

CITY OF DELTA, COLORADO

FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and the Members of the City Council
City of Delta, Colorado
Delta, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Delta, Colorado (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund statements and budgetary comparison schedules, the local highway finance report, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund statements and budgetary comparison schedules, the local highway finance report, and the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedules required pursuant to bond agreements section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

DMC Auditing and Consulting, LLC

September 18, 2026
Bailey, Colorado

Management's Discussion and Analysis

As management of the City of Delta, we offer readers of the City of Delta financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025.

Financial Highlights

At year-end, the City had approximately $22,556,311 in combined cash and investment balances in governmental, enterprise and internal service funds, compared with $21,052,500 at December 31, 2024, an increase of approximately $1,503,811 or 7.1%.
Governmental funds ended 2025 with a total fund balance of $10,862,113, an increase of $574,295 during the year. Business-type activities increased net position by $2,484,447 to $32,164,983.
Outstanding bonded debt and notes payable declined from $26,824,930 at December 31, 2024, to $23,679,777 at December 31, 2025, a reduction of $3,145,153 or 11.7%.
Taken together, 2025 reflects a year in which recurring governmental revenues remained comparatively stable, governmental capital outlay declined from the unusually high 2024 level, major utility investment continued, and the City retired a meaningful amount of outstanding debt. The improvement in governmental fund balance should be considered together with its composition, because most of the City's year-end governmental resources are restricted for specific purposes rather than available for general operations.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The report also includes required and other supplementary information.

Government-wide financial statements.

The statement of net position presents the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Changes in net position over time may be useful in evaluating whether the City's overall financial position is improving or deteriorating.
The statement of activities reports how the City's net position changed during the year. Revenues and expenses are reported when the underlying event occurs, regardless of the timing of related cash flows. Governmental activities include general government, public safety, public works, and parks and recreation. Business-type activities include Municipal Light and Power, Sewer, Water, Refuse and Golf Course operations.

Fund financial statements.

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to demonstrate compliance with finance-related legal and contractual requirements. The City's funds are categorized as governmental or proprietary funds.

Governmental funds.

Governmental funds account for substantially the same functions reported as governmental activities in the government-wide statements, but focus on near-term inflows, outflows and balances of spendable resources. Reconciliations between governmental fund statements and governmental activities are provided in the basic financial statements.
For 2025, the City maintains seven governmental funds. The General Fund, Parks and Recreation Center Fund, Delta Urban Renewal Authority Fund, and City-Wide Capital Improvement Fund are presented separately in the governmental fund statements; Conservation Trust, Back the Badge and Perpetual Care are combined as other governmental funds. The American Rescue Plan Act Fund is closed and has no 2025 schedule.

The City adopts an annual appropriated budget for its funds. Budgetary comparison schedules are presented for the General Fund, Parks and Recreation Center Fund, City-Wide Capital Improvement Fund, Delta Urban Renewal Authority Fund and the individual nonmajor governmental funds.

Proprietary funds.

Enterprise funds report the business-type activities of the City. The City uses enterprise funds to account for Municipal Light and Power, Sewer, Water, Refuse and Golf Course operations. Internal service funds accumulate and allocate certain costs internally, including fleet and employee benefit-related activities. Internal service activity that predominantly benefits governmental functions is included within governmental activities in the government-wide statements.

The proprietary fund statements provide more detailed information about each enterprise operation, including the statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows.

Notes to the financial statements.

The notes provide additional information necessary for a full understanding of the amounts reported in the basic financial statements, including significant accounting policies, capital assets, long-term debt and other commitments.

Other information.

Required supplementary information includes budgetary comparisons for the City's principal governmental funds. Other supplementary schedules provide combining information for nonmajor governmental funds, individual fund budget-to-actual information, and schedules required for state compliance and debt agreements.

Government-wide Financial Analysis

Net position is intended to provide a broad indicator of the City's financial position. At December 31, 2025, total net position was $68,241,545, compared with $64,765,764 at December 31, 2024. The largest portion reflects investment in capital assets, net of related debt, with additional amounts restricted for specified purposes and available as unrestricted net position.

City of Delta's Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2025	2024	2025	2024	2025
Current & other assets	$11,880,514	$12,286,888	$20,406,687	$16,961,656	$32,287,201	$29,248,544
Capital assets	44,428,107	43,492,126	19,673,784	24,707,904	64,101,891	68,200,030
Total assets	$56,308,621	$55,779,014	$40,080,471	$41,669,560	$96,389,092	$97,448,574
Deferred outflows of resources	$448,614	$395,179	—	—	$448,614	$395,179
Long-term liabilities	$18,862,127	$19,011,536	$8,791,624	$6,942,301	$27,653,751	$25,953,837
Other liabilities	1,246,036	1,086,095	1,608,311	2,562,276	2,854,347	3,648,371
Total liabilities	$20,108,163	$20,097,631	$10,399,935	$9,504,577	$30,508,098	$29,602,208
Deferred inflows of resources	$1,563,844	—	—	—	$1,563,844	—
Net position:						
Net investment in capital assets	$26,199,187	$25,535,130	$11,077,773	$18,002,730	$37,276,960	$43,537,860
Restricted	9,701,968	10,253,592	—	—	9,701,968	10,253,592
Unrestricted	(815,927)	287,840	18,602,763	14,162,253	17,786,836	14,450,093
Total net position	$35,085,228	$36,076,562	$29,680,536	$32,164,983	$64,765,764	$68,241,545

City of Delta's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2025	2024	2025	2024	2025
Program revenues:						
Charges for services	$2,050,959	$2,642,084	$14,575,631	$15,990,172	$16,626,590	$18,632,256
Operating grants	1,148,409	1,712,082	—	—	1,148,409	1,712,082
Capital grants	2,884,211	2,681,240	1,739,272	1,540,770	4,623,483	4,222,010
General revenues:						
Sales and use taxes	$10,860,358	$11,304,353	—	—	$10,860,358	$11,304,353
Property tax	25,423	29,983	—	—	25,423	29,983
Franchise/occupation/other taxes	816,294	861,476	—	—	816,294	861,476
Investment income	594,381	417,492	623,101	423,424	1,217,482	840,916
Miscellaneous / gain on sale	108,020	377,332	213,437	—	321,457	377,332
Total revenues	$18,488,055	$20,026,042	$17,151,441	$17,954,366	$35,639,496	$37,980,408
Expenses:						
General government	$4,167,702	$5,782,535	—	—	$4,167,702	$5,782,535
Public safety	3,873,468	4,043,522	—	—	3,873,468	4,043,522
Public works	4,645,087	4,406,909	—	—	4,645,087	4,406,909
Parks and recreation	4,404,832	4,187,244	—	—	4,404,832	4,187,244
Interest on debt	658,100	614,498	—	—	658,100	614,498
Municipal Light & Power	—	—	$6,767,084	$7,350,337	6,767,084	7,350,337
Sewer	—	—	2,673,921	2,150,299	2,673,921	2,150,299
Water	—	—	2,903,609	3,351,834	2,903,609	3,351,834
Refuse	—	—	945,052	1,122,383	945,052	1,122,383
Golf	—	—	1,240,956	1,495,066	1,240,956	1,495,066
Total expenses	$17,749,189	$19,034,708	$14,530,622	$15,469,919	$32,279,811	$34,504,627
Change before transfers	$738,866	$991,334	$2,620,819	$2,484,447	$3,359,685	$3,475,781
Transfers	1,395,000	—	(1,395,000)	—	—	—
Change in net position	$2,133,866	$991,334	$1,225,819	$2,484,447	$3,359,685	$3,475,781
Net position - January 1	$32,951,362	$35,085,228	$28,454,717	$29,680,536	$61,406,079	$64,765,764
Net position - December 31	$35,085,228	$36,076,562	$29,680,536	$32,164,983	$64,765,764	$68,241,545

Financial Analysis of the City's Funds

Governmental funds.

Governmental funds reported $19,117,033 of revenues in 2025, compared with $18,488,055 in 2024, an increase of $628,978 or approximately 3.4%. Taxes totaled approximately $12,195,812 and intergovernmental revenues approximately $4,136,189 in 2025.

Total governmental fund expenditures were $18,955,508 in 2025, down $6,170,404 from $25,125,912 in 2024. The principal year-over-year change was capital outlay, which declined from $10,666,598 in 2024 to $4,226,341 in 2025 as major projects moved through different phases. Governmental funds therefore reported a net increase in fund balance of $574,295, compared with a decrease of $5,242,857 in 2024.

Total governmental fund balance increased from $10,287,818 to $10,862,113. The City-Wide Capital Improvement Fund ended 2025 with $8,240,842 of fund balance after a $384,884 increase during the year. Parks and Recreation Center fund balance increased $153,016 to $853,557. The General Fund increased $4,710 to $1,058,387.

The 2025 governmental fund balance presentation includes a $455,000 General Fund emergency restriction. DURA and the balances of the City-Wide Capital Improvement, Conservation Trust, Back the Badge and Perpetual Care funds are presented as restricted in the schedules.

At year-end, approximately $10.254 million, or 94.4%, of the City's $10.862 million governmental fund balance was restricted. The largest component was the $8.241 million balance of the City-Wide Capital Improvement Fund. General Fund balance was $1.058 million, equal to approximately 11.6% of 2025 General Fund expenditures, or about 1.4 months of spending. Of that amount, $455,000 was restricted for emergencies and $5,486 was nonspendable, leaving $597,901 unassigned. The unassigned balance represented approximately 6.6% of annual General Fund expenditures, equivalent to about 0.8 months of 2025 spending.

Proprietary funds.

Business-type activities increased net position by $2,484,447 in 2025, from $29,680,536 to $32,164,983. Municipal Light and Power decreased net position by $144,456, while Sewer increased $1,244,401, Water increased $592,543, Refuse increased $334,467, and Golf increased $457,492.

The Sewer Fund was the largest contributor to the increase in business-type net position, reflecting capital contributions and ongoing construction activity. The Water Fund also reported a positive change in net position. The Golf Course Fund reported an increase in net position of approximately $457,000 during 2025. This result should be considered in conjunction with the final repayment of the Fund's share of the 2005 Municipal Light and Power/Golf note. Principal payments reduce outstanding debt but are not reported as an expense in determining the change in net position. Accordingly, the reported increase in Golf Course net position does not reflect the cash used during the year to retire principal on the note.

The change in business-type net position should not be viewed solely as a recurring operating margin. Sewer's 2025 results included approximately $900,126 of intergovernmental revenue and $359,056 of plant investment fees associated with capital activity, while the wastewater capital program materially increased Sewer capital assets. These capital-related inflows and construction activity distinguish the year's overall change in net position from the results of ongoing utility operations.

Major 2025 Variances and Activity

General Fund Budgetary Highlights

The General Fund ended 2025 with a fund balance of approximately $1.06 million, essentially unchanged from the prior year. Actual results were materially better than anticipated in the original 2025 budget, which contemplated a significant use of General Fund resources during the year. General Fund sales and use taxes totaled approximately $2.93 million. Transfers into the General

Fund totaled approximately $2.43 million during 2025 and were an important component of General Fund resources during the year.

Compared with 2024, General Fund sales and use taxes increased approximately 4.5%. Licenses and permits increased from $258,423 to $373,923, including higher building permit and planning and zoning fee collections. Investment earnings declined from $70,261 in 2024 to $22,811 in 2025. The mix of intergovernmental revenue also changed, with state grants increasing to $559,690 while federal grants declined to $164,300.

During 2025, the General Fund provided significant financial support for an affordable housing project. Approximately $299,000 was recorded related to the development incentive. Approximately $34,000 represented building permit and plan-review fees that were also recognized as General Fund revenue, while approximately $265,000 represented water and sewer development fees funded by the General Fund on behalf of the project.

City-Wide Capital Improvement Fund.

The fund reported $7,093,008 in 2025 revenues, including approximately $2,933,089 of City sales and use taxes, $1,155,756 of Delta County sales tax, $2,673,268 of federal, state and DOLA grant revenues, and $322,923 of investment earnings. The fund also reported $412,770 of proceeds from the sale of capital assets as an other financing source. Capital outlay totaled $3,971,883, compared with $10,150,652 in 2024, reflecting the timing and completion of major capital projects.

