	44,590
Total	<u>\$ 16,173,799</u>

Petty Cash	\$ 3,500
Cash Deposits	1,840,501
ICMA - Mutual Funds	12,021
Government Pools	14,317,777
	<u>\$ 16,173,799</u>

<u>Description</u>	<u>Fair Value</u>
Cash & cash equivalents	\$ 1,295,145
Investments	13,019,361
Restricted C/D (debt service bond reserve)	1,799,888
Restricted governmental pools (police seizure)	14,815
Permanently restricted deposit (perpetual care deposits)	44,590
Total	<u>\$ 16,173,799</u>

These balances are allocated in the financial statements as follows:

Government-wide cash	\$ 1,295,145
Government-wide investments	13,019,361
Government-wide restricted investments	1,814,703
Government-wide permanently restricted cash	44,590
	<u>\$ 16,173,799</u>

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

3. - CAPITAL ASSETS

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

	<u>Governmental Activities</u>			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Construction in Progress	\$ 46,895	\$ 11,786	\$ -	\$ 58,681
Land	3,709,250	-	-	3,709,250
Total Capital assets not being depreciated	<u>3,756,145</u>	<u>11,786</u>	<u>-</u>	<u>3,767,931</u>
Capital assets being depreciated:				
Land improvements	8,302,158	168,683	-	8,470,841
Infrastructure - road network	74,574,499	702,372	-	75,276,871
Buildings	6,870,107	-	-	6,870,107
Vehicles	2,219,262	117,875	60,427	2,276,710
Equipment	3,252,468	254,194	-	3,506,662
Total capital assets being depreciated	<u>95,218,494</u>	<u>1,243,124</u>	<u>60,427</u>	<u>96,401,191</u>
Less accumulated depreciation for:				
Land improvements	4,500,803	377,960	-	4,878,763
Infrastructure - road network	35,892,143	3,432,170	-	39,324,313
Buildings	4,615,236	169,419	-	4,784,655
Vehicles	1,516,508	249,663	60,427	1,705,744
Equipment	2,593,892	207,479	-	2,801,371
Total accumulated depreciation	<u>49,118,582</u>	<u>4,436,691</u>	<u>60,427</u>	<u>53,494,846</u>
Total capital assets being depreciated, net	<u>46,099,912</u>	<u>(3,193,567)</u>	<u>-</u>	<u>42,906,345</u>
Governmental activity capital assets, net	<u>\$ 49,856,057</u>	<u>\$ (3,181,781)</u>	<u>\$ -</u>	<u>\$ 46,674,276</u>

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

3. – CAPITAL ASSETS (continued)Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land and Easements	\$ 952,610	\$ -	\$ -	\$ 952,610
Construction in Progress	259,922	260,418	-	520,340
Total Capital assets not being depreciated	<u>1,212,532</u>	<u>260,418</u>	<u>-</u>	<u>1,472,950</u>
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	29,005,388	737,167	-	29,742,555
Buildings and improvements	1,163,103	-	-	1,163,103
Street lighting system	183,486	590	-	184,076
Equipment	513,623	17,306	-	530,929
Total capital assets being depreciated	<u>44,619,573</u>	<u>755,063</u>	<u>-</u>	<u>45,374,636</u>
Less accumulated depreciation for:				
Land improvements	3,625,778	-	-	3,625,778
Water rights and storage reservoirs	116,784	5,717	-	122,501
Treatment and generation facilities	6,116,907	233,985	-	6,350,892
Collection, transmission and distribution system	13,325,663	848,209	-	14,173,872
Buildings and improvements	720,146	48,619	-	768,765
Street lighting system	101,647	6,116	-	107,763
Equipment	403,971	36,905	-	440,876
Total accumulated depreciation	<u>24,410,896</u>	<u>1,179,551</u>	<u>-</u>	<u>25,590,447</u>
Total capital assets being depreciated, net	<u>20,208,677</u>	<u>(424,488)</u>	<u>-</u>	<u>19,784,189</u>
Business-Type activity capital assets, net	<u>\$ 21,421,209</u>	<u>\$ (164,070)</u>	<u>\$ -</u>	<u>\$ 21,257,139</u>

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

3 - CAPITAL ASSETS (continued)

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

Governmental Activities	
General government	\$ 21,888
Public safety	17,606
Public works, including depreciation of general infrastructure assets	3,458,054
Parks and recreation	508,433
Capital assets held by the City's internal service fund are charged to various functions based on their usage of the assets	<u>430,710</u>
Total Depreciation expense	
Governmental activities	<u><u>\$ 4,436,691</u></u>
Business-Type Activities	
Municipal Light and Power	\$ 359,478
Golf Course	39,522
Sewer	502,759
Water	<u>277,790</u>
Total Depreciation expense	
Business-Type activities	<u><u>\$ 1,179,549</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 2017 was \$4,896,851. The City's contributions were calculated using the base salary of \$4,116,080. The City made the required contributions of \$252,911 and the employees made required and elective contribution of \$266,741 or \$519,652 in total.

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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	2018-2049	\$ 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 25 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 2017, the City purchased 60,082,791 kilowatt hours for \$4,315,004.

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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 12/31/2017 = \$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, 2017 = \$20,790,000

B. CITY OF DELTA SEWER REVENUE REFUNDING BANK LOAN, GOLF COURSE AND MUNICIPAL LIGHT AND POWER NOTE PAYBLE 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, 2017 = \$1,974,053

\$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, 2017 = \$3,394,454

Total payable from business-type activities: \$ 5,368,507

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>
2018	\$ 590,000	\$ 1,187,855	\$ 376,877	\$ 214,363
2019	605,000	1,164,368	393,074	198,172
2020	625,000	1,138,770	2,957,959	142,238
2021	640,000	1,111,701	119,153	55,163
2022	660,000	1,083,023	123,363	50,953
2023-2027	3,660,000	4,867,744	685,230	186,350
2028-2032	4,390,000	3,735,949	712,851	57,252
2033-2037	5,330,000	2,302,038		
2038-2039	4,290,000	449,156		
	<u>\$ 20,790,000</u>	<u>\$ 17,040,604</u>	<u>\$ 5,368,507</u>	<u>\$ 904,491</u>

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

6 - LONG-TERM DEBT (continued)

D. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2017 was as follows:

	<u>Governmental Activities</u>					
	Balance	Additions	Reductions	Balance	Due within	Interest
	1-1-2017			12-31-2017	one year	Expense
2010 Sales & Use Tax Revenue Bonds	\$ 21,365,000	\$ -	\$ 575,000	\$20,790,000	\$ 590,000	\$1,187,855
Bond Premiums	80,368	-	3,349	77,019	-	-
Compensated Absences	400,227	-	765	399,462	-	-
Total	<u>\$ 23,003,765</u>	<u>\$ -</u>	<u>\$ 579,114</u>	<u>\$21,266,481</u>	<u>\$ 590,000</u>	<u>\$1,187,855</u>

	<u>Business-Type Activities</u>					
	Balance	Additions	Reductions	Balance	Due within	Interest
	1-1-2017			12-31-2017	one year	Expense
MEAN Litigation Note Payable	\$ 71,320	\$ -	\$ 34,340	\$ 36,980	\$ 31,697	\$ -
2012 Sewer Revenue Bank Loan	2,077,872	-	103,920	1,973,952	107,370	66,946
Golf Course & M.L.&P. Note Payable	3,651,950	-	257,496	3,394,454	269,507	147,417
Compensated Absences	251,863	-	50,084	201,779	-	-
Total	<u>\$ 6,053,005</u>	<u>\$ -</u>	<u>\$ 445,840</u>	<u>\$ 5,607,165</u>	<u>\$ 408,574</u>	<u>\$ 214,363</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 remaining amount payable by the City is \$36,980 which is required to be paid over the next two 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, \$14,344 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 parks and 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	\$ 104,621	\$ 56,335	\$ 70,455