A significant component of 2025 activity was approximately $3.1 million of transfers to other City funds. This included approximately $1.23 million transferred to the Debt Service Fund and approximately $1.84 million transferred to the General Fund. The General Fund transfers included approximately $1.0 million of additional funding associated with prior-year TABOR refunds and approximately $830,000 from a separate sales-tax-related transfer authorized during 2025. After expenditures and transfers, CWCI fund balance increased approximately $385,000 to $8.24 million at December 31, 2025. The increase should be viewed in the context of the City's capital cycle: capital outlay in 2025 was approximately 61% below 2024, while significant grant revenues and asset-sale proceeds were recognized during the year. Accordingly, the increase in fund balance does not represent a recurring operating surplus of the same magnitude.

Parks and Recreation Center Fund.

Revenues totaled $3,793,740 and exceeded expenditures of $3,640,724 by $153,016. Sales and use taxes were $2,933,118, while charges for services were $760,991.

Back the Badge Fund.

The Back the Badge Fund accounts for dedicated sales tax revenues used to support law enforcement operations and related capital and debt obligations. Sales and use tax revenue totaled approximately $1.35 million in 2025. During the year, approximately $593,000 was transferred to the General Fund to support Police Department operations, and approximately $775,000 was transferred to the Debt Service Fund. The Fund ended 2025 with a fund balance of approximately $297,000, which remains restricted for the purposes authorized by the voter-approved sales tax.

Capital Asset and Debt Administration

Capital assets.

The City's capital assets include land, construction in progress, buildings, infrastructure, utility systems, machinery, vehicles and equipment. Governmental capital assets, net of accumulated depreciation, totaled $43,492,126 at December 31, 2025, compared with $44,428,107 at December 31, 2024. Business-type capital assets, net of accumulated depreciation, are $24,707,904 at December 31, 2025, compared with $19,673,784 at December 31, 2024.

City of Delta Capital Assets

(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2024	2025	2024	2025	2024	2025
Land	$4,225,357	$4,218,961	$952,610	$952,610	$5,177,967	$5,171,571
Construction in progress	108,845	1,107,332	1,028,544	6,784,592	1,137,389	7,891,924
Improvements other than buildings	2,282,904	2,002,239	—	—	2,282,904	2,002,239
Infrastructure	21,275,603	19,049,666	—	—	21,275,603	19,049,666
Buildings	14,244,703	14,981,927	148,468	191,240	14,393,171	15,173,167
Water rights and storage	—	—	444,969	439,251	444,969	439,251
Treatment and generation facilities	—	—	1,700,257	1,557,460	1,700,257	1,557,460
Collection, transmission and distribution systems	—	—	14,795,339	14,155,334	14,795,339	14,155,335
Street lighting / fiber optic system	—	—	447,398	413,663	447,398	413,663
Vehicles and equipment	2,290,695	2,132,001	156,197	213,754	2,446,892	2,345,755
Total	$44,428,107	$43,492,126	$19,673,782	$24,707,904	$64,101,899	$68,200,030

Governmental capital spending in 2025 was concentrated in CWCI, including approximately $2.493 million for public safety, $1.206 million for general government, and $273,000 for parks and recreation. On the business-type side, Sewer construction in progress totaled approximately $6.056 million at year-end as the wastewater project advanced. The significant increase in business-type capital assets primarily reflects continued investment in the City's wastewater infrastructure, while governmental capital activity declined from the unusually high level experienced in 2024.

Long-term Debt

At December 31, 2025, the City had $23,679,777 of bonded debt and notes payable outstanding, compared with $26,824,930 at the end of 2024. Principal outstanding declined by $3,145,153 during 2025.

City of Delta's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2024	2025	2024	2025	2024	2025
Sales & use tax revenue bonds / governmental obligations	$18,228,920	$16,974,603	—	—	$18,228,920	$16,974,603
Notes payable	—	—	$8,596,010	$6,705,174	8,596,010	6,705,174
Total	$18,228,920	$16,974,603	$8,596,010	$6,705,174	$26,824,930	$23,679,777

Governmental debt at year-end includes the 2019 Series sales and use tax revenue bonds and the Armory lease obligation. Business-type debt includes Sewer obligations. The 2005 Municipal Light and Power/Golf note, with $1,391,886 outstanding at the beginning of 2025, was fully retired during the year.

The $3.145 million year-over-year reduction in outstanding debt consisted of approximately $1.254 million in governmental obligations and $1.891 million in business-type obligations. The business-type reduction includes the full retirement of the Municipal Light and Power/Golf note during 2025. The debt decrease therefore reflects substantial principal retirement during a year in which major capital investment, particularly in Sewer, remained underway.

Additional information on the City's long-term debt is provided in the notes to the final financial statements.

Economic Factors and Future Year's Budgets

At December 31, 2025, the City was moving from several years of unusually high grant-funded capital activity toward a period requiring greater emphasis on recurring revenue, operating sustainability and long-term infrastructure planning. Sales tax remained the City's principal economically sensitive governmental revenue source. Although sales tax had grown substantially since 2020, the 2026 budget noted that operating costs - particularly personnel, utilities, equipment and contracted services - had increased more rapidly. The City also expected extraordinary state and federal grant activity to taper as several major projects moved toward completion.

During 2025, City Council adopted several financial policy changes that affect the 2026 budget and future years. Ordinance No. 7, 2025 amended provisions governing the City's share of Delta County sales tax proceeds and provided additional flexibility in the use of those revenues, subject to existing debt obligations and other applicable requirements.

Council also adopted Resolution No. 21, 2025, modifying the City's Franchise Equivalent Fee to allow the annual transfer from Enterprise Funds to the General Fund to be adjusted up to a maximum of 5% of applicable Enterprise Fund revenues. The change provides flexibility in balancing General Fund revenue needs, Enterprise Fund resources and potential TABOR implications. The City is also reviewing its methodology for allocating General Fund administrative costs to Enterprise Funds, with the objective of more directly identifying and allocating the cost of services provided to individual funds.

The adopted 2026 budget projects approximately $49 million of citywide revenues and $53 million of expenditures, with the difference primarily reflecting planned use of accumulated resources for capital projects. The City's five-year capital plan identifies approximately $101.2 million of capital needs, with significant investment anticipated in sewer infrastructure and city-wide capital improvements. Funding strategies include grants, available reserves, utility revenues, and financing where appropriate.

Requests for Information

This financial report is designed to provide a general overview of the City of Delta's finances for readers with an interest in the City's financial condition and operations. Questions concerning 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, Colorado 81416.

BASIC FINANCIAL STATEMENTS

CITY OF DELTA, COLORADO
STATEMENT OF NET POSITION
December 31, 2025

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	$ 9,509,441	$ 13,046,870	$ 22,556,311
Accounts Receivable	142,143	1,142,551	1,284,694
Cash with Fiscal Agent	-	1,668,817	1,668,817
Taxes Receivable	1,138,278	-	1,138,278
Intergovernmental Receivables	1,270,934	268,479	1,539,413
Prepaid Expenses	801	-	801
Inventories	191,583	868,647	1,060,230
Internal Balances	33,708	(33,708)	-
Capital Assets, *Not Being Depreciated*	5,326,293	7,737,202	13,063,495
Capital Assets, *Being Depreciated, Net*	38,165,834	16,970,702	55,136,536
TOTAL ASSETS	55,779,015	41,669,560	97,448,575
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding, *Net*	395,179	-	395,179
LIABILITIES			
Accounts Payable	341,584	2,154,062	2,495,646
Retainage Payable	112,428	298,338	410,766
Accrued Interest Payable	58,247	12,397	70,644
Accrued Liabilities	268,996	78,765	347,761
Developer Deposits	247,857	-	247,857
Unearned Revenue	56,983	18,714	75,697
Noncurrent Liabilities			
Due Within One Year	1,310,081	505,110	1,815,191
Due in More Than One Year	17,701,455	6,437,191	24,138,646
TOTAL LIABILITIES	20,097,631	9,504,577	29,602,208
NET POSITION			
Net Investment in Capital Assets	25,535,131	18,002,730	43,537,861
Restricted for:			
Emergencies	455,000	-	455,000
Parks and Recreation	848,423	-	848,423
Urban Renewal	42,553	-	42,553
Capital Projects	8,240,842	-	8,240,842
Conservation Trust	287,657	-	287,657
Public Safety	296,662	-	296,662
Cemetery	82,455	-	82,455
Unrestricted	287,840	14,162,253	14,450,093
TOTAL NET POSITION	$ 36,076,563	$ 32,164,983	$ 68,241,546

See Notes to the Financial Statements.

CITY OF DELTA, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION: PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION: PRIMARY GOVERNMENT: TOTAL
PRIMARY GOVERNMENT							
Governmental Activities							
General Government	$ 5,782,534	$ 1,653,252	$ 844,485	$ 1,574,765	$ (1,710,032)	$ -	$ (1,710,032)
Public Safety	4,043,522	25,911	209,180	-	(3,808,431)	-	(3,808,431)
Public Works	4,406,909	8,427	538,617	1,106,475	(2,753,390)	-	(2,753,390)
Parks, Recreation and Other	4,187,244	954,494	119,800	-	(3,112,950)	-	(3,112,950)
Interest on Long-Term Debt	614,498	-	-	-	(614,498)	-	(614,498)
Total Governmental Activities	19,034,707	2,642,084	1,712,082	2,681,240	(11,999,301)	-	(11,999,301)
Business-Type Activities							
Municipal Light and Power	7,350,337	7,393,108	-	7,978	-	50,749	50,749
Sewer	2,150,299	2,366,553	-	1,259,182	-	1,475,436	1,475,436
Water	3,351,834	3,588,329	-	273,610	-	510,105	510,105
Refuse	1,122,383	1,409,624	-	-	-	287,241	287,241
Golf Course	1,495,066	1,232,558	-	-	-	(262,508)	(262,508)
Total Business-Type Activities	15,469,919	15,990,172	-	1,540,770	-	2,061,023	2,061,023
TOTAL PRIMARY GOVERNMENT	$ 34,504,626	$ 18,632,256	$ 1,712,082	$ 4,222,010	(11,999,301)	2,061,023	(9,938,278)
GENERAL REVENUES							
Property Taxes					29,983	-	29,983
Occupation Tax					19,864	-	19,864
Sales and Use Taxes					11,304,353	-	11,304,353
Franchise Fees					841,612	-	841,612
Investment Income					417,492	423,424	840,916
Miscellaneous					37,327	-	37,327
Gain on Sale of Capital Assets					340,005	-	340,005
TOTAL GENERAL REVENUES					12,990,636	423,424	13,414,060
CHANGE IN NET POSITION					991,335	2,484,447	3,475,782
NET POSITION, Beginning					35,085,228	29,680,536	64,765,764
NET POSITION, Ending					$ 36,076,563	$ 32,164,983	$ 68,241,546

See Notes to the Financial Statements.

CITY OF DELTA, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	GENERAL	PARKS AND RECREATION CENTER	DELTA URBAN RENEWAL AUTHORITY	CITY-WIDE CAPITAL IMPROVEMENTS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
ASSETS						
Cash and Investments	$ 925,113	$ 707,692	$ 42,862	$ 7,103,538	$ 435,183	$ 9,214,388
Taxes Receivable	301,959	301,959	-	301,959	232,401	1,138,278
Intergovernmental Receivables	210,133	-	-	1,060,801	-	1,270,934
Accounts Receivable	142,143	-	-	-	-	142,143
Inventories	5,104	4,715	-	-	-	9,819
Prepaid Expenditures	382	419	-	-	-	801
Interfund Receivable	33,708	-	-	-	-	33,708
TOTAL ASSETS	$ 1,618,542	$ 1,014,785	$ 42,862	$ 8,466,298	$ 667,584	$ 11,810,071
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 134,096	$ 37,704	$ 309	$ 99,028	$ 810	$ 271,947
Retainage Payable	-	-	-	112,428	-	112,428
Accrued Salaries and Benefits	195,592	63,151	-	-	-	258,743
Deposits and Escrow	204,497	29,360	-	14,000	-	247,857
Unearned Revenue	25,970	31,013	-	-	-	56,983
TOTAL LIABILITIES	560,155	161,228	309	225,456	810	947,958
FUND BALANCES						
Nonspendable:						
Inventory	5,104	4,715	-	-	-	9,819
Prepaid Expenditures	382	419	-	-	-	801
Restricted for:						
Emergencies	455,000	-	-	-	-	455,000
Parks and Recreation	-	848,423	-	-	-	848,423
Urban Renewal	-	-	42,553	-	-	42,553
Capital Projects	-	-	-	8,240,842	-	8,240,842
Conservation Trust	-	-	-	-	287,657	287,657
Public Safety	-	-	-	-	296,662	296,662
Cemetery	-	-	-	-	82,455	82,455
Unassigned	597,901	-	-	-	-	597,901
TOTAL FUND BALANCES	1,058,387	853,557	42,553	8,240,842	666,774	10,862,113
TOTAL LIABILITIES AND FUND BALANCES	$ 1,618,542	$ 1,014,785	$ 42,862	$ 8,466,298	$ 667,584	$ 11,810,071

See Notes to the Financial Statements.

CITY OF DELTA, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:		
Total Fund Balances of Governmental Funds	$	10,862,113
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		41,902,033
Internal Service operations primarily benefit governmental activities		
Internal Service Fund Net Position		1,952,322
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Interest Payable		(58,247)
Gain (Loss) on Debt Refunding		395,179
Bonds Payable		(12,835,000)
Leases Payable		(4,139,603)
Bond Premium		(1,377,572)
Accrued Compensated Absences		(624,662)
Total Net Position of Governmental Activities	$	36,076,563

See Notes to the Financial Statements.

CITY OF DELTA, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	GENERAL	PARKS AND RECREATION CENTER	DELTA URBAN RENEWAL AUTHORITY	CITY-WIDE CAPITAL IMPROVEMENTS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES						
Taxes	$ 3,794,565	$ 2,933,118	$ 29,983	$ 4,088,845	$ 1,349,301	$ 12,195,812
Intergovernmental	1,346,888	-	-	2,673,268	116,033	4,136,189
Licenses and Permits	373,923	-	-	-	-	373,923
Fines and Forfeitures	23,691	-	-	-	-	23,691
Charges for Services	197,093	760,991	-	-	23,353	981,437
Investment Income	22,811	16,237	-	322,923	28,574	390,545
Internal Charges	810,925		-	-	-	810,925
Miscellaneous	113,145	83,394	-	7,972	-	204,511
TOTAL REVENUES	6,683,041	3,793,740	29,983	7,093,008	1,517,261	19,117,033
EXPENDITURES						
Current						
General Government	3,438,878	-	-	-	-	3,438,878
Public Safety	3,680,496	-	-	-	-	3,680,496
Public Works	1,029,537	-	13,257	-	-	1,042,794
Parks, Recreation and Other	345,196	3,257,628	-	-	-	3,602,824
Internal Charges	510,889	333,933		81,399	31,905	958,126
Capital Outlay	102,551	49,163	15,644	3,971,883	87,100	4,226,341
Debt Service						
Principal	-	-	-	1,254,317	-	1,254,317
Interest and Fiscal Charges	-	-	-	751,732	-	751,732
TOTAL EXPENDITURES	9,107,547	3,640,724	28,901	6,059,331	119,005	18,955,508
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(2,424,506)	153,016	1,082	1,033,677	1,398,256	161,525
OTHER FINANCING SOURCES (USES)						
Proceeds from the Sale of Capital Assets	-	-	-	412,770		412,770
Transfers In	2,429,216	-	-	775,000	-	3,204,216
Transfers Out	-	-	-	(1,836,563)	(1,367,653)	(3,204,216)
TOTAL OTHER FINANCING SOURCES (USES)	2,429,216	-	-	(648,793)	(1,367,653)	412,770
CHANGES IN FUND BALANCES	4,710	153,016	1,082	384,884	30,603	574,295
FUND BALANCES, Beginning	1,053,677	700,541	41,471	7,855,958	636,171	10,287,818
FUND BALANCES, Ending	$ 1,058,387	$ 853,557	$ 42,553	$ 8,240,842	$ 666,774	$ 10,862,113

See Notes to the Financial Statements.

CITY OF DELTA, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:		
Net Change in Fund Balances of Governmental Funds	$	574,295
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as:		
Depreciation Expense		(4,464,286)
Gain on Sale of Capital Assets		(75,895)
Capital Outlay		3,639,248
Internal Service operations primarily benefit governmental activities		
Internal Service Change in Net Position		(52,735)
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		1,254,317
Long-term debt and lease proceeds provide current financial resources to governmental funds, but increases in long-term liabilities in the statement of net position and does not affect the statement of activities.		
(Increase) Decrease in compensated absences		(20,843)
Amortization of bond premium		186,272
Amortization of deferred loss		(53,435)
(Increase) Decrease in accrued interest payable		4,397
Change in Net Position of Governmental Activities	$	991,335

See Notes to the Financial Statements.

CITY OF DELTA, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

	BUSINESS-TYPE ACTIVITIES			BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES
	MUNICIPAL LIGHT & POWER	SEWER	WATER	REFUSE	GOLF COURSE	TOTAL	INTERNAL SERVICE FUND
ASSETS							
Current Assets							
Cash and Investments	$ 5,126,888	$ 3,606,742	$ 2,997,344	$ 1,308,734	$ 7,162	$ 13,046,870	$ 295,053
Utility Receivable	629,403	201,598	207,588	103,962	-	1,142,551	-
Cash with Fiscal Agent	-	1,668,817	-	-	-	1,668,817	-
Other Receivables	19,250	248,717	-	-	512	268,479	-
Inventories	472,493	124,475	243,192	-	28,487	868,647	181,764
Total Current Assets	6,248,034	5,850,349	3,448,124	1,412,696	36,161	16,995,364	476,817
Noncurrent Assets							
Capital Assets, *Not Being Depreciated / Amortized*	506,742	6,501,797	584,723	-	143,940	7,737,202	-
Capital Assets, *Being Depreciated / Amortized, Net*	5,721,039	7,652,890	3,369,431	-	227,342	16,970,702	1,590,094
Total Noncurrent Assets	6,227,781	14,154,687	3,954,154	-	371,282	24,707,904	1,590,094
TOTAL ASSETS	12,475,815	20,005,036	7,402,278	1,412,696	407,443	41,703,268	2,066,911
LIABILITIES							
Current Liabilities							
Accounts Payable	1,071,185	854,138	183,241	31,647	13,851	2,154,062	69,637
Retainage Payable	-	298,338	-	-	-	298,338	-
Accrued Salaries and Benefits	27,954	16,380	13,823	4,972	15,636	78,765	10,253
Accrued Interest Payable	-	12,397	-	-	-	12,397	-
Unearned Revenue	-	-	-	-	18,714	18,714	-
Interfund Payable	-	-	-	-	33,708	33,708	-
Total Current Liabilities	1,099,139	1,181,253	197,064	36,619	81,909	2,595,984	79,890
Noncurrent Liabilities							
Due Within One Year	-	505,110	-	-	-	505,110	-
Due in More than One Year	125,021	6,267,745	23,023	7,702	13,700	6,437,191	34,699
Total Noncurrent Liabilities	125,021	6,772,855	23,023	7,702	13,700	6,942,301	34,699
TOTAL LIABILITIES	1,224,160	7,954,108	220,087	44,321	95,609	9,538,285	114,589
NET POSITION							
Net Investment in Capital Assets	6,227,781	7,449,513	3,954,154	-	371,282	18,002,730	1,590,094
Unrestricted	5,023,874	4,601,415	3,228,037	1,368,375	(59,448)	14,162,253	362,228
TOTAL NET POSITION	$ 11,251,655	$ 12,050,928	$ 7,182,191	$ 1,368,375	$ 311,834	$ 32,164,983	$ 1,952,322

See Notes to the Financial Statements.

CITY OF DELTA, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2025

	BUSINESS-TYPE ACTIVITIES			BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES
	MUNICIPAL LIGHT & POWER	SEWER	WATER	REFUSE	GOLF COURSE	TOTAL	INTERNAL SERVICE FUND
OPERATING REVENUES							
Utility Charges	$ 7,232,236	$ 2,321,834	$ 3,535,540	$ 1,388,576	$ -	$ 14,478,186	$ -
Golf Course Charges	-	-	-	-	1,227,374	1,227,374	-
Internal Charges	-	-	-	-	-	-	1,632,713
Miscellaneous	49,195	17,722	20,451	-	5,184	92,552	-
TOTAL OPERATING REVENUES	7,281,431	2,339,556	3,555,991	1,388,576	1,232,558	15,798,112	1,632,713
OPERATING EXPENSES							
Commodity Charges	4,934,147	-	1,280,606	-	-	6,214,753	-
Golf Course Pro and Concessions	-	-	-	-	612,199	612,199	-
Golf Course Maintenance	-	-	-	-	601,341	601,341	-
Management Fees/Internal Charges	561,247	333,925	408,776	548,140	240,045	2,092,133	146,504
Collection, Transmission and Distribution	1,264,242	995,884	1,325,592	-	-	3,585,718	-
Trash Collection	-	-	-	574,243	-	574,243	-
Claims and Premiums	-	-	-	-	-	-	62,056
Maintenance	-	-	-	-	-	-	994,457
Administration	181,818	48,370	37,956	-	-	268,144	-
Depreciation	387,761	589,171	298,904	-	30,606	1,306,442	526,482
Other Capital Outlay	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	7,329,215	1,967,350	3,351,834	1,122,383	1,484,191	15,254,973	1,729,499
NET OPERATING INCOME (LOSS)	(47,784)	372,206	204,157	266,193	(251,633)	543,139	(96,786)
NONOPERATING REVENUES (EXPENSES)							
Investment Income	204,795	88,965	82,438	47,226	-	423,424	3,594
Intergovernmental Revenue	7,978	-	4,046	-	-	12,024	-
Other Revenue	111,677	26,997	32,338	21,048	-	192,060	37,327
Interest Expense	(21,122)	(182,949)	-	-	(10,875)	(214,946)	-
Gain (Loss) on Disposal of Assets	-	-	-	-	-	-	3,130
TOTAL NONOPERATING REVENUES (EXPENSES)	303,328	(66,987)	118,822	68,274	(10,875)	412,562	44,051
NET INCOME (LOSS) BEFORE CAPITAL CHARGES AND TRANSFERS	255,544	305,219	322,979	334,467	(262,508)	955,701	(52,735)
CAPITAL CHARGES AND TRANSFERS							
Plant Investment Fees	-	359,056	269,564	-	-	628,620	-
Intergovernmental	-	900,126	-	-	-	900,126	-
Transfers In	-	-	-	-	720,000	720,000	-
Transfer Out	(400,000)	(320,000)	-	-	-	(720,000)	-
TOTAL CAPITAL CHARGES AND TRANSFERS	(400,000)	939,182	269,564	-	720,000	1,528,746	-
CHANGE IN NET POSITION	(144,456)	1,244,401	592,543	334,467	457,492	2,484,447	(52,735)
NET POSITION, Beginning	11,396,111	10,806,527	6,589,648	1,033,908	(145,658)	29,680,536	2,005,057
NET POSITION, Ending	$ 11,251,655	$ 12,050,928	$ 7,182,191	$ 1,368,375	$ 311,834	$ 32,164,983	$ 1,952,322

See Notes to the Financial Statements.