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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, 2017 the swap had a fair value of \$(163,270) 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, 2017

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	
Parks and Recreation Fund	\$ -	\$ -	\$ 93,170	\$ -	\$ 93,170
City-Wide Capital Improvement Fund	1,392,470	-	-	-	1,392,470
Sewer Fund	-	-	168,180	-	168,180
Water Fund	-	-	-	86,650	86,650
Nonmajor Enterprise Fund	-	-	140,150	-	140,150
	<u>\$ 1,392,470</u>	<u>\$ -</u>	<u>\$ 401,500</u>	<u>\$ 86,650</u>	<u>\$ 1,880,620</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 2017 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 2017 the City was allowed to purchase treatment of 525 million gallons for \$472,213 since the other entities in the joint venture purchased amounts less of their commitments. At December 31, 2017, the City owed the Authority \$21,316. 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, 2017

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 81 employees and 127 dependents covered in 2017. 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, 2016 resulted in the following:

Year	<u>Dental Claims</u>			
	Beginning Balance	Claims & Changes in Estimates	Claim Balance Payments	Ending Balance
2016	\$ -	\$ 51,716	\$ 51,716	\$ -
2017	\$ -	\$ 67,785	\$ 67,785	\$ -

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, 2016 resulted from the following:

Year	<u>Unemployment Claims</u>			
	Beginning Balance	Claims & Changes in Estimates	Claim Balance Payments	Ending Balance
2016	-	23,144	23,144	-
2017	-	47,580	47,580	-

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, 2017

12 – FUND BALANCE DETAIL

	General Fund	Parks & Recreation Center Fund	City-wide Capital Improvement Fund	Other Governmental Fund
Fund Balances:				
Nonspendable:				
Prepays & Inventory	\$ 1,879	\$ 6,656	\$ -	\$ -
Perpetual Care	-	-	-	44,590
Restricted for:				
Emergency	277,776	-	-	-
Parks & Recreation Center	26,428	326,674	-	257,093
C.W.C.I. Fund	-	-	807,877	618
Debt Service	-	-	1,806,444	-
Police Seizure	14,815	-	-	-
Assigned for:				
Subsequent year's expenditures	177,617	95,992	25,374	-
Unassigned:				
General Fund	858,313	-	-	-
	<u>\$ 1,356,828</u>	<u>\$ 429,322</u>	<u>\$ 2,639,695</u>	<u>\$ 302,301</u>

13 – DEFICIT NET POSITION

The Golf Course Fund has an overall net position deficit of \$(713,958), a deficit net investment in capital assets of \$(685,709) and an unrestricted net position deficit of \$(28,249) as of December 31, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE**General Fund**

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance With Final Budget	
REVENUES					
Taxes					
Sales and Use Taxes	\$ 1,800,390	\$ 1,800,390	\$ 1,829,178	\$ 28,788	\$ 1,772,455
Franchise and In Lieu of Taxes	597,395	597,395	634,595	37,200	633,598
Other Taxes	18,000	18,000	19,836	1,836	18,957
Total Tax Revenue	<u>2,415,785</u>	<u>2,415,785</u>	<u>2,483,609</u>	<u>67,824</u>	<u>2,425,010</u>
Intergovernmental Revenues					
Cigarette Taxes	26,000	26,000	18,628	(7,372)	21,235
Highway Users	331,826	331,826	322,654	(9,172)	320,602
Road and Bridge	40,000	40,000	37,304	(2,696)	37,624
Clerk/Motor Vehicle Fees	32,000	32,000	36,522	4,522	36,040
Mineral Lease	45,000	45,000	29,371	(15,629)	72,823
Severance Tax	30,000	30,000	24,422	(5,578)	49,227
Federal Grants	-	-	485,888	485,888	427
State Grants	40,654	40,654	48,376	7,722	95,075
Total Intergovernmental Revenue	<u>545,480</u>	<u>545,480</u>	<u>1,003,165</u>	<u>457,685</u>	<u>633,053</u>
Licenses and Permits					
Liquor Licenses	4,300	4,300	5,126	826	4,141
Building Permits	40,000	40,000	41,613	1,613	60,769
Annexation/Other P&Z Fees	22,000	22,000	15,176	(6,824)	21,012
Animal Licenses	1,200	1,200	1,315	115	1,635
Other Licenses	26,500	26,500	28,018	1,518	27,351
Total Licenses and Permits	<u>94,000</u>	<u>94,000</u>	<u>91,248</u>	<u>(2,752)</u>	<u>114,908</u>
Fines and Forfeits	<u>70,000</u>	<u>70,000</u>	<u>36,787</u>	<u>(33,213)</u>	<u>60,795</u>
Internal Charges					
Administrative/Management Fees	<u>801,614</u>	<u>801,614</u>	<u>801,613</u>	<u>(1)</u>	<u>749,781</u>
Charges for Services					
Utility Charges	7,900	7,900	4,800	(3,100)	6,300
Sales of Goods	5,000	5,000	6,930	1,930	5,145
Other Charges for Services	2,100	2,100	4,523	2,423	4,704
Total Charges for Services	<u>15,000</u>	<u>15,000</u>	<u>16,253</u>	<u>1,253</u>	<u>16,149</u>
Investment Earnings	<u>6,700</u>	<u>6,700</u>	<u>12,425</u>	<u>5,725</u>	<u>6,902</u>
Other Revenues					
Other Miscellaneous Revenue	<u>25,000</u>	<u>25,000</u>	<u>66,618</u>	<u>41,618</u>	<u>58,150</u>
TOTAL REVENUES	<u>3,973,579</u>	<u>3,973,579</u>	<u>4,511,718</u>	<u>538,139</u>	<u>4,064,748</u>

See accompanying Independent Auditors' Report.

(Continued)

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE**General Fund**

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			Variance With Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
(Continued)					
EXPENDITURES					
General Government					
Mayor and Council/Board	62,575	62,575	67,438	(4,863)	63,941
Administrator/Manager	239,354	239,354	246,503	(7,149)	316,146
Clerk	54,658	54,658	53,732	926	58,408
Treasurer/Finance	447,111	447,111	446,600	511	433,468
Attorney	20,000	20,000	28,856	(8,856)	22,158
Other General Government	184,072	789,572	639,885	149,687	147,259
Total General Government	1,007,770	1,613,270	1,483,014	130,256	1,041,380
Public Safety					
Police	1,855,812	1,855,812	1,887,191	(31,379)	1,726,519
Animal Control	18,562	18,562	22,999	(4,437)	15,469
Municipal Court	45,273	45,273	44,868	405	43,678
Code Enforcement	67,203	67,203	64,643	2,560	65,161
Total Public Safety	1,986,850	1,986,850	2,019,701	(32,851)	1,850,827
Public Works					
Community Development	190,458	190,458	193,546	(3,088)	178,119
Planning and Zoning	108,642	108,642	106,376	2,266	106,547
Engineering	85,466	85,466	83,557	1,909	82,745
Streets	721,663	721,663	715,752	5,911	646,164
Total Public Works/Comm Devel	1,106,229	1,106,229	1,099,231	6,998	1,013,575
Parks, Recreation and Other					
Culture	9,437	9,437	9,543	(106)	9,420
Cemetery	145,725	145,725	147,263	(1,538)	136,868
Total Parks, Recreation & Other	155,162	155,162	156,806	(1,644)	146,288
Capital Outlay					
General Government Capital Outlay	5,000	5,000	4,498	502	2,529
Public Safety Capital Outlay	81,300	81,300	24,477	56,823	8,869
Public Works Capital Outlay	1,000	1,000	-	1,000	1,727
Total Capital Outlay	87,300	87,300	28,975	58,325	13,125
Contingency Reserve					
TOTAL EXPENDITURES	4,343,311	4,948,811	4,787,727	161,084	4,065,195
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(369,732)	(975,232)	(276,009)	699,223	(447)
OTHER FINANCING SOURCES (USES)					
Transfers (Out)	-	-	-	-	(16,000)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (369,732)</u>	<u>\$ (975,232)</u>	<u>(276,009)</u>	<u>\$ 699,223</u>	<u>(16,447)</u>
FUND BALANCE, BEGINNING			1,632,837		1,649,284
FUND BALANCE, ENDING			<u>\$ 1,356,828</u>		<u>\$ 1,632,837</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE

Parks and Recreation Center Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance With Final Budget	2016 Actual
	Original & Final Budget	Actual		
REVENUES				
Taxes				
Sales and Use Taxes	\$ 1,800,390	\$ 1,829,181	\$ 28,791	\$ 1,772,457
Intergovernmental Revenues				
State Grants	75,000	71,337	(3,663)	99,926
Other Intergovernmental	-	2,250	2,250	500
Total Intergovernmental Revenue	75,000	73,587	(1,413)	100,426
Charges for Services				
Recreation/Comm Ctr Charges	790,478	711,292	(79,186)	742,397
Rents	3,200	6,404	3,204	3,802
Total Charges for Services	793,678	717,696	(75,982)	746,199
Investment Earnings	960	1,035	75	1,107
Other Revenues				
Donations	-	1,958	1,958	10,761
Other Miscellaneous Revenue	-	10,718	10,718	18,169
Total Other Revenue	-	12,676	12,676	28,930
TOTAL REVENUES	2,670,028	2,634,175	(35,853)	2,649,119
EXPENDITURES				
Parks, Recreation and Other				
Parks	667,020	652,602	14,418	752,814
Recreation	946,418	937,980	8,438	961,502
Parks and Recreation Administration	714,662	697,623	17,039	700,692
Other Parks and Recreation	12,736	10,938	1,798	11,301
Total Parks, Recreation & Other	2,340,836	2,299,143	41,693	2,426,309
Internal Charges				
Administrative/Management Fees	222,184	222,184	-	239,055
Capital Outlay				
Parks, Recreation and Other Capital Outlay	103,000	103,845	(845)	65,879
TOTAL EXPENDITURES	2,666,020	2,625,172	40,848	2,731,243
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	4,008	9,003	4,995	(82,124)
Transfers (Out)	(100,000)	(93,170)	6,830	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ (95,992)	(84,167)	\$ 11,825	(82,124)
FUND BALANCE, BEGINNING		513,489		595,613
FUND BALANCE, ENDING		\$ 429,322		\$ 513,489

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE

City-Wide Capital Improvement Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			2016 Actual
	Original & Final Budget	Actual	Variance With Final Budget	
REVENUES				
Taxes				
Sales and Use Taxes	\$ 2,404,910	\$ 2,462,108	\$ 57,198	\$ 2,361,617
Intergovernmental Revenues				
Federal Grants	385,815	387,686	1,871	390,961
Other Intergovernmental	14,117	3,235	(10,882)	171,519
Total Intergovernmental Revenue	399,932	390,921	(9,011)	562,480
Charges for Services				
Rents	7,800	5,525	(2,275)	7,800
Investment Earnings				
	9,945	21,152	11,207	8,844
Other Revenues				
Sale of Capital Assets	-	14,000	14,000	-
Other Miscellaneous Revenue	5,000	3,941	(1,059)	133,842
Total Other Revenue	5,000	17,941	12,941	133,842
TOTAL REVENUES	2,827,587	2,897,647	70,060	3,074,583
EXPENDITURES				
Internal Charges				
Administrative/Management Fees	71,925	71,925	-	71,953
Capital Outlay				
Other Capital Outlay	974,778	746,777	228,001	952,242
Debt Service				
Principal	575,000	575,000	-	560,000
Interest	1,205,105	1,205,105	-	1,221,905
Total Debt Service	1,780,105	1,780,105	-	1,781,905
TOTAL EXPENDITURES	2,826,808	2,598,807	228,001	2,806,100
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	779	298,840	298,061	268,483
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	81,539
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ 779	298,840	\$ 298,061	350,022
FUND BALANCE, BEGINNING		2,340,855		1,990,833
FUND BALANCE, ENDING		\$ 2,639,695		\$ 2,340,855

See accompanying Independent Auditors' Report.

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OTHER SUPPLEMENTARY INFORMATION

CITY OF DELTA, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

With Comparative Totals for December 31, 2016

	SPECIAL REVENUE FUNDS		PERMANENT
	Conservation Trust	Delta Urban Renewal Authority	Perpetual Care
	Fund	Fund	Fund
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ -	\$ 7,446	\$ -
Restricted Cash and Investments	257,093	-	44,590
Receivables			
Other Receivables	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 257,093</u>	<u>\$ 7,446</u>	<u>\$ 44,590</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ -	\$ 6,828	\$ -
FUND BALANCE			
Nonspendable Fund Balance	-	-	44,590
Restricted Fund Balance	257,093	618	-
Unassigned Fund Balance	-	-	-
TOTAL FUND BALANCE	<u>257,093</u>	<u>618</u>	<u>44,590</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 257,093</u>	<u>\$ 7,446</u>	<u>\$ 44,590</u>

See accompanying Independent Auditors' Report.

Total	
2017	2016
\$ 7,446	\$ 2,214
301,683	318,428
-	9,527
<u>\$ 309,129</u>	<u>\$ 330,169</u>

\$ 6,828	\$ 12,310
44,590	39,970
257,711	278,458
-	(569)
<u>302,301</u>	<u>317,859</u>
<u>\$ 309,129</u>	<u>\$ 330,169</u>

CITY OF DELTA, COLORADO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	SPECIAL REVENUE FUNDS		PERMANENT
	Conservation Trust	Delta Urban Renewal Authority	Perpetual Care
	Fund	Fund	Fund
REVENUES			
Intergovernmental Revenues	\$ 86,900	\$ 15,473	\$ -
Charges for Services	-	-	4,620
Investment Earnings	2,643	-	-
TOTAL REVENUES	89,543	15,473	4,620
EXPENDITURES			
Current:			
Public Works	-	100,936	-
Parks, Recreation and Other	-	-	-
Capital Outlay	110,908	-	-
TOTAL EXPENDITURES	110,908	100,936	-
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(21,365)	(85,463)	4,620
OTHER FINANCING SOURCES (USES)			
Transfers (In)	-	86,650	-
Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	86,650	-
NET CHANGE IN FUND BALANCE - GAAP BASIS	(21,365)	1,187	4,620
FUND BALANCE, BEGINNING	278,458	(569)	39,970
FUND BALANCE, ENDING	\$ 257,093	\$ 618	\$ 44,590

See accompanying Independent Auditors' Report.