CITY OF DELTA, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2025

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL ACTIVITIES
	MUNICIPAL LIGHT AND POWER	SEWER	WATER	REFUSE	GOLF COURSE	TOTAL	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash Received from Customers	$ 7,235,807	$ 2,391,937	$ 3,571,270	$ 1,319,852	$ 1,231,515	$ 15,750,381	$ 1,654,862
Cash Payments to Employees	(860,526)	(613,839)	(528,613)	(146,539)	(723,322)	(2,872,839)	(323,638)
Cash Payments to Suppliers	(5,975,996)	(282,164)	(2,420,354)	(966,841)	(748,770)	(10,394,125)	(893,797)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	399,285	1,495,934	622,303	206,472	(240,577)	2,483,417	437,427
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Tap/Cash in Lieu Fees Received	-	359,056	269,564	-	-	628,620	-
Grants Received	7,978	4,725,273	4,046	-	-	4,737,297	-
Acquisition of Capital Assets	(83,102)	(5,485,514)	(402,197)	-	(71,411)	(6,042,224)	(515,676)
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	27,371
Debt Principal Paid	(904,401)	(498,950)	-	-	(487,485)	(1,890,836)	-
Debt Interest Paid	(22,719)	(187,515)	-	-	(11,735)	(221,969)	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,002,244)	(1,087,650)	(128,587)	-	(570,631)	(2,789,112)	(488,305)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Cash Paid to Other Funds	(400,000)	(320,000)	-	-	-	(720,000)	-
Cash Received from Other Funds	-	-	-	-	753,708	753,708	-
Other Revenues (Expense)	111,677	26,997	32,338	21,048	-	192,060	37,327
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(288,323)	(293,003)	32,338	21,048	753,708	225,768	37,327
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment Income	204,795	88,965	82,438	47,226	-	423,424	3,594
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(686,487)	204,246	608,492	274,746	(57,500)	343,497	(9,957)
CASH AND CASH EQUIVALENTS, Beginning	5,813,375	3,402,496	2,388,852	1,033,988	64,662	12,703,373	305,010
CASH AND CASH EQUIVALENTS, Ending	$ 5,126,888	$ 3,606,742	$ 2,997,344	$ 1,308,734	$ 7,162	$ 13,046,870	$ 295,053
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
Net Operating Income (Loss)	$ (47,784)	$ 372,206	$ 204,157	$ 266,193	$ (251,633)	$ 543,139	$ (96,786)
Depreciation Expense	387,761	589,171	298,904	-	30,606	1,306,442	526,482
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
(Increase) Decrease in Utility Receivable	(52,293)	52,381	1,520	(68,724)	-	(67,116)	-
(Increase) Decrease in Other Receivables	6,669	-	13,759	-	2,812	23,240	22,149
(Increase) Decrease in Prepaid Expenses	-	115	-	-	-	115	-
(Increase) Decrease in Inventory	(15,229)	24	8,463	-	(19,824)	(26,566)	(32,564)
Increase (Decrease) in Accounts Payable	84,327	466,969	112,240	3,984	(8,792)	658,728	11,485
Increase (Decrease) in Unearned Revenue	-	-	-	-	(3,855)	(3,855)	-
Increase (Decrease) in Accrued Salaries and Benefits	4,307	(945)	(432)	1,335	3,512	7,777	1,350
Increase (Decrease) in Compensated Absences	31,527	16,013	(16,308)	3,684	6,597	41,513	5,311
Total Adjustments	59,308	534,557	119,242	(59,721)	(19,550)	633,836	7,731
NET CASH PROVIDED (USED) BY OPERATING ACTIVITES	$ 399,285	$ 1,495,934	$ 622,303	$ 206,472	$ (240,577)	$ 2,483,417	$ 437,427

See Notes to the Financial Statements.

NOTE 1: Summary of Significant Accounting Policies

The City of Delta, Colorado (the City) is incorporated as a "home rule city" as defined by Colorado Revised Statutes. The City is governed by a Mayor and a Council elected by the residents.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City's more significant policies.

Reporting Entity

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization's governing board and is able to impose its will on the City, or if the City has the potential to provide benefits to, or impose financial burdens on, the City.

The Delta Urban Renewal Authority (DURA) blended component unit is responsible for downtown beautification projects and is governed by a board comprised of the City's elected council.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for the governmental funds and proprietary funds. Major individual governmental funds, proprietary funds, and other significant funds identified by management are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the City reports the following major governmental funds:

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

The *Parks and Recreation Center Fund* accounts for the revenues and expenditures associated with recreational activities.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *City-Wide Capital Improvement Fund* accounts for the revenues and expenditures used to improve streets and sidewalks, capital improvements and debt service for city-wide improvement.

The *Delta Urban Renewal Authority Fund* accounts for the revenues and expenditures related to the Delta Urban Renewal Authority, a blended component unit.

The City reports the following major proprietary funds:

The *Municipal Light and Power Fund* accounts for revenues and expenses associated with providing electric services to City residents.

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

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

The *Refuse Fund* accounts for revenues and expenses associated with the collection and disposal of solid waste within the City.

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

Additionally, the City reports the following fund type:

The *Internal Service Fund* is used to account for fleet rental and maintenance services provided to other departments on a cost-reimbursement basis.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 City's proprietary funds are charges to customers or other funds for sales and services. Operating expenses 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.

When both restricted and unrestricted resources are available for a specific use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position

Cash and Investments – Cash and investments of each of the City's funds are pooled and invested by the City. Investments are reported at fair value. For purposes of the statement of cash flows, cash equivalents include investments with original maturities of three months or less.

Receivables – Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied in the current year for collection in the subsequent year are recorded as receivables and deferred inflows of resources at year end. Taxes are due in the subsequent year on April 30, or in two installments on February 28 and June 15. Taxes are collected by the County Treasurer and remitted to the City on a monthly basis. Grant reimbursements not received before year-end for which eligibility has been met and expenditures have been incurred are reported as grants receivable.

For the fiscal year ended December 31, 2025, the City did not levy property taxes. The Delta Urban Renewal Authority received property taxes.

Interfund Receivables and Payables – Certain transactions between individual funds result in receivables and payables, which are classified on the balance sheet as *interfund receivables* and *interfund payables*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

Inventories – Inventories are stated at cost on a first-in, first-out (FIFO) basis. The costs of inventories are recorded as expenditures or expenses when consumed rather than when purchased.

Prepaid Expenditures / Expenses – Certain payments to vendors reflect costs applicable to future years and reported as prepaid expenditures or prepaid expenses using the consumption method.

Capital Assets – Capital assets include property, equipment, water and stormwater systems infrastructure and governmental activities infrastructure. These are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. They are also reported in the proprietary funds in the fund financial statements.

Capital assets are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position (Continued)

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

Subscription-based information technology assets (SBITAs) are reported in the government-wide financial statements as a capital asset, net of accumulated amortization. SBITAs are recognized as multi-year noncancellable agreements amortized over the period of the agreement on a straight-line basis.

Deferred Outflows of Resources – This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources.

Long-Term Debt – In the government-wide financial statements and proprietary funds, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Compensated Absences – Personnel accrue unused paid time off (PTO) based on the number of hours worked in a year. Employees may accumulate up to a maximum based on years of service and full-time versus part-time status. Unused accumulated leave benefits are paid upon separation/termination at their current pay rate. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned. Governmental funds recognize a liability only when payment is due.

Subscription-Based Information Technology Arrangements (SBITAs) – SBITA agreements for noncancellable periods in excess of twelve months, including exercised extensions, are recognized as a liability. The SBITA liability is measured at the present value of lease payments expected to be paid during the lease term based on the City's implicit interest rate unless the interest rate is provided in the agreement. SBITAs are recognized at the present value of cash flows as a liability and a related right-to-use asset. Payments on the SBITA reduce the liability and amortize the right-to-use asset on a straight-line basis over the life of the SBITA agreement. At December 31, 2025, the City has no SBITA liabilities or right-to-use assets.

Unearned Revenue – Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred and the eligibility criteria have not been met.

Net Position/Fund Balances – In the government-wide financial statements, net position is restricted when constraints placed on the use of resources are externally imposed. Governmental fund balances are classified as restricted when constraints are placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Committed fund balances include resources which are subject to limitations the City imposes on itself by action of City Council through ordinances. Committed fund balances also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position (Continued)

Commitments may be established, modified, or rescinded only through ordinances approved by City Council. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed.

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

NOTE 2: Cash and Investments

At December 31, 2025, the City had the following cash and investments:

Cash on Hand	$ 11,554
Deposits	3,511,155
Investments	19,033,602
Total	$ 22,556,311

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2025, the City had bank deposits of $3,256,834, collateralized with securities held by the financial institution's agent but not in the City's name.

Investments

The City is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

Fair Value Measurements – At December 31, 2025, the City's investments in the local government investment pools were reported at the net asset value per share.

The fair value measurements are categorized by the fair value hierarchy. Valuation inputs are used to measure the fair value of the asset to determine the appropriate category. The categories range from Level 1, which is the highest priority, to Level 3, which is the lower priority and are based on the following criteria:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in the active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Interest Rate Risk – State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk – State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

Concentration of Credit Risk – State statutes do not limit the amount the City may invest in a single issuer of investment securities, except for corporate securities.

Local Government Investment Pools – At December 31, 2025, the City had $9,612,924 invested in the Colorado Surplus Asset Fund Trust (CSAFE) and $9,420,678 invested in the Colorado Local Government Liquid Asset Trust Plus (ColoTrust), investment vehicles established for local government entities in Colorado to pool surplus funds (the Pools). The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pools. ColoTrust and CSAFE are measured at the net asset value per share, with each share valued at $1 for ColoTrust and $2 for CSAFE. ColoTrust is rated AAAm by Standard and Poor's, and CSAFE is rated AAAmmf by Fitch Ratings. Investments of the Pools is limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3: Capital Assets

Capital asset activity for the year ended December 31, 2025, is summarized below:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Governmental Activities:				
Capital Assets, Not Being Depreciated / Amortized:				
Land	$ 4,225,357	$ 7,604	$ (14,000)	$ 4,218,961
Construction in Progress	108,845	2,313,245	(1,314,758)	1,107,332
Total Capital Assets, Not Being Depreciated / Amortized	4,334,202	2,320,849	(1,328,758)	5,326,293
Capital Assets, Being Depreciated / Amortized:				
Land Improvements	9,693,347	107,850	(41,771)	9,759,426
Infrastructure - Road Network	83,971,274	1,136,383	-	85,107,657
Buildings	20,008,001	1,321,658	(216,375)	21,113,284
Vehicles	3,738,126	492,847	(100,495)	4,130,478
Equipment	5,608,141	90,094	-	5,698,235
Total Capital Assets, Being Depreciated / Amortized	123,018,889	3,148,832	(358,641)	125,809,080
Less Accumulated Depreciation / Amortized:				
Land Improvements	(7,410,443)	(370,288)	23,544	(7,757,187)
Infrastructure - Road Network	(62,695,671)	(3,362,320)	-	(66,057,991)
Buildings	(5,763,298)	(540,766)	172,707	(6,131,357)
Vehicles	(2,760,999)	(295,458)	76,255	(2,980,202)
Equipment	(4,294,573)	(421,936)	-	(4,716,509)
Total Accumulated Depreciation / Amortization	(82,924,984)	(4,990,768)	272,506	(87,643,246)
Capital Assets, Being Depreciated / Amortized, Net	40,093,905	(1,841,936)	(86,135)	38,165,834
Capital Assets, Governmental Activities, Net	$ 44,428,107	$ 478,913	$ (1,414,893)	$ 43,492,127

Depreciation expense for governmental activities was charged by function as follows:

General Government	$ 169,040
Public Safety	355,132
Public works, including depreciation of general infrastructure assets	3,362,320
Parks and recreation	577,794
Capital assets held by the City's internal service fund are charged to various functions based on their usage of the assets	526,482
Total	$ 4,990,768

NOTE 3: Capital Assets (Continued)

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Business-Type Activities:				
Capital Assets, Not Being Depreciated / Amortized:				
Land and Easement	$ 952,610	$ -	$ -	$ 952,610
Construction in Progress	1,028,544	5,756,048	-	6,784,592
Total Capital Assets, Not Being Depreciated / Amortized	1,981,154	5,756,048	-	7,737,202
Capital Assets, Being Depreciated / Amortized:				
Land Improvements	3,625,777	-	-	3,625,777
Water Rights and Storage Reservoirs	607,491	-	-	607,491
Treatment and Generation Facilities	8,486,963	-	-	8,486,963
Collection, Transmission, and Distribution System	35,070,615	414,017	-	35,484,632
Buildings and Improvements	1,188,643	64,060	-	1,252,703
Street Lightning and Fiber Optic System	736,051	-	-	736,051
Equipment	794,280	106,438	-	900,718
Total Capital Assets, Being Depreciated / Amortized	50,509,820	584,515	-	51,094,335
Less Accumulated Depreciation / Amortized:				
Land Improvements	(3,625,778)	-	-	(3,625,778)
Water Rights and Storage Reservoirs	(162,522)	(5,718)	-	(168,240)
Treatment and Generation Facilities	(6,786,706)	(142,797)	-	(6,929,503)
Collection, Transmission, and Distribution System	(20,275,276)	(1,054,021)	-	(21,329,297)
Buildings and Improvements	(1,040,175)	(21,288)	-	(1,061,463)
Street Lightning and Fiber Optic System	(288,653)	(33,735)	-	(322,388)
Equipment	(638,082)	(48,882)	-	(686,964)
Total Accumulated Depreciation / Amortization	(32,817,192)	(1,306,441)	-	(34,123,633)
Capital Assets, Being Depreciated / Amortized, Net	17,692,628	(721,926)	-	16,970,702
Capital Assets, Business-Type Activities, Net	$ 19,673,782	$ 5,034,122	$ -	$ 24,707,904

Depreciation expense for business-type activities was charged by function as follows:

Municipal Light and Power	$ 387,761
Golf Course	30,606
Sewer	589,171
Water	298,903
Total	$ 1,306,441

NOTE 4: Long-Term Debt

Following is a summary of long-term debt for governmental activities for the year ended December 31, 2025.