Total	
2017	2016
\$ 102,373	\$ 105,992
4,620	3,430
2,643	877
<u>109,636</u>	<u>110,299</u>
100,936	33,096
-	1,181
<u>110,908</u>	<u>93,109</u>
<u>211,844</u>	<u>127,386</u>
<u>(102,208)</u>	<u>(17,087)</u>
86,650	23,000
-	(81,539)
<u>86,650</u>	<u>(58,539)</u>
(15,558)	(75,626)
<u>317,859</u>	<u>393,485</u>
<u>\$ 302,301</u>	<u>\$ 317,859</u>

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE

Conservation Trust Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			2016
	Original & Final Budget	Actual	Variance With Final Budget	
REVENUES				
Intergovernmental Revenues				
Cons Trust Fund Revenue	\$ 91,000	\$ 86,900	\$ (4,100)	\$ 96,465
Investment Earnings	<u>2,240</u>	<u>2,643</u>	<u>403</u>	<u>877</u>
TOTAL REVENUES	<u>93,240</u>	<u>89,543</u>	<u>(3,697)</u>	<u>97,342</u>
EXPENDITURES				
Parks, Recreation and Other				
Parks	500	-	(500)	431
Capital Outlay				
Parks, Recreation and Other Capital Outlay	<u>87,500</u>	<u>110,908</u>	<u>(23,408)</u>	<u>93,109</u>
TOTAL EXPENDITURES	<u>88,000</u>	<u>110,908</u>	<u>(23,908)</u>	<u>93,540</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ 5,240</u>	<u>(21,365)</u>	<u>\$ (27,605)</u>	<u>3,802</u>
FUND BALANCE, BEGINNING		<u>278,458</u>		<u>274,656</u>
FUND BALANCE, ENDING		<u>\$ 257,093</u>		<u>\$ 278,458</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE

Delta Urban Renewal Authority Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			2016
	Original & Final Budget	Actual	Variance With Final Budget	
REVENUES				
Intergovernmental Revenues				
State Grants	\$ 523,000	\$ 15,473	\$ (507,527)	\$ 9,527
EXPENDITURES				
Public Works				
Community Development	650,400	100,936	549,464	33,096
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(127,400)	(85,463)	41,937	(23,569)
OTHER FINANCING SOURCES (USES)				
Transfers In	127,400	86,650	\$ (40,750)	23,000
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ -	1,187	\$ 1,187	(569)
FUND BALANCE, BEGINNING		(569)		-
FUND BALANCE, ENDING		\$ 618		\$ (569)

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE

Capital Projects Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		2016
	Original & Final Budget	Actual	
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	\$ -	\$ -	\$ (81,539)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ -</u>	<u>-</u>	<u>(81,539)</u>
FUND BALANCE, BEGINNING		-	81,539
FUND BALANCE, ENDING		<u>\$ -</u>	<u>-</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE

Perpetual Care Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance With Final Budget	2016	
	Original & Final Budget	Actual		Budget	Actual
REVENUES					
Charges for Services					
Sales of Goods	\$ 3,500	\$ 4,620	\$ 1,120	\$ 3,430	
EXPENDITURES					
Parks, Recreation and Other					
Cemetery	1,000	-	1,000	750	
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ 2,500</u>	4,620	<u>\$ 2,120</u>	2,680	
FUND BALANCE, BEGINNING		39,970		37,290	
FUND BALANCE, ENDING		<u>\$ 44,590</u>		<u>\$ 39,970</u>	

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

**COMBINING SCHEDULE OF NET POSITION
NONMAJOR ENTERPRISE FUNDS**

DECEMBER 31, 2017

With Comparative Totals for December 31, 2016

	Refuse	Total	
	Fund	2017	2016
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 12,851	\$ 12,851	\$ 63,139
Investments	1,047,570	1,047,570	1,036,293
Receivables			
Accounts Receivable	74,203	74,203	72,497
Other Receivables	-	-	60
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,134,624</u>	<u>\$ 1,134,624</u>	<u>\$ 1,171,989</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 9,952	\$ 9,952	\$ 10,754
Accrued Salaries and Benefits	5,066	5,066	5,856
Total Current Liabilities	15,018	15,018	16,610
Noncurrent Liabilities			
Due in more than one year	11,885	11,885	15,494
TOTAL LIABILITIES	26,903	26,903	32,104
NET POSITION			
Unrestricted Net Position	1,107,721	1,107,721	1,139,885
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 1,134,624</u>	<u>\$ 1,134,624</u>	<u>\$ 1,171,989</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, 2017

With Comparative Totals for the Year Ended December 31, 2016

	Refuse	Total	
	Fund	2017	2016
Operating Revenues			
Utility Charges	\$ 688,533	\$ 688,533	\$ 687,372
Operating Expenses			
Management Fees	120,125	120,125	85,352
Collection, Transmission and Distribution	484,367	484,367	492,624
Total Expenditures	604,492	604,492	577,976
Operating Income (Loss)	84,041	84,041	109,396
Other Income (Expense)			
Investment Earnings	11,277	11,277	5,649
Other Revenue	12,668	12,668	14,374
Total Other Income (Expense)	23,945	23,945	20,023
Net Income (Loss) before Transfers	107,986	107,986	129,419
Transfers			
Transfers In/(Out)	(140,150)	(140,150)	(150,000)
Change in Net Position	(32,164)	(32,164)	(20,581)
Net Position, Beginning	1,139,885	1,139,885	1,160,466
Net Position, Ending	\$ 1,107,721	\$ 1,107,721	\$ 1,139,885

See accompanying Independent Auditors' Report.

CITY OF DELTA

**COMBINING SCHEDULE OF CASH FLOWS -
NONMAJOR ENTERPRISE FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	Refuse	Total	
	Fund	2017	2016
Cash Flows From Operating Activities:			
Cash Received from Customers	\$ 686,887	\$ 686,887	\$ 685,477
Cash Paid to Suppliers	(393,604)	(393,604)	(387,569)
Cash Paid for Interfund Services	(120,125)	(120,125)	(85,352)
Cash Paid to Employees	(95,964)	(95,964)	(102,613)
Net Cash Provided by Operating Activities	<u>77,194</u>	<u>77,194</u>	<u>109,943</u>
Cash Flows (Uses) From Noncapital Financing Activities:			
Cash from Other Funds	(140,150)	(140,150)	(150,000)
Other Revenues (Expense)	12,668	12,668	14,374
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(127,482)</u>	<u>(127,482)</u>	<u>(135,626)</u>
Cash Flows (Uses) From Investing Activities:			
Interest Received	11,277	11,277	5,649
Net Increase (Decrease) in Cash	(39,011)	(39,011)	(20,034)
Cash - Beginning	1,099,432	1,099,432	1,119,466
Cash - Ending	<u>\$ 1,060,421</u>	<u>\$ 1,060,421</u>	<u>\$ 1,099,432</u>
Cash			
Investments	\$ 12,851	\$ 12,851	\$ 63,139
Total	<u>1,047,570</u>	<u>1,047,570</u>	<u>1,036,293</u>
	<u>\$ 1,060,421</u>	<u>\$ 1,060,421</u>	<u>\$ 1,099,432</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:			
Operating Income (Loss)	\$ 84,041	\$ 84,041	\$ 109,396
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	(1,706)	(1,706)	(1,895)
Other Receivables	60	60	-
(Increase) Decrease in:			
Accounts Payable	(801)	(801)	991
Accrued Salaries and Benefits	(790)	(790)	1,312
Accrued Compensated Absences	(3,610)	(3,610)	139
Total Adjustments	<u>(6,847)</u>	<u>(6,847)</u>	<u>547</u>
Net Cash Used for Operating Activities	<u>\$ 77,194</u>	<u>\$ 77,194</u>	<u>\$ 109,943</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, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Utility Charges	\$ 5,816,000	\$ 6,199,077	\$ 383,077	\$ 6,078,129
Other Charges for Services	10,000	17,905	7,905	18,092
Total Revenues	<u>5,826,000</u>	<u>6,216,982</u>	<u>390,982</u>	<u>6,096,221</u>
Operating Expenses				
Commodity Charges	4,465,000	4,315,004	149,996	4,059,596
Management Fees	384,400	403,996	(19,596)	440,833
Collection, Transmission and Distribution	690,506	662,488	28,018	666,522
Administration	59,867	65,803	(5,936)	78,209
Other Capital Outlay	<u>1,150,000</u>	<u>489,670</u>	<u>660,330</u>	<u>506,032</u>
Total Expenditures	<u>6,749,773</u>	<u>5,936,961</u>	<u>812,812</u>	<u>5,751,192</u>
Operating Income (Loss)	<u>(923,773)</u>	<u>280,021</u>	<u>1,203,794</u>	<u>345,029</u>
Other Income (Expense)				
Investment Earnings	19,600	39,607	20,007	17,278
Other Revenue	1,594,000	165,693	(1,428,307)	205,295
Debt Service	<u>(445,333)</u>	<u>(303,690)</u>	<u>141,643</u>	<u>(271,727)</u>
Total Other Income (Expense)	<u>1,168,267</u>	<u>(98,390)</u>	<u>(1,266,657)</u>	<u>(49,154)</u>
Change in Net Position (Budget Basis)	<u>\$ 244,494</u>	<u>181,631</u>	<u>\$ (62,863)</u>	<u>295,875</u>
Budget to GAAP Reconciliation				
Principal Paid		199,069		159,650
Depreciation Expense		(359,482)		(352,743)
Capital Outlay		<u>465,904</u>		<u>491,872</u>
Change in Net Position - GAAP Basis		<u>487,122</u>		<u>594,654</u>
Net Position, Beginning		9,243,428		8,648,774
Prior Period Restatement		34,339		-
Net Position, Beginning (As Restated)		<u>9,277,767</u>		<u>8,648,774</u>
Net Position, Ending		<u>\$ 9,764,889</u>		<u>\$ 9,243,428</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, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Utility Charges	\$ 1,294,500	\$ 1,310,130	\$ 15,630	\$ 1,307,645
Other Charges for Services	6,500	9,611	3,111	8,487
Total Revenues	<u>1,301,000</u>	<u>1,319,741</u>	<u>18,741</u>	<u>1,316,132</u>
Operating Expenses				
Management Fees	161,450	161,863	(413)	167,034
Collection, Transmission and Distribution	229,348	227,865	1,483	204,455
Production and Treatment	410,000	-	410,000	-
Maintenance	481,741	421,713	60,028	439,372
Administration	51,549	51,540	9	52,883
Other Capital Outlay	<u>221,000</u>	<u>278,266</u>	<u>(57,266)</u>	<u>151,990</u>
Total Expenditures	<u>1,555,088</u>	<u>1,141,247</u>	<u>413,841</u>	<u>1,015,734</u>
Operating Income (Loss)	<u>(254,088)</u>	<u>178,494</u>	<u>432,582</u>	<u>300,398</u>
Other Income (Expense)				
Investment Earnings	11,700	30,027	18,327	15,540
Other Revenue	32,200	29,444	(2,756)	31,493
Debt Service	<u>(174,316)</u>	<u>(174,375)</u>	<u>(59)</u>	<u>(173,985)</u>
Total Other Income (Expense)	<u>(130,416)</u>	<u>(114,904)</u>	<u>15,512</u>	<u>(126,952)</u>
Net Income (Loss) before Transfers	(384,504)	63,590	448,094	173,446
Transfers				
Transfers In/(Out)	<u>(180,000)</u>	<u>(168,180)</u>	<u>11,820</u>	<u>(126,000)</u>
Net Income (Loss), Budget Basis	(564,504)	(104,590)	459,914	47,446
Contributed Capital				
Plant Investment Fees	<u>25,000</u>	<u>49,050</u>	<u>24,050</u>	<u>55,450</u>
Change in Net Position (Budget Basis)	<u>\$ (539,504)</u>	<u>(55,540)</u>	<u>\$ 483,964</u>	<u>102,896</u>
Budget to GAAP Reconciliation				
Principal Paid		103,920		99,781
Depreciation Expense		(502,759)		(517,239)
Capital Outlay		<u>278,266</u>		<u>78,035</u>
Change in Net Position - GAAP Basis		(176,113)		(236,527)
Net Position, Beginning		<u>9,413,335</u>		<u>9,649,862</u>
Net Position, Ending		<u>\$ 9,237,222</u>		<u>\$ 9,413,335</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, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Utility Charges	\$ 1,835,300	\$ 1,985,396	\$ 150,096	\$ 1,930,301
Sales of Goods	500	-	(500)	-
Other Charges for Services	1,200	1,449	249	983
Total Revenues	<u>1,837,000</u>	<u>1,986,845</u>	<u>149,845</u>	<u>1,931,284</u>
Operating Expenses				
Commodity Charges	391,095	350,545	40,550	350,781
Management Fees	184,420	191,349	(6,929)	193,892
Collection, Transmission and Distribution	654,826	605,171	49,655	573,577
Production and Treatment	500,000	472,213	27,787	447,633
Administration	22,089	30,958	(8,869)	21,785
Other Capital Outlay	480,000	268,313	211,687	210,255
Total Expenditures	<u>2,232,430</u>	<u>1,918,549</u>	<u>313,881</u>	<u>1,797,923</u>
Operating Income (Loss)	<u>(395,430)</u>	<u>68,296</u>	<u>463,726</u>	<u>133,361</u>
Other Income (Expense)				
Intergovernmental Revenue	85,000	106,086	21,086	72,478
Investment Earnings	12,366	28,570	16,204	13,010
Other Revenue	35,750	33,327	(2,423)	41,431
Total Other Income (Expense)	<u>133,116</u>	<u>167,983</u>	<u>34,867</u>	<u>126,919</u>
Net Income (Loss) before Transfers	<u>(262,314)</u>	<u>236,279</u>	<u>498,593</u>	<u>260,280</u>
Transfers				
Transfers In/(Out)	<u>(127,400)</u>	<u>(86,650)</u>	<u>40,750</u>	<u>(73,000)</u>
Net Income (Loss), Budget Basis	<u>(389,714)</u>	<u>149,629</u>	<u>539,343</u>	<u>187,280</u>
Contributed Capital				
Plant Investment Fees	<u>15,000</u>	<u>32,200</u>	<u>17,200</u>	<u>45,400</u>
Change in Net Position (Budget Basis)	<u>\$ (374,714)</u>	<u>181,829</u>	<u>\$ 556,543</u>	<u>232,680</u>
Budget to GAAP Reconciliation				
Depreciation Expense		(277,790)		(267,524)
Capital Outlay		<u>268,313</u>		<u>210,255</u>
Change in Net Position - GAAP Basis		172,352		175,411
Net Position, Beginning		<u>7,206,126</u>		<u>7,030,715</u>
Net Position, Ending		<u>\$ 7,378,478</u>		<u>\$ 7,206,126</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, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Utility Charges	\$ 667,000	\$ 688,533	\$ 21,533	\$ 687,372
Operating Expenses				
Management Fees	119,097	120,125	(1,028)	85,352
Collection, Transmission and Distribution	492,978	484,367	8,611	492,624
Total Expenditures	612,075	604,492	7,583	577,976
Operating Income (Loss)	54,925	84,041	29,116	109,396
Other Income (Expense)				
Investment Earnings	6,199	11,277	5,078	5,649
Other Revenue	17,000	12,668	(4,332)	14,374
Total Other Income (Expense)	23,199	23,945	746	20,023
Net Income (Loss) before Transfers	78,124	107,986	29,862	129,419
Transfers				
Transfers In/(Out)	(150,000)	(140,150)	9,850	(150,000)
Change in Net Position (Budget Basis)	\$ (71,876)	(32,164)	\$ 39,712	(20,581)
Net Position, Beginning		1,139,885		1,160,466
Net Position, Ending		\$ 1,107,721		\$ 1,139,885