	Balance 12/31/2024	Additions	Reductions	Balance 12/31/2025	Due Within One Year
Governmental Activities					
2019 Sales & Use Tax Revenue Bonds	$ 13,475,000	$ -	$ 640,000	$ 12,835,000	$ 675,000
Bond Premium	1,563,844	-	186,272	1,377,572	-
2023 Site Lease	4,753,920	-	614,317	4,139,603	635,081
Compensated Absences	633,207	26,154	-	659,361	-
Total	$ 20,425,971	$ 26,154	$ 1,440,589	$ 19,011,536	$ 1,310,081

Governmental Activities

Revenue Refunding Bonds, Series 2019

In November 2019, the City issued $16,230,000 of Sales and Use Tax Revenue Refunding Bonds, Series 2019. The bonds were issued by the City to fully refund the Series 2010 Sales and Use Tax Revenue Bonds. Interest is paid on June 1 and December 1 with interest rates ranging between 1.26% to 3.215% per annum. Principal is paid on December 1, through 2039. The bond refunding included a net present value savings of $2,460,912 for the City. The City purchased a surety bond in lieu of a cash bond reserve. Bond payments to maturity are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ 675,000	$ 559,050	$ 1,234,050
2027	705,000	525,300	1,230,300
2028	740,000	490,050	1,230,050
2029	775,000	453,050	1,228,050
2030	815,000	414,300	1,229,300
2031-2035	4,670,000	1,475,150	6,145,150
2036-2039	4,455,000	454,200	4,909,200
Total	$ 12,835,000	$ 4,371,100	$ 17,206,100

Lease Payable

In May 2023, the City entered into a lease-leaseback agreement in the amount of $6,009,184. Interest accrues at a fixed interest rate of 3.38% with payments from December 2023 through December 2032. The interest component is payable June 1 and December 1 with the principal component payable December 1. Lease payments to maturity are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ 635,081	$ 139,919	$ 775,000
2027	656,547	118,453	775,000
2028	678,738	96,262	775,000
2029	701,679	73,320	774,999
2030	725,396	49,603	774,999
2031-2032	742,162	37,836	779,998
Total	$ 4,139,603	$ 515,393	$ 4,654,996

NOTE 4: Long-Term Debt (Continued)

Business-Type Activities

Following is a summary of long-term debt for business-type activities the year ended December 31, 2025.

	Balance 12/31/2024	Additions	Reductions	Balance 12/31/2025	Due Within One Year
Business-Type Activities					
2012 Sewer Revenue Bank Loan	$ 1,137,877	$ -	$ 136,535	$ 1,001,342	$ 141,741
2022 Sewer Revenue Bank Loan	2,126,507	-	172,398	1,954,109	183,230
2024 Sewer Loan	3,939,740	-	190,017	3,749,723	180,139
Golf Course & M.L&P. Note Payable	1,391,886	-	1,391,886	-	-
Compensated Absences	195,613	41,514	-	237,127	-
Total	$ 8,791,623	$ 41,514	$ 1,890,836	$ 6,942,301	$ 505,110

Note Payable

In August 2005, the City borrowed $7,000,000 through a Golf Course and Municipal Light and Power Note Payable. Payment was due in variable monthly installments, including interest at a variable rate recently at 3.85%. The note was paid in full in 2025.

Loans Payable

In May 2012, the City entered into a Sewer Revenue Bank Promissory Note with the Bank of the West in the amount of $2,509,154 to improve the City's sewer infrastructure. Interest accrues at a fixed rate of 3.43% per annum. Payments are made monthly in the amount of $14,526, through May 2032, with a final payment of $14,733. Future sewer revenues are pledged to repay the loan.

In August 2022, the City entered into a Sewer Revenue Bank Promissory Note with the Bank of the West in the amount of $2,500,000 to improve the City's sewer infrastructure. Interest accrues at a fixed rate of 5.14% per annum. Payments are made monthly in the amount of $23,394, through August 2034. Future sewer revenues are pledged to repay the loan.

In October 2024, the City's Sewer Fund entered into a Water Pollution Control Revolving Fund Loan in the amount of $3,939,740. Interest accrues at a fixed interest rate of 1% per annum. Semi-annual principal and interest payments are due through November 2044. Future sewer revenues are pledged to repay the loan. Loan payments to maturity are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ 505,110	$ 176,400	$ 681,510
2027	521,705	150,520	672,225
2028	538,720	133,505	672,225
2029	557,067	115,160	672,227
2030	575,915	96,310	672,225
2031-2035	2,141,806	220,602	2,362,408
2036-2040	1,015,331	70,606	1,085,937
2041-2044	849,520	19,226	868,746
Total	$ 6,705,174	$ 982,329	$ 7,687,503

NOTE 5: Interfund Balances and Transfers

At December 31, 2025, the General Fund temporarily subsidized the operations of the Golf Course Fund in the amount $33,708. The balance was repaid after year-end.

At December 31, 2025, the City made transfers between funds summarized as follows:

Transfer Out	Transfer In	Purpose	Amount
CWCI	General	Capital Projects	$ 1,006,778
CWCI	General	Sales Tax Transfer	829,785
Light and Power	Golf Course	Debt Service/Operations	400,000
Sewer	Golf Course	Debt Service/Operations	320,000
Back the Badge	General	Public Safety	592,653
Back the Badge	CWCI	Debt Service	775,000
Total			$ 3,924,216

In 2025, the City transferred $1,836,563 from the City-Wide Capital Improvement Fund to the General Fund for the purpose of sales tax transfer and capital projects. In addition, the Light and Power Fund and Sewer Fund transferred $720,000 to Golf Course Fund to subsidize operations. Back the Badge Fund transferred restricted sales tax to the General Fund and the City-Wide Capital Improvement Fund in the amount of $1,367,653 for public safety related operations and debt service.

In addition, in 2025, the City incurred interfund charges for services that were reported as follows:

Revenue/Expense	Franchise Fee Equivalent	Administrative Management Fees	Internal Service Fund Charges	Net Charges
General	$ 721,219	$ 810,925	$ (510,889)	$ 1,021,255
Parks and Rec	-	(157,168)	(176,765)	(333,933)
CWCI	-	(81,399)	-	(81,399)
Light and Power	(362,114)	(109,549)	(89,584)	(561,247)
Sewer	(115,460)	(114,894)	(103,571)	(333,925)
Water	(174,753)	(96,611)	(137,412)	(408,776)
Refuse	(68,892)	(98,176)	(381,072)	(548,140)
Golf Course	-	(81,741)	(158,304)	(240,045)
Internal Service	-	(71,387)	1,557,597	1,486,210
Total	$ -	$ -	$ -	$ -

NOTE 6: Risk Management

Public Entity Risk Pool

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

NOTE 6: Risk Management (Continued)

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity, and the City does not approve budgets, nor does it have the ability to significantly affect the operations of CIRSA.

Unemployment Benefit Plan

The City does not purchase unemployment insurance and self-insures for unemployment benefits payable to former employees by reimbursing the Colorado Department of Labor and Employment (CDLE) for the exact cost of benefits collected by 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, 2021, resulted from the following:

Fiscal Year	Benefit Charges
2021	$ 65,166
2022	21,149
2023	(23,668)
2024	47,750
2025	15,437
Five-Year Average	$ 25,167

NOTE 7: 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. 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 ordinance requires that the City match employee contributions up to a maximum of 5% of the non-police employee's base salary and 10% of the police officer's 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 five 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 2025 was $8,488,615. The City's contributions were calculated using the base salary of $5,472,532. The City made the required contributions of $337,754 and the employees made required and elective contributions of $228,302 for a total amount of $566,056.

NOTE 8: Commitments and Contingencies

Commitments

Raw Water Purchase

The City has entered into a contract with the Tri-County Conservancy District to purchase 3,700 acre feet of water from the Dallas Creek Project from 2024-2049. The purchase price is currently $77.61 per acre foot; with potential cost adjustments at no longer than five-year intervals. 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 $9.00 per acre foot subject to annual adjustment. Such annual payments are subject to adjustment as a result of rate adjustments.

In 2025, this resulted in an annual payment of $320,470. 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.

Electricity Purchase

The City has entered into a contract with the Western Area Power Administration (WAPA) 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 through March 31, 2054, to purchase electrical energy needed in excess of the amounts contracted with WAPA. During the year ended December 31, 2025, the City purchased electricity at $0.0436 per kilowatt hour for the first quarter of 2025 and at $0.04766 for the remaining three quarters. During 2025, the City purchased 49,700,221 kilowatt hours for $2,316,825.

Claims and Judgments

The City participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2025, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the City.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The City is subject to the Amendment.

The Amendment requires the City to establish a reserve for emergencies, representing 3% of qualifying expenditures, explained in the following paragraph. At December 31, 2025, the City's emergency reserve was reported as restricted fund balance in the General Fund in the amount of $455,000.

Litigation

The City from time to time is involved in various legal matters. In the opinion of the City's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the City.

NOTE 9: Joint Governed Organization

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 five 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 2025 was $2.45 per thousand gallons which results in a minimum annual purchase commitment of $1,225,000, but the rate charged may be changed by action of the Authority. During 2025, the City was allowed to purchase treatment of 502 million gallons for $1,229,143 since the other entities in the joint venture purchased amounts less of their commitments. Separate financial statements of Project 7 Water Authority are available from the Authority.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DELTA, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2025

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
REVENUES				
Taxes				
Sales and Use Taxes	$ 2,790,716	$ 2,790,716	$ 2,933,089	$ 142,373
Franchise Taxes	865,707	865,707	841,612	(24,095)
Other Taxes	15,000	15,000	19,864	4,864
Total Taxes	3,671,423	3,671,423	3,794,565	123,142
Intergovernmental				
Cigarette Taxes	21,000	21,000	12,945	(8,055)
Highway Users Tax Fund	334,452	334,452	413,423	78,971
Road and Bridge	40,000	40,000	38,936	(1,064)
Clerk/Motor Vehicle Fees	38,000	38,000	39,278	1,278
Mineral Lease	-	-	21,662	21,662
State Severance	-	-	53,662	53,662
Federal Grants	170,210	170,210	164,300	(5,910)
State Grants	801,651	801,651	559,690	(241,961)
Other Intergovernmental	-	-	42,992	42,992
Total Intergovernmental	1,405,313	1,405,313	1,346,888	(58,425)
Licenses and Permits				
Liquor Licenses	4,500	4,500	5,014	514
Building Permits	145,000	145,000	192,816	47,816
Annexation/Other P&Z Fees	58,500	58,500	144,443	85,943
Animal Licenses	1,700	1,700	900	(800)
Other Licenses and Permits	32,000	32,000	30,750	(1,250)
Total Licenses and Permits	241,700	241,700	373,923	132,223
Fines and Forfeitures	35,000	35,000	23,691	(11,309)
Charges for Services				
Sales of Goods	-	-	1,732	1,732
Other Charges for Services	13,500	13,500	195,361	181,861
Total Charges for Services	13,500	13,500	197,093	183,593
Investment Income	36,000	36,000	22,811	(13,189)
Internal Charges				
Administrative/Management Fees	823,608	823,608	810,925	(12,683)
Other Revenues				
Reimbursements and Refunds	-	-	27,097	27,097
Donations	-	-	2,851	2,851
Other Miscellaneous Revenue	87,600	87,600	83,197	(4,403)
Total Other Revenues	87,600	87,600	113,145	25,545
TOTAL REVENUES	6,314,144	6,314,144	6,683,041	368,897