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, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Golf Course Charges	\$ 473,850	\$ 496,182	\$ 22,332	\$ 557,519
Operating Expenses				
Golf Course Pro and Concessions	290,992	275,504	15,488	378,108
Golf Course Maintenance	417,201	400,903	16,298	379,863
Management Fees	76,843	76,843	-	15,000
Other Capital Outlay	-	2,995	(2,995)	4,538
Total Expenditures	785,036	756,245	28,791	777,509
Operating Income (Loss)	(311,186)	(260,063)	51,123	(219,990)
Other Income (Expense)				
Other Revenue	-	2,798	2,798	3,812
Debt Service	(145,880)	(146,458)	(578)	(146,315)
Total Other Income (Expense)	(145,880)	(143,660)	2,220	(142,503)
Net Income (Loss) before Transfers	(457,066)	(403,723)	53,343	(362,493)
Transfers				
Transfers In/(Out)	430,000	401,500	(28,500)	326,000
Change in Net Position (Budget Basis)	\$ (27,066)	(2,223)	\$ 24,843	(36,493)
Budget to GAAP Reconciliation				
Principal Paid		90,123		85,966
Depreciation Expense		(39,522)		(282,884)
Capital Outlay		2,995		4,538
Change in Net Position - GAAP Basis		51,373		(228,873)
Net Position, Beginning		(765,331)		(536,458)
Net Position, Ending		\$ (713,958)		\$ (765,331)

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

COMBINING SCHEDULE OF NET POSITION

INTERNAL SERVICE FUNDS

DECEMBER 31, 2017

With Comparative Totals for December 31, 2016

	Internal Service	Employees' Dental	Total	
	Fund	Fund	2017	2016
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	\$ 275,383	\$ 3,786	\$ 279,169	\$ 136,017
Investments	637,818	-	637,818	630,738
Other Receivables	-	-	-	94
Inventory	107,255	-	107,255	107,539
Prepaid Expenses	80	-	80	350
Total Current Assets	<u>1,020,536</u>	<u>3,786</u>	<u>1,024,322</u>	<u>874,738</u>
Noncurrent Assets				
Capital Assets being depreciated	5,203,133	-	5,203,133	4,962,185
Accumulated Depreciation	(3,980,562)	-	(3,980,562)	(3,610,279)
Total Noncurrent Assets	<u>1,222,571</u>	<u>-</u>	<u>1,222,571</u>	<u>1,351,906</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 2,243,107</u>	<u>\$ 3,786</u>	<u>\$ 2,246,893</u>	<u>\$ 2,226,644</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 25,208	\$ 6,000	\$ 31,208	\$ 25,061
Accrued Salaries and Benefits	7,942	-	7,942	8,737
Total Current Liabilities	<u>33,150</u>	<u>6,000</u>	<u>39,150</u>	<u>33,798</u>
Noncurrent Liabilities				
Due in more than one year	14,344	-	14,344	22,060
TOTAL LIABILITIES	<u>47,494</u>	<u>6,000</u>	<u>53,494</u>	<u>55,858</u>
NET POSITION				
Net Investment in Capital Assets	1,222,571	-	1,222,571	1,351,906
Unrestricted Net Position	973,042	(2,214)	970,828	818,880
TOTAL NET POSITION	<u>2,195,613</u>	<u>(2,214)</u>	<u>2,193,399</u>	<u>2,170,786</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 2,243,107</u>	<u>\$ 3,786</u>	<u>\$ 2,246,893</u>	<u>\$ 2,226,644</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, 2017

With Comparative Totals for the Year Ended December 31, 2016

	Internal Service	Employees' Dental	Total	
	Fund	Fund	2017	2016
Operating Revenues				
Internal Charges	\$ 1,064,609	\$ 50,720	\$ 1,115,329	\$ 1,039,724
Other Charges for Services	-	9,504	9,504	10,062
Total Revenues	<u>1,064,609</u>	<u>60,224</u>	<u>1,124,833</u>	<u>1,049,786</u>
Operating Expenses				
Management Fees	61,934	-	61,934	35,343
Claims and Premiums	25,714	57,851	83,565	66,789
Maintenance	541,218	-	541,218	589,967
Administration	-	9,934	9,934	10,210
Depreciation Expense	430,710	-	430,710	415,706
Total Expenditures	<u>1,059,576</u>	<u>67,785</u>	<u>1,127,361</u>	<u>1,118,015</u>
Operating Income (Loss)	<u>5,033</u>	<u>(7,561)</u>	<u>(2,528)</u>	<u>(68,229)</u>
Other Income (Expense)				
Investment Earnings	7,081	-	7,081	4,017
Other Revenue	12,358	-	12,358	6,080
Gain (Loss) on Sale of Assets	5,702	-	5,702	78,025
Total Other Income (Expense)	<u>25,141</u>	<u>-</u>	<u>25,141</u>	<u>88,122</u>
Net Income (Loss) before Transfers	30,174	(7,561)	22,613	19,893
Transfers				
Transfers In/(Out)	-	-	-	16,000
Change in Net Position	30,174	(7,561)	22,613	35,893
Net Position, Beginning	<u>2,165,439</u>	<u>5,347</u>	<u>2,170,786</u>	<u>2,134,893</u>
Net Position, Ending	<u>\$ 2,195,613</u>	<u>\$ (2,214)</u>	<u>\$ 2,193,399</u>	<u>\$ 2,170,786</u>

See accompanying Independent Auditors' Report

CITY OF DELTA

COMBINING SCHEDULE OF CASH FLOWS -

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	Internal Service	Employees' Dental	Total	
	Fund	Fund	2017	2016
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 94	\$ 9,504	\$ 9,598	\$ 9,968
Cash Received from Interfund Services Provided	1,064,609	50,720	1,115,329	1,039,724
Cash Paid to Suppliers	(415,253)	(61,785)	(477,038)	(472,173)
Cash Paid for Interfund Services	(61,934)	-	(61,934)	(35,343)
Cash Paid to Employees	(159,488)	-	(159,488)	(170,335)
Net Cash Provided by Operating Activities	<u>428,028</u>	<u>(1,561)</u>	<u>426,467</u>	<u>371,841</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds of Capital Asset Sales	397,560	-	397,560	9,741
Acquisition of Capital Assets	(693,234)	-	(693,234)	(358,786)
Cash Flows Used by Capital and Related Financing Activities	<u>(295,674)</u>	<u>-</u>	<u>(295,674)</u>	<u>(349,045)</u>
Cash Flows (Uses) From Noncapital Financing Activities:				
Cash from Other Funds	-	-	-	16,000
Other Revenues (Expense)	12,358	-	12,358	6,080
Net Cash Provided (Used) by Noncapital Financing Activities	<u>12,358</u>	<u>-</u>	<u>12,358</u>	<u>22,080</u>
Cash Flows (Uses) From Investing Activities:				
Interest Received	7,081	-	7,081	4,017
Net Increase (Decrease) in Cash	151,793	(1,561)	150,232	48,893
Cash - Beginning	761,408	5,347	766,755	717,862
Cash - Ending	<u>\$ 913,201</u>	<u>\$ 3,786</u>	<u>\$ 916,987</u>	<u>\$ 766,755</u>
Cash				
Investments	\$ 275,383	\$ 3,786	\$ 279,169	\$ 136,017
Total	<u>\$ 913,201</u>	<u>\$ 3,786</u>	<u>\$ 916,987</u>	<u>\$ 766,755</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	\$ 5,033	\$ (7,561)	\$ (2,528)	\$ (68,229)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	430,710	-	430,710	415,706
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Other Receivables	94	-	94	(94)
Inventory	284	-	284	20,504
Prepaid Expenses	270	-	270	(350)
(Increase) Decrease in:				
Accounts Payable	147	6,000	6,147	3,584
Accrued Salaries and Benefits	(794)	-	(794)	715
Accrued Compensated Absences	(7,716)	-	(7,716)	5
Total Adjustments	<u>422,995</u>	<u>6,000</u>	<u>428,995</u>	<u>440,070</u>
Net Cash Used for Operating Activities	<u>\$ 428,028</u>	<u>\$ (1,561)</u>	<u>\$ 426,467</u>	<u>\$ 371,841</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, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Internal Charges	\$ 1,067,913	\$ 1,064,609	\$ (3,304)	\$ 1,008,761
Operating Expenses				
Management Fees	61,934	61,934	-	35,343
Claims and Premiums	26,518	25,714	804	25,283
Maintenance	571,056	541,218	29,838	589,967
Other Capital Outlay	452,138	693,233	(241,095)	(23,348)
Total Expenditures	1,111,646	1,322,099	(210,453)	627,245
Operating Income (Loss)	(43,733)	(257,490)	(213,757)	381,516
Other Income (Expense)				
Investment Earnings	4,400	7,081	2,681	4,017
Other Revenue	-	12,358	12,358	6,080
Gain (Loss) on Sale of Assets	5,000	5,702	702	78,025
Total Other Income (Expense)	9,400	25,141	15,741	88,122
Change in Net Position (Budget Basis)	\$ (34,333)	(232,349)	\$ (198,016)	469,638
Budget to GAAP Reconciliation				
Depreciation Expense		(430,710)		(415,706)
Capital Outlay		693,233		(23,348)
Change in Net Position - GAAP Basis		30,174		30,584
Net Position, Beginning		2,165,439		2,134,855
Net Position, Ending		\$ 2,195,613		\$ 2,165,439