CITY OF DELTA, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2025

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
EXPENDITURES				
Current				
General Government				
Mayor and Council/Board	390,731	390,731	375,573	15,158
Administrator/Manager	545,118	545,118	566,295	(21,177)
Clerk	179,764	179,764	129,741	50,023
Finance	661,420	661,420	692,105	(30,685)
Attorney	20,000	20,000	80,176	(60,176)
Economic Development	132,514	132,514	135,823	(3,309)
Information Technology	70,000	70,000	75,291	(5,291)
Business Incubator	235,433	235,433	204,197	31,236
Homeless/Special Initiatives	599,521	599,521	380,679	218,842
Other General Government	191,556	191,556	798,998	(607,442)
Total General Government	3,026,057	3,026,057	3,438,878	(412,821)
Public Safety				
Police	3,550,698	3,550,698	3,505,795	44,903
Municipal Court	140,588	140,588	174,701	(34,113)
Total Public Safety	3,691,286	3,691,286	3,680,496	10,790
Public Works				
Community Development	425,807	425,807	494,724	(68,917)
Planning and Zoning	155,466	155,466	122,575	32,891
Engineering/GIS	75,481	75,481	43,283	32,198
Streets	318,195	318,195	368,955	(50,760)
Total Public Works	974,949	974,949	1,029,537	(54,588)
Parks, Recreation and Other				
Culture	-	-	6,399	(6,399)
Cemetery	257,696	257,696	292,137	(34,441)
Fort and Visitor Center	79,155	79,155	46,660	32,495
Total Parks, Recreation, and Other	336,851	336,851	345,196	(8,345)
Internal Charges				
Internal Service Activity	530,116	1,103,219	510,889	592,330
Capital Outlay	77,000	77,000	102,551	(25,551)
TOTAL EXPENDITURES	8,636,259	9,209,362	9,107,547	101,815
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,322,115)	(2,895,218)	(2,424,506)	470,712
OTHER FINANCING SOURCES (USES)				
Transfers In	1,809,302	2,429,216	2,429,216	-
CHANGE IN FUND BALANCE	(512,813)	(466,002)	4,710	470,712
FUND BALANCE, Beginning	1,716,891	1,716,891	1,053,677	(663,214)
FUND BALANCE, Ending	$ 1,204,078	$ 1,250,889	$ 1,058,387	$ (192,502)

CITY OF DELTA, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARKS AND RECREATION FUND
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes			
Sales and Use Taxes	$ 2,790,717	$ 2,933,118	$ 142,401
Charges for Services			
Recreation/Community Center Charges	662,500	699,641	37,141
Rents	62,300	61,350	(950)
Total Charges for Services	724,800	760,991	36,191
Investment Income	20,000	16,237	(3,763)
Other Revenues			
Donations	-	1,261	1,261
Other Miscellaneous Revenue	118,300	82,133	(36,167)
Total Other Revenues	118,300	83,394	(34,906)
TOTAL REVENUES	3,653,817	3,793,740	139,923
EXPENDITURES			
Parks, Recreation and Other			
Parks	1,093,237	983,855	109,382
Recreation	1,524,947	1,558,920	(33,973)
Parks and Recreation Administration	680,205	685,057	(4,852)
Other Parks and Recreation	25,923	29,796	(3,873)
Total Parks, Recreation and Other	3,324,312	3,257,628	66,684
Internal Charges			
Administrative/Management Fees	157,168	157,168	-
Internal Service Activity	126,075	176,765	(50,690)
Total Internal Charges	283,243	333,933	(50,690)
Capital Outlay	82,000	49,163	32,837
TOTAL EXPENDITURES	3,689,555	3,640,724	48,831
CHANGE IN FUND BALANCE	(35,738)	153,016	188,754
FUND BALANCE, Beginning	777,220	700,541	(76,679)
FUND BALANCE, Ending	$ 741,482	$ 853,557	$ 112,075

CITY OF DELTA, COLORADO
BUDGETARY COMPARISON SCHEDULE
DELTA URBAN RENEWAL AUTHORITY
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes			
Property Taxes	$ 24,000	$ 24,000	$ 29,983	$ 5,983
EXPENDITURES			
Public Works			
Community Development	15,000	15,000	13,257	1,743
Capital Outlay	25,000	25,000	15,644	9,356
TOTAL EXPENDITURES	40,000	40,000	28,901	11,099
CHANGE IN FUND BALANCE	(16,000)	(16,000)	1,082	17,082
FUND BALANCE, Beginning	62,024	62,024	41,471	(20,553)
FUND BALANCE, Ending	$ 46,024	$ 46,024	$ 42,553	$ (3,471)

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The City adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- In October, management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Expenditures may not legally exceed appropriations at the fund level. Any budget revisions that alter the total expenditures of any fund must be approved by the City Council.
- Budgets are legally adopted for all funds of the City except the Public Improvement Districts Fund, the Police Forfeiture Fund, and the Cemetery Fund. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except for certain interfund transactions that are reported as revenues and expenditures on a budgetary basis but not the GAAP basis of accounting. Budgetary comparisons presented for the Proprietary Funds are presented on a non-GAAP budgetary basis. Debt principal is recognized as an expenditure for budgetary purposes. Capital outlay is budgeted as an expenditure, and depreciation and amortization are not budgeted.
- All budget appropriations lapse at fiscal year-end.

Budgetary Compliance

In 2025, the Perpetual Care Fund actual expenditures exceeded budgeted expenditures in the amount of $21,963. This may be violations of state statutes.

Reserve Policy

As part of its annual budget process, the City has adopted a policy establishing target levels of fund balance and net position reserves for its funds. The policy establishes the following targets:

- No minimum reserve is targeted for the Conservation Trust Fund and the Golf Course Fund.
- A reserve equal to 25% of annual operations and maintenance expenditures is targeted for the General Fund, Parks and Recreation Center Fund, City-Wide Capital Improvement Fund, and Refuse Fund.
- A reserve equal to 25% of annual operations and maintenance expenses, plus amounts for current and future capital, is targeted for the Sewer Fund, Water Fund, Municipal Light & Power Fund, and Internal Service Fund.
- The General Fund, Debt Service Fund, Delta Urban Renewal Authority Fund, and Perpetual Care Fund additionally maintain amounts that are legally or contractually required to be held in reserve.

For the General Fund, the targeted reserve is composed of (1) amounts legally or contractually required to be maintained intact and (2) a minimum operating reserve representing the balance needed to reach 25% of annual expenditures.

COMBINING INDIVIDUAL FUND SCHEDULE AND BUDGETARY COMPARISON SCHEDULES

CITY OF DELTA, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	SPECIAL REVENUE FUNDS		PERMANENT FUND	
	CONSERVATION TRUST	BACK THE BADGE	PERPETUAL CARE	TOTAL
ASSETS				
Cash and Investments	$ 288,467	$ 64,261	$ 82,455	$ 435,183
Taxes Receivable	-	232,401	-	232,401
TOTAL ASSETS	$ 288,467	$ 296,662	$ 82,455	$ 667,584
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 810	$ -	$ -	$ 810
FUND BALANCES				
Restricted for:				
Conservation Trust	287,657	-	-	287,657
Public Safety	-	296,662	-	296,662
Cemetery	-	-	82,455	82,455
TOTAL FUND BALANCES	287,657	296,662	82,455	666,774
TOTAL LIABILITIES AND FUND BALANCES	$ 288,467	$ 296,662	$ 82,455	$ 667,584

CITY OF DELTA, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	SPECIAL REVENUE FUNDS		PERMANENT FUND	
	CONSERVATION TRUST	BACK THE BADGE	PERPETUAL CARE	TOTAL
REVENUES				
Taxes	$ -	$ 1,349,301	$ -	$ 1,349,301
Intergovernmental	116,033	-	-	116,033
Sales of Goods	-	-	23,353	23,353
Investment Income	9,334	19,240	-	28,574
TOTAL REVENUES	125,367	1,368,541	23,353	1,517,261
EXPENDITURES				
Current				
Parks, Recreation and Other	8,942	-	22,963	31,905
Capital Outlay	87,100	-	-	87,100
TOTAL EXPENDITURES	96,042	-	22,963	119,005
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	29,325	1,368,541	390	1,398,256
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(1,367,653)	-	(1,367,653)
CHANGES IN FUND BALANCES	29,325	888	390	30,603
FUND BALANCES, Beginning	258,332	295,774	82,065	636,171
FUND BALANCES, Ending	$ $ 287,657	$ $ 296,662	$ $ 82,455	$ $ 666,774

CITY OF DELTA, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Intergovernmental	$ 115,000	$ 116,033	$ 1,033
Investment Income	9,000	9,334	334
TOTAL REVENUES	124,000	125,367	1,367
EXPENDITURES			
Parks, Recreation and Other	6,500	8,942	(2,442)
Capital Outlay	107,410	87,100	20,310
TOTAL EXPENDITURES	113,910	96,042	17,868
CHANGE IN FUND BALANCE	10,090	29,325	19,235
FUND BALANCE, Beginning	238,509	258,332	19,823
FUND BALANCE, Ending	$ 248,599	$ 287,657	$ 39,058

CITY OF DELTA, COLORADO
BUDGETARY COMPARISON SCHEDULE
CITY-WIDE CAPITAL IMPROVEMENTS FUND
Year Ended December 31, 2025

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
REVENUES				
Taxes				
Sales and Use Taxes	$ 3,791,883	$ 3,791,883	$ 4,088,845	$ 296,962
Intergovernmental				
Federal Grants	2,300,000	2,300,000	1,106,475	(1,193,525)
State Grants	1,002,400	1,002,400	1,566,793	564,393
Total Intergovernmental	3,302,400	3,302,400	2,673,268	(629,132)
Investment Income	231,000	231,000	322,923	91,923
Other Revenues				
Other Miscellaneous Revenue	-	-	7,972	7,972
TOTAL REVENUES	7,325,283	7,325,283	7,093,008	(232,275)
EXPENDITURES				
Internal Charges				
Administrative/Management Fees	81,399	81,399	81,399	-
Capital Outlay	7,731,115	7,731,115	3,971,883	3,759,232
Debt Service				
Principal	-	-	1,254,317	(1,254,317)
Interest	-	-	751,732	(751,732)
Total Debt Service	-	-	2,006,049	(2,006,049)
TOTAL EXPENDITURES	7,812,514	7,812,514	6,059,331	1,753,183
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(487,231)	(487,231)	1,033,677	1,520,908
OTHER FINANCING SOURCES (USES)				
Lease Proceeds				-
Proceeds from the Sale of Capital Assets	300,000	300,000	412,770	(112,770)
Transfers In	775,000	775,000	775,000	-
Transfers Out	(40,142)	(1,846,598)	(1,836,563)	10,035
TOTAL OTHER FINANCING SOURCES (USES)	1,034,858	(771,598)	(648,793)	(102,735)
CHANGE IN FUND BALANCE	547,627	(1,258,829)	384,884	1,418,173
FUND BALANCE, Beginning	7,735,219	7,735,219	7,855,958	120,739
FUND BALANCE, Ending	$ 8,282,846	$ 6,476,390	$ 8,240,842	$ 1,538,912

CITY OF DELTA, COLORADO
BUDGETARY COMPARISON SCHEDULE
PERPETUAL CARE FUND
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Sales of Goods	$ 3,500	$ 23,353	$ 19,853
EXPENDITURES			
Parks, Recreation and Other			
Cemetery	1,000	22,963	(21,963)
CHANGE IN FUND BALANCE	2,500	390	(2,110)
FUND BALANCE, Beginning	81,525	82,065	540
FUND BALANCE, Ending	$ 84,025	$ 82,455	$ (1,570)

CITY OF DELTA, COLORADO
BUDGETARY COMPARISON SCHEDULE
BACK THE BADGE FUND
Year Ended December 31, 2025

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
REVENUES				
Taxes	$ 1,229,675	$ 1,229,675	$ 1,349,301	$ 119,626
Investment Income	16,450	16,450	19,240	2,790
TOTAL REVENUES	1,246,125	1,246,125	1,368,541	122,416
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,275,260)	(1,367,653)	(1,367,653)	-
CHANGE IN FUND BALANCE	(29,135)	(121,528)	888	122,416
FUND BALANCE, Beginning	520,370	520,370	295,774	(224,596)
FUND BALANCE, Ending	$ 491,235	$ 398,842	$ 296,662	$ (102,180)

CITY OF DELTA, COLORADO
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL LIGHT AND POWER FUND
Year Ended December 31, 2025

	BUDGET			VARIANCE Positive
	ORIGINAL	BUDGET	ACTUAL	(Negative)
OPERATING REVENUES				
Utility Charges	$ 7,246,500.00	$ 7,246,500.00	$ 7,232,236.00	$ (14,264.00)
Miscellaneous	74,500	74,500	49,195	(25,305)
TOTAL OPERATING REVENUES	7,321,000	7,321,000	7,281,431	(39,569)
OPERATING EXPENSES				
Commodity Charges	4,596,000	4,596,000	4,934,147	(338,147)
Management Fees/Internal Charges	561,974	561,974	561,247	727
Collection, Transmission and Distribution	1,108,744	1,108,744	1,264,242	(155,498)
Administration	182,690	182,690	181,818	872
Capital Outlay	1,019,000	1,019,000	83,102	935,898
TOTAL OPERATING EXPENSES	7,468,408	7,468,408	7,024,556	443,852
NET OPERATING INCOME (LOSS)	(147,408)	(147,408)	256,875	404,283
NONOPERATING REVENUES (EXPENSES)				
Investment Income	82,500	82,500	204,795	122,295
Intergovernmental Revenue	-	-	7,978	7,978
Other Revenue	110,000	110,000	111,677	1,677
Debt Service				
Principal	(904,451)	(904,451)	(904,401)	50
Interest and Fiscal Charges	(25,483)	(25,483)	(21,122)	4,361
TOTAL NONOPERATING REVENUES (EXPENSES)	(737,434)	(737,434)	(601,073)	136,361
NET INCOME (LOSS) BEFORE TRANSFERS	(884,842)	(884,842)	(344,198)	540,644
TRANSFERS				
Transfers Out	(1,150,000)	(400,000)	(400,000)	-
CHANGE IN NET POSITION, Budgetary Basis	$ (2,034,842)	$ (1,284,842)	(744,198)	$ 540,644
RECONCILIATION TO GAAP BASIS				
Capital Outlay			83,102	
Debt Principal			904,401	
Depreciation			(387,761)	
CHANGE IN NET POSITION, GAAP Basis			$ (144,456.00)	

CITY OF DELTA, COLORADO
BUDGETARY COMPARISON SCHEDULE
SEWER FUND
Year Ended December 31, 2025

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
OPERATING REVENUES				
Utility Charges	$ 2,476,240	$ 2,476,240	$ 2,321,834	$ (154,406)
Miscellaneous	40,673	40,673	17,722	(22,951)
TOTAL OPERATING REVENUES	2,516,913	2,516,913	2,339,556	(177,357)
OPERATING EXPENSES				
Management Fees/Internal Charges	346,846	346,846	333,925	12,921
Collection, Transmission and Distribution	1,235,333	1,235,333	995,884	239,449
Administration	42,722	42,722	48,370	(5,648)
Capital Outlay	7,343,539	7,343,539	5,783,852	1,559,687
TOTAL OPERATING EXPENSES	8,968,440	8,968,440	7,162,031	1,806,409
NET OPERATING INCOME (LOSS)	(6,451,527)	(6,451,527)	(4,822,475)	1,629,052
NONOPERATING REVENUES (EXPENSES)				
Investment Income	60,000	60,000	88,965	28,965
Other Revenue	27,600	27,600	26,997	(603)
Loan Proceeds	3,939,740	3,939,740	-	(3,939,740)
Debt Service				
Principal	(495,012)	(495,012)	(498,950)	(3,938)
Interest and Fiscal Charges	(182,064)	(182,064)	(182,949)	(885)
TOTAL NONOPERATING REVENUES (EXPENSES)	3,350,264	3,350,264	(565,937)	(3,916,201)
NET INCOME (LOSS) BEFORE CAPITAL CHARGES AND TRANSFERS	(3,101,263)	(3,101,263)	(5,388,412)	(2,287,149)
CAPITAL CHARGES AND TRANSFERS				
Intergovernmental	2,500,000	2,500,000	900,126	(1,599,874)
Plant Investment Fees	281,550	281,550	359,056	77,506
Transfers Out	(588,650)	(320,000)	(320,000)	-
TOTAL CAPITAL CHARGES AND TRANSFERS	2,192,900	2,461,550	939,182	(1,522,368)
CHANGE IN NET POSITION, Budgetary Basis	$ (908,363)	$ (639,713)	(4,449,230)	$ (3,809,517)
RECONCILIATION TO GAAP BASIS				
Capital Outlay			5,783,852	
Debt Principal			498,950	
Depreciation			(589,171)	
CHANGE IN NET POSITION, GAAP Basis			$ 1,244,401	

CITY OF DELTA, COLORADO
BUDGETARY COMPARISON SCHEDULE
WATER FUND
Year Ended December 31, 2025

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
OPERATING REVENUES				
Utility Charges	$ 3,817,152	$ 3,817,152	$ 3,535,540	$ (281,612)
Miscellaneous	15,500	15,500	20,451	4,951
TOTAL OPERATING REVENUES	3,832,652	3,832,652	3,555,991	(276,661)
OPERATING EXPENSES				
Commodity Charges	1,775,988	1,775,988	1,280,606	495,382
Management Fees/Internal Charges	338,171	338,171	408,776	(70,605)
Collection, Transmission and Distribution	1,294,748	1,294,748	1,325,592	(30,844)
Administration	127,621	127,621	37,956	89,665
Capital Outlay	1,212,800	1,212,800	402,197	810,603
TOTAL OPERATING EXPENSES	4,749,328	4,749,328	3,455,127	1,294,201
NET OPERATING INCOME (LOSS)	(916,676)	(916,676)	100,864	1,017,540
NONOPERATING REVENUES (EXPENSES)				
Investment Income	48,000	48,000	82,438	34,438
Intergovernmental Revenue	370,000	370,000	4,046	(365,954)
Other Revenue	30,000	30,000	32,338	2,338
TOTAL NONOPERATING REVENUES (EXPENSES)	448,000	448,000	118,822	(329,178)
NET INCOME (LOSS) BEFORE CAPITAL CHARGES	(468,676)	(468,676)	219,686	688,362
CAPITAL CHARGES AND TRANSFERS				
Plant Investment Fees	170,250	170,250	269,564	99,314
Transfers Out	(100,250)	-	-	-
TOTAL CAPITAL CHARGES AND TRANSFERS	70,000	170,250	269,564	99,314
CHANGE IN NET POSITION, Budgetary Basis	$ (398,676)	$ (298,426)	489,250	$ 787,676
RECONCILIATION TO GAAP BASIS				
Capital Outlay			402,197	
Depreciation			(298,904)	
CHANGE IN NET POSITION, GAAP Basis			$ 592,543	

CITY OF DELTA, COLORADO
BUDGETARY COMPARISON SCHEDULE
REFUSE FUND
Year Ended December 31, 2025

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
OPERATING REVENUES				
Utility Charges	$ 1,225,300	$ 1,225,300	$ 1,388,576	$ 163,276
OPERATING EXPENSES				
Trash Collection	544,030	544,030	574,243	(30,213)
Management Fees/Internal Charges	560,561	560,561	548,140	12,421
TOTAL OPERATING EXPENSES	1,104,591	1,104,591	1,122,383	(17,792)
NET OPERATING INCOME (LOSS)	120,709	120,709	266,193	145,484
NONOPERATING REVENUES (EXPENSES)				
Investment Income	22,000	22,000	47,226	25,226
Other Revenue	15,000	15,000	21,048	6,048
TOTAL NONOPERATING REVENUES (EXPENSES)	37,000	37,000	68,274	31,274
NET INCOME (LOSS) BEFORE TRANSFERS	157,709	157,709	334,467	176,758
TRANSFERS				
Transfers Out	(150,000)	-	-	-
CHANGE IN NET POSITION, Budgetary and GAAP Basis	$ 7,709	$ 157,709	334,467	$ 176,758

CITY OF DELTA, COLORADO
BUDGETARY COMPARISON SCHEDULE
GOLF COURSE FUND
Year Ended December 31, 2025

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
OPERATING REVENUES				
Golf Course Charges	$ 1,101,400	$ 1,101,400	$ 1,227,374	$ 125,974
Miscellaneous	-	-	5,184	5,184
TOTAL OPERATING REVENUES	1,101,400	1,101,400	1,232,558	131,158
OPERATING EXPENSES				
Golf Course Pro and Concessions	467,514	606,514	612,199	(5,685)
Golf Course Maintenance	610,905	671,905	601,341	70,564
Management Fees/Internal Charges	240,745	240,745	240,045	700
Capital Outlay	-	-	71,411	(71,411)
TOTAL OPERATING EXPENSES	1,319,164	1,519,164	1,524,996	(5,832)
NET OPERATING INCOME (LOSS)	(217,764)	(417,764)	(292,438)	125,326
NONOPERATING REVENUES (EXPENSES)				
Debt Service				
Principal	(487,511)	(487,511)	(487,485)	26
Interest and Fiscal Charges	(13,737)	(13,737)	(10,875)	2,862
TOTAL NONOPERATING REVENUES (EXPENSES)	(501,248)	(501,248)	(498,360)	2,888
NET INCOME (LOSS) BEFORE CAPITAL CHARGES	(719,012)	(919,012)	(790,798)	128,214
CAPITAL CHARGES AND TRANSFERS				
Transfers In	720,000	720,000	720,000	-
CHANGE IN NET POSITION, Budgetary Basis	$ 988	$ (199,012)	(70,798)	$ 128,214
RECONCILIATION TO GAAP BASIS				
Debt Principal			487,485	
Capital Outlay			71,411	
Depreciation			(30,606)	
CHANGE IN NET POSITION, GAAP Basis			$ 457,492	

CITY OF DELTA, COLORADO
BUDGETARY COMPARISON SCHEDULE
INTERNAL SERVICE FUND
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES			
Internal Charges	$ 1,690,849	$ 1,632,713	$ (58,136)
OPERATING EXPENSES			
Management Fees/Internal Charges	147,757	146,504	1,253
Claims and Premiums	59,396	62,056	(2,660)
Maintenance	972,992	994,457	(21,465)
Capital Outlay	470,700	515,676	(44,976)
TOTAL OPERATING EXPENSES	1,650,845	1,718,693	(67,848)
NET OPERATING INCOME (LOSS)	40,004	(85,980)	(125,984)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	11,250	3,594	(7,656)
Other Revenue	-	37,327	37,327
Gain (Loss) on Disposal of Assets	-	3,130	3,130
TOTAL NONOPERATING REVENUES (EXPENSES)	11,250	44,051	32,801
CHANGE IN NET POSITION, Budgetary Basis	$ 51,254	(41,929)	$ (93,183)
RECONCILIATION TO GAAP BASIS			
Capital Outlay		515,676	
Depreciation		(526,482)	
CHANGE IN NET POSITION, GAAP Basis		$ (52,735)	

COMPLIANCE SECTION

SINGLE AUDIT

DMC
AUDITING AND CONSULTING, LLC
(720) 422-1352
DCHERNYAK@DMCCPAS.NET

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and City Council
City of Delta, Colorado
Delta, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Delta, Colorado (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City and have issued our report thereon dated September 18, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the City's internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Honorable Mayor and City Council
City of Delta, Colorado

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

DMC Auditing and Consulting, LLC

September 18, 2026
Bailey, Colorado

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and City Council
City of Delta, Colorado
Delta, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Delta's (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the City's internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Honorable Mayor and City Council
City of Delta, Colorado

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

DMC Auditing and Consulting, LLC

September 18, 2026
Bailey, Colorado

CITY OF DELTA, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
U.S. DEPARTMENT OF COMMERCE			
Passed Through Economic Development Administration - Delta Library Innovation Center			
Economic Adjustment Assistance	11.307		$ 112,555
U.S. DEPARTMENT OF INTERIOR			
Passed Through State Department of Local Affairs			
Minerals Leasing Act	15.437	EIAF-09811	839,850
U.S. DEPARTMENT OF JUSTICE			
Passed Through State Department of Public Safety			
Crime Victim Compensation	16.576	2025-VA-26-678-07	21,745
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through State Department of Transportation			
National Infrastructure Investments	20.933	693J3240239	1,106,475
U.S. DEPARTMENT OF TREASURY			
Passed Through State Department of Local Affairs			
Coronavirus State and Local Fiscal Recovery Funds	21.027	H4HRGP33335	1,152,339
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Passed Through State Department of Public Health and Environment			
Clean Water State Revolving Fund	66.458	140301W-B	4,861,715
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 8,094,679

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CITY OF DELTA, COLORADO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2025

NOTE 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the City.