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, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Internal Charges	\$ 54,984	\$ 50,720	\$ (4,264)	\$ 30,963
Other Charges for Services	9,517	9,504	(13)	10,062
Total Revenues	<u>64,501</u>	<u>60,224</u>	<u>(4,277)</u>	<u>41,025</u>
Operating Expenses				
Claims and Premiums	57,000	57,851	(851)	41,506
Administration	<u>9,900</u>	<u>9,934</u>	<u>(34)</u>	<u>10,210</u>
Total Expenditures	<u>66,900</u>	<u>67,785</u>	<u>(885)</u>	<u>51,716</u>
Net Income (Loss) before Transfers	(2,399)	(7,561)	(5,162)	(10,691)
Transfers				
Transfers In/(Out)	-	-	-	16,000
Change in Net Position (Budget Basis)	<u>\$ (2,399)</u>	<u>(7,561)</u>	<u>\$ (5,162)</u>	5,309
Net Position, Beginning		<u>5,347</u>		<u>38</u>
Net Position, Ending		<u>\$ (2,214)</u>		<u>\$ 5,347</u>

See accompanying Independent Auditors' Report.

Steps for printing your content and returning to 'Edit Mode

1. Click Ctrl + A on a Windows machine or Command + A on a Mac to select all data.
2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

ANNUAL HIGHWAY FINANCE REPORT - CY17

Email address:

City/County:

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	<input type="text" value="0.00"/>
3. Other local imposts: <i>from A.3. 'Total' below</i>	\$	<input type="text" value="3,247,296.00"/>
4. Miscellaneous local receipts: <i>from A.4. 'Total' below</i>	\$	<input type="text" value="55,621.00"/>
5. Transfers from toll facilities	\$	<input type="text" value="0.00"/>
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	<input type="text" value="0.00"/>
b. Bonds - Refunding Issues:	\$	<input type="text" value="0.00"/>
c. Notes:	\$	<input type="text" value="0.00"/>
SubTotal:	\$	<input type="text" value="3,302,917.00"/>

B. Private Contributions

\$

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	<input type="text" value="0.00"/>
b. Other Local Imposts		
1. Sales Taxes:	\$	<input type="text" value="3,209,991.00"/>
2. Infrastructure and Impact Fees:	\$	<input type="text" value="37,305.00"/>

See accompanying Independent Auditor's Report.

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3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	0.00
Total: <i>(a + b) carried to 'Other local imposts' above</i>		\$ 3,247,296.00

A.4. Miscellaneous local receipts**Please no commas or dollar signs for the input**

a. Interest on Investments:	\$	18,834.00
b. Traffic fines & Penalties:	\$	36,787.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	0.00
h. Other:	\$	0.00
Total: <i>(a through h) carried to 'Misc local receipts' above</i>		\$ 55,621.00

C. Receipts from State Government**Please no commas or dollar signs for the input**

1. Highway User Taxes:	\$	322,654.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	36,522.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: <i>(1+3c,d,e)</i>		\$ 359,176.00

D. Receipts from Federal Government**Please no commas or dollar signs for the input**

2. Other Federal Agencies		
a. Forest Service:	\$	0.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	387,686.00
Total: <i>(2a-f)</i>		\$ 387,686.00

See accompanying Independent Auditor's Report.

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III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. 'Total Capital Outlay' below)</i>	\$	693,672.00
2. Maintenance:	\$	644,177.00
3. Road and street services		
a. Traffic control operations:	\$	95,583.00
b. Snow and ice removal:	\$	28,630.00
c. Other:	\$	2,147.00
4. General administration & miscellaneous	\$	40,798.00
5. Highway law enforcement and safety	\$	764,667.00
Total: <i>(A.1-5)</i>	\$	2,269,674.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	1,205,105.00
b. Redemption	\$	575,000.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: <i>(1+2)</i>	\$	1,780,105.00

Please no commas or dollar signs for the input

C. Payments to State for Highways: \$ 0.00

D. Payments to Toll Facilities: \$ 0.00

Total Disbursements: *(A+B+C+D)* \$ 4,049,779.00

Please no commas or dollar signs for the input

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

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 0.00	\$ 0.00
4. System Enhancement:	\$ 0.00	\$ 693,672.00	\$ 693,672.00
5. Total Construction:			\$ 693,672.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 693,672.00

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 21,365,000.00	\$ 0.00	\$ 575,000.00	\$ 20,790,000.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 4,049,779.00	\$ 4,049,779.00	\$ 0.00	\$ 0.00

See accompanying Independent Auditor's Report.

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Notes & Comments:

undefined

Please enter your name:

Please provide a telephone number where you may be reached:

Please click on the "Save" button before viewing the data in a print format.

FORM FHWA-536e (Version 4.5) - CY17

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2017

TABLE 1
Debt Service Coverage

	2013	2014	2015	2016	2017
City CIF Tax	\$1,643,294	\$1,671,214	\$1,729,795	\$1,772,454	\$1,829,178
County CIF Tax	570,040	588,584	598,535	589,163	632,931
Interest Earnings	6,459	2,982	296	475	2,319
Total Pledged Revenues	\$2,219,793	\$2,262,780	\$2,328,626	\$2,362,092	\$2,464,428

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
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
2017	1,802,598	26,580	1,829,178

TABLE 3
History of County CIF Tax

Year	Total County CIF Sales Tax
2013	\$ 570,040
2014	588,584
2015	598,535
2016	589,163
2017	632,931