NOTE 2: Summary of Significant Accounting Policies

Governmental fund types account for the majority of the City's federal grant activity. Expenditures reported in the schedule of expenditures of federal awards are recognized on a modified accrual basis of accounting. Subrecipient expenditures are recorded on a cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Non-cash expenditures are included in the schedule.

NOTE 3: Indirect Cost Rate

The City has not elected to use the 15% de minimis cost rate.

NOTE 4: Subrecipients

The City did not allocate any federal expenditures to subrecipients.

CITY OF DELTA, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP): Unmodified

Internal control over financial reporting:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None Reported

Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs:

ALN Number	Name of Federal Cluster/Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
20.933	National Infrastructure Investments
66.458	Clean Water State Revolving Fund

Dollar threshold used to distinguish Between Type A and Type B programs: $1,000,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

SECTION II: FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No current year findings or questioned costs were reported.

STATE COMPLIANCE

LOCAL HIGHWAY FINANCE REPORT

STATE:		
COLORADO		
THIS INFORMATION FROM THE RECORDS OF:	**PREPARED BY:**	**REPORT YEAR ENDING DATE(mm/yyyy):**
City of Delta, Colorado	Karla Distel accounting@cityofdelta.net	12/2025

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assesments	0.00	a. Interest on investments	
b. Non-property Taxes and Assessments Imposts	3,818,052	b. Other Misc. Local Receipts	21,258
c. Total (a + b)	$ 3,818,052	**c. Total (a + b)**	$ 21,258
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	413,423	1. FHWA (from Item I.D.5.)	1,106,475
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	422,881		
c. Total (a + b)	$ 422,881		
4. Total (1 + 2 + 3c)	$ 836,304	**3. Total (1 + 2)**	$ 1,106,475

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	0
b. Engineering Costs	1,106,475
c. Construction Costs	1,022,416
d. Total Capital Outlay (a+ b + c)	2,128,891

Form FHWA-536 (Rev. 02-2025) Page2

LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO

REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Amount used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 3,818,052
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 21,259
5. Transfers from Toll Facilities	0.00
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	0.00
b. Bonds - Refunding Issues	0.00
c. Notes	0.00
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 3,839,311
B. Private Contributions	0.00
C. Receipts from State government (from page 1, Item II.C.4)	$ 836,304
D. Receipts from Federal government (from page 1, Item II.D.3)	$ 1,106,475
E. Total receipts (A.7 + B + C + D)	$ 5,782,090

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 2,128,891
2. Maintenance:	$ 986,033
3. Road and Street Services:	
a. Snow and Ice Removal	$ 987
b. Other & Traffic Control Operations	$ 48,158
c. Total (a + b)	$ 49,144
4. General Administration & Miscellaneous	
5. Highway Law Enforcement and Safety	1,386,972
6. Total (1 through 5)	$ 4,551,040
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	591,050
b. Redemption	640,000
c. Total (a + b)	$ 1,231,050
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ 1,231,050
C. Payments to State for Highways	
D. Payments to Toll Facilities	
E. Total Expenditures (A6 + B3 + C + D)	$ 5,782,090

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	13,475,000	$ -	$ 640,000	$ 12,835,000
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)		$ -	$ -	$ -
				$ 1.45
				$ 0

OTHER INFORMATION
SCHEDULES REQUIRED PURSUANT TO BOND AGREEMENT

History of City CIF Tax

Required annual financial information corresponding to Final Official Statement Table III under Exhibit I of the 2019 Continuing Disclosure Undertaking.

Year	City CIF Sales Tax Collections	City CIF Use Tax Collections	Total City CIF Tax Collections	% Change
2020	$2,207,474	$59,608	$2,267,082	9.20%
2021	$2,485,459	$148,162	$2,633,621	16.17%
2022	$2,591,034	$86,205	$2,677,239	1.66%
2023	$2,598,433	$67,152	$2,665,585	(0.44%)
2024	$2,705,391	$100,179	$2,805,570	5.25%
2025	$2,818,710	$114,379	$2,933,089	4.55%

History of County CIF Tax

Required annual financial information corresponding to Final Official Statement Table IV under Exhibit I of the 2019 Continuing

Year	Total County CIF Sales Tax	% Change
2020	$880,295	17.14%
2021	$983,599	11.74%
2022	$1,076,167	9.41%
2023	$1,077,482	0.12%
2024	$1,119,788	3.93%
2025	$1,155,756	3.21%

Top 10 Generators of City Sales and Use Tax

Required annual financial information corresponding to Final Official Statement Table VII under Exhibit I of the 2019 Continuing Disclosure Undertaking. Vendor identities remain confidential; report business type, receipts, and percent of total collections.

2024 Reference			2025 Update		
Business Type	**3% Sales & Use Tax Receipts**	**% of Total Collections**	**Business Type**	**3% Sales & Use Tax Receipts**	**% of Total Collections**
Retail	$2,221,699	26.4%	Retail	$2,174,829.00	25.8%
Grocery	$653,989	7.8%	Grocery	$648,174.00	7.7%
Government	$607,900	7.2%	Government	$605,785.00	7.2%
Grocery	$394,512	4.7%	Grocery	$430,498.00	5.1%
Retail	$264,707	3.1%	Retail	$261,343.00	3.1%
Retail	$210,835	2.5%	Retail	$200,308.27	2.4%
Government	$178,026	2.1%	Government	$157,060.00	1.9%
Utility	$126,374	1.5%	Retail	$129,767.00	1.5%
Retail	$122,135	1.5%	Restaurant	$119,017.00	1.4%
Restaurant	$113,752	1.4%	Utility	$114,562.00	1.4%
Top 10 Total	**$4,893,929**	**58.20%**	**Top 10 Total**	**$4,841,343**	**57.44%**
2024 Total City 3% Sales & Use Tax Collections	$8,416,043		2025 Total City 3% Sales & Use Tax Collections	$8,429,156	

City-Wide Capital Improvement Fund - 2019 Bond Continuing

Required annual financial information corresponding to Final Official Statement Table IX under Exhibit I of the 2019 Continuing Disclosure Undertaking.

	2023 Budget	2023 Actual	2024 Budget	2024 Actual	2025 Final Budget	2025 Actual
REVENUES						
Sales Tax	$2,526,322	$2,598,433	$2,591,583	$2,705,391	$2,722,717	$2,818,710
Use Tax	$65,000	$67,152	$65,000	$100,179	$68,000	$114,379
County Sales Tax	$971,721	$1,077,482	$991,253	$1,119,788	$1,001,166	$1,155,756
Income From Investments	$140,000	$461,876	$284,170	$459,439	$231,430	$322,923
Grant	$2,265,000	$389,087	$5,752,400	$2,739,446	$3,302,400	$2,673,268
Miscellaneous	-	-	-	$7,696	-	$7,972
Sale of Assets	-	-	-	-	$300,000	$412,770
Community Safety Center (Armory) Lease Proceeds	$5,500,000	$6,009,184	-	-	-	-
Contributions for Construction	$1,450,000	$1,320,896	-	-	-	-
Transfers In	$820,500	$420,500	-	$338,071	$775,000	$775,000
Total Revenues	**$13,738,543**	**$12,344,610**	**$9,684,406**	**$7,470,010**	**$8,400,713**	**$8,280,778**
EXPENDITURES						
Misc. Engineering / Other Professional Services	-	$4,212	-	$7,498	$705,000	$71,632
Sidewalk Projects	$85,000	-	$50,000	-	-	-
Murals / Public Art	$10,000	-	$45,000	$19,000	$8,000	-
ADA Compliance	$15,000	$2,408	$15,000	-	-	-
Public Facilities (includes Armory / Police Department and other facilities)	$8,211,000	$3,774,075	$5,685,733	$6,184,427	$1,002,400	$1,208,879
Street / Main Street / Other Capital Projects	$3,553,500	$1,010,221	$8,102,500	$3,689,406	$4,760,000	$2,682,160
Storm Water System Improvements	$400,000	$37,985	$400,000	$241,348	-	-
Non-Departmental	$88,367	$88,448	$89,954	$90,373	$91,064	$90,611
Debt Service	-	-	-	-	-	$2,006,049
Transfers to Other Funds	$1,440,027	$1,440,027	$1,231,550	$1,231,550	$1,846,598	$1,836,563
Total Expenditures	**$13,802,894**	**$6,357,376**	**$15,619,737**	**$11,463,602**	**$8,413,062**	**$7,895,894**
Fund Balance - Beginning	**$5,128,958**	**$5,859,930**	**$11,846,804**	**$11,847,164**	**$7,735,219**	**$7,855,958**
Fund Balance - Ending	**$5,064,607**	**$11,847,164**	**$5,911,473**	**$7,853,572**	**$7,722,870**	**$8,240,842**

City-Wide Capital Improvement Fund - 2019 Bond

Annual Financial Information corresponding to Final Official Statement Table VIII under Exhibit I of the 2019 Continuing Disclosure Undertaking.

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual
REVENUES						
Sales and Use Taxes	$3,147,377	$3,617,220	$3,753,406	$3,743,067	$3,925,358	$4,088,845
Intergovernmental Revenue	$7,122	$181,189	$1,907,769	$389,087	$2,739,446	$2,673,268
Charges for Services	-	-	-	-	-	-
Investment Earnings	$13,580	$1,252	$75,742	$462,362	$459,958	$322,923
Miscellaneous	$51,678	$29,433	$5,825	-	$9,561	$7,972
Other Financing Sources	-	-	$1,480,861	$2,516,396	$338,071	$1,187,770
Total Revenues	**$3,219,757**	**$3,829,094**	**$7,223,603**	**$7,110,912**	**$7,472,394**	**$8,280,778**
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Works	$111,058	$6,277	$21,815	$4,212	$7,498	-
Accounting & Administration	$85,881	$96,060	$87,252	$88,448	$90,373	$81,399
Capital Outlay	$649,418	$1,109,977	$4,760,135	$4,825,176	$10,134,181	$3,971,883
Debt Service	$1,219,679	$1,229,050	$1,227,800	$2,000,300	$1,231,550	$2,006,049
Other Financing Uses	$117,000	$28,050	-	$214,727	-	$1,836,563
Total Expenditures	**$2,183,036**	**$2,469,414**	**$6,097,002**	**$7,132,863**	**$11,463,602**	**$7,895,894**
Revenues Over (Under) Expenditures	**$1,036,721**	**$1,359,680**	**$1,126,601**	**($21,951)**	**($3,991,208)**	**$384,884**
OTHER FINANCING SOURCES (USES)						
Community Safety Center (Armory) Lease Proceeds	-	-	-	$6,009,184	-	-
Total Other Financing Sources (Uses)	**-**	**-**	**-**	**$6,009,184**	**-**	**-**
Net Change in Fund Balance	**$1,036,721**	**$1,359,680**	**$1,126,601**	**$5,987,233**	**($3,991,208)**	**$384,884**
Fund Balance - Beginning	**$2,336,928**	**$3,373,649**	**$4,733,329**	**$5,859,930**	**$11,847,164**	**$7,855,958**
Fund Balance - Ending	**$3,373,649**	**$4,733,329**	**$5,859,930**	**$11,847,164**	**$7,855,958**	**$8,240,842**