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2017

TABLE 4
Monthly Comparison of Collections of City CIF Tax

Month	2016	2016	2017	2017	Percent Change
	Current Month	Period To Date	Current Month	Period To Date	
January	\$ 179,812	\$ 179,812	\$ 183,810	\$ 183,810	2.2%
February	119,404	299,216	128,056	311,866	4.2%
March	130,437	429,653	123,556	435,422	1.3%
April	151,908	581,561	161,503	596,925	2.6%
May	133,330	714,891	137,648	734,573	2.8%
June	155,331	870,222	147,723	882,296	1.4%
July	161,704	1,031,926	172,326	1,054,622	2.2%
August	148,101	1,180,027	156,635	1,211,257	2.6%
September	148,767	1,328,794	150,188	1,361,445	2.5%
October	160,051	1,488,845	168,200	1,529,645	2.7%
November	133,924	1,622,769	141,431	1,671,076	3.0%
December	149,685	1,772,454	158,102	1,829,178	3.2%

TABLE 5
Monthly Comparison of Collections of County CIF Tax

Month	2016	2016	2017	2017	Percent Change
	Current Month	Period To Date	Current Month	Period To Date	
January	\$ -	\$ -	\$ -	\$ -	0.0%
February	451	451	546	546	21.1%
March	44,674	45,125	44,742	45,288	0.4%
April	47,191	92,316	46,119	91,407	-1.0%
May	50,548	142,864	50,959	142,366	-0.3%
June	47,632	190,496	48,123	190,489	0.0%
July	49,890	240,386	53,014	243,503	1.3%
August	51,441	291,827	56,645	300,148	2.9%
September	42,279	334,106	54,657	354,805	6.2%
October	56,099	390,205	58,954	413,759	6.0%
November	51,436	441,641	57,115	470,874	6.6%
December	147,522	589,163	162,057	632,931	7.4%

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2017

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	\$ 1,580,061	31.5%
Grocery	474,398	9.5%
Government	331,832	6.6%
Grocery	254,938	5.1%
Government	152,763	3.0%
Retail	124,157	2.5%
Retail	116,443	2.3%
Utility	88,624	1.8%
Restaurant	78,817	1.6%
Auto	64,831	1.3%
Total =	<u>\$ 3,266,864</u>	

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2017

Table 7
City-Wide Capital Improvement Fund
Budget Summary & Comparison

	2016 Budget	2017 Budget	2017 Actual
Revenues			
Sales Tax	\$ 1,680,339	\$ 1,773,390	\$ 1,802,598
Use Tax	25,000	27,000	26,580
County Sales Tax	600,415	604,520	632,931
Income From Investments	250	445	2,319
Grant	180,000	14,117	3,235
Miscellaneous		12,800	23,466
Total Revenues	\$ 2,486,004	\$ 2,432,272	\$ 2,491,129
Expenditures			
Miscellaneous Engineering	\$ 40,000	\$ 15,000	\$ 10,880
Sidewalk Projects	10,000	60,000	54,129
Murals/Public Art			
ADA Compliance		15,000	14,950
Public Facilities	76,876	60,180	12,210
Street Improvement Projects	424,000	520,000	460,244
Storm Water System Improvements	400,000	300,000	189,667
Non-Departmental	76,603	76,523	76,622
Transfers to Other Funds	1,392,846	1,392,470	1,392,470
Total Expenditures	\$ 2,420,325	\$ 2,439,173	\$ 2,211,172
Fund Balance - Beginning	\$ 63,160	\$ 497,196	\$ 553,296
Fund Balance - Ending	\$ 128,839	\$ 490,295	\$ 833,253

CITY OF DELTA, COLORADO
SUPPLEMENTAL SCHEDULES REQUIRED
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Table 8
Capital Improvements Plan Summary

Project Categories	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Parks	\$ 148,000	\$ -	\$ -	\$ -	\$ -
Recreation Center	209,000	127,800	310,900	6,000	156,000
City-Wide Improvements	1,025,000	900,000	900,000	900,000	900,000
Electrical	170,000	452,000	280,000	252,000	242,000
Sewer	615,000	610,000	610,000	610,000	610,000
Water	250,000	250,000	250,000	250,000	250,000
Internal Service	362,700	346,950	340,500	318,000	272,200

CITY OF DELTA, COLORADO
SUPPLEMENTAL SCHEDULES REQUIRED
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December 31, 2017

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

Revenues	2013	2014	2015	2016	2017
Taxes	\$ 1,643,294	\$ 1,671,214	\$ 1,771,798	\$ 1,812,648	\$ 1,867,642
Franchise Tax Equivalents	651,857	652,650	617,442	633,598	634,596
Licenses & Permits	86,168	109,357	75,767	93,895	76,072
Intergovernmental	760,622	823,988	826,032	611,818	984,538
Charges for Services	28,055	37,737	19,593	30,592	26,252
Fines & Forfeitures	77,324	80,283	110,273	60,795	36,787
Other Rental	7,625	6,377	-	-	-
Miscellaneous	48,638	67,765	69,300	64,719	71,793
Accounting & Adm. Charges	425,000	720,844	749,781	749,781	801,613
Investment Earnings	2,375	1,928	1,737	6,902	12,425
Total Revenues	3,730,958	4,172,143	4,241,723	4,064,748	4,511,718
Expenditures					
General Government	952,577	927,518	1,074,852	1,028,594	996,947
Public Safety	1,771,966	1,720,823	1,829,559	1,735,388	1,911,667
Community Development	269,074	273,928	265,662	367,411	383,479
Public Works	675,744	654,861	635,005	647,891	715,752
Animal & Code Enforcement	106,627	86,159	82,058	80,630	87,642
Parks & Cemetery	903,315	897,367	132,594	136,868	147,263
IT	65,203	61,098	50,611	29,366	25,156
Non-Departmental	56,791	32,099	58,422	55,048	519,820
	4,801,297	4,653,853	4,128,763	4,081,196	4,787,726
Revenues Over (Under)					
Expenditures	(1,070,339)	(481,710)	112,960	(16,448)	(276,008)
Other Financing Sources					
Transfers In Total	950,000	469,000	-	-	-
Revenues & Other Financing Sources Over (Under)					
Expenditures	(120,339)	(12,710)	112,960	(16,448)	(276,008)
Fund Balance - Beginning	1,669,373	1,549,034	1,536,324	1,649,284	1,632,836
Fund Balance - Ending	\$ 1,549,034	\$ 1,536,324	\$ 1,649,284	\$ 1,632,836	\$ 1,356,828

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2017

Table 10
General Fund Budget Summary & Comparison

	2016 Budget	2017 Budget	2017 Actual
Revenues			
Taxes	\$1,749,339	\$1,844,390	\$1,867,642
Franchise Tax Equivalents	597,345	597,395	634,596
Licenses & Permits	72,000	72,000	76,072
Intergovernmental	657,434	519,481	984,538
Charges for Services	29,000	29,000	26,252
Fines & Forfeitures	80,000	70,000	36,787
Miscellaneous	34,200	39,700	84,218
Accounting & Adm. Charges	749,781	801,613	801,613
Total Revenues	<u>3,969,099</u>	<u>3,973,579</u>	<u>4,511,718</u>
Expenditures			
Personnel	3,096,801	3,183,198	3,210,433
Charges & Services	1,077,920	1,078,813	1,548,318
Capital Outlay	30,400	81,300	28,975
Total Expenditures	<u>\$4,205,121</u>	<u>\$4,343,311</u>	<u>\$4,787,726</u>
Fund Balance - Beginning	\$1,431,674	\$1,531,308	\$1,632,836
Fund Balance - Ending	\$1,195,652	\$1,161,576	\$1,356,828

Table 11
Revenue Obligations of the City

Revenue Obligation	Principal Amount Outstanding
Municipal Light & Power Revenue Notes, Series 2000	\$ 3,394,454
Sewer Note, Series 2012	1,974,053
Sales & Use Tax Revenue Bonds, Series 2010	20,790,000
Total Revenue Obligations Outstanding	<u>\$ 26,158,507</u>