



360 Main St. • Delta, Colorado 81416 • Phone (970) 874-7566 • Fax (970) 874-8776

Council may take formal action on any item appearing on this Agenda. However, formal action WILL NOT be taken at this meeting on any item of business first identified during the course of the meeting as a change to the Agenda, other business, or Citizen, Councilmember and Staff Comments.

A G E N D A

**Delta City Council
Regular Meeting**

**August 16, 2016
7:00 p.m.**

- A. Pledge of Allegiance**
- B. Changes to the Agenda**
- C. Minutes**
- D. Citizen Comments**
- E. Public Hearing: Sales and Use Tax License; Ken's Pit Stop**
- F. Letter of Intent to Participate in the Delta County Multi-Jurisdictional Hazard Mitigation Plan**
- G. Rezone Recommendation from the Planning Commission for 755 Crawford Avenue**
- H. Proclamation - Anna Marie Suppes Day**
- I. Auditors Report**
- J. City Attorney Comments**
- K. City Manager Comments**
- L. Councilmember Comments**
- M. Executive Session**
For a conference with the City Attorney for the purpose of receiving legal advice on specific legal questions under CRS Section 24-6-402(4)(b) – update on litigation.

Item A:

Pledge of Allegiance



Item B:

Changes to the Agenda

Mayor Ed Sisson called the meeting to order at 7:00 p.m. Also present were Councilmembers Bill Raley, Ron Austin, Christopher Ryan and Gerald Roberts, along with City Manager David Torgler and City Attorney David McConaughy. A meeting notice was posted in the south window at City Hall at least twenty-four hours prior to the meeting.

Pledge of Allegiance

The Mayor led everyone present in the Pledge of Allegiance.

Changes to the Agenda

There were none.

Minutes

Councilmember Roberts and Ryan presented spelling corrections.

It was moved by Councilmember Roberts and seconded by Councilmember Austin to approve the minutes of the July 5, 2016 regular meeting and the July 26, 2016 special meeting, as amended. All in favor, motion carried.

Citizen Comments

The following individuals commented on an event that was held at the Delta Fireside Inn and their dissatisfaction on how city officials handled information regarding the event:

- Barbara Hulet, 2218 5900 Road, Olathe, CO.
- Rosemary Anderson, 17257 B Road, Delta, CO.
- Beverly Watts 2250 Mesa Drive, Olathe, CO.
-

Appointment to the Delta Housing Authority Board

The Clerk reported that the Delta Housing Authority Board has a vacancy. Staff has advertised for the vacancy and has received one applicant. Brad Kolman has submitted his application to be appointed to the Delta Housing Authority Board.

It was moved by Councilmember Roberts and seconded by Councilmember Raley to appoint Brad Kolman to the Delta Housing Authority Board. All in favor, motion carried.

Repair of Centrifuge at Wastewater Treatment Plant (WWTP)

Utilities Director Steve Glammeyer stated that staff is recommending that Council allow staff to contract with Dairy Specialists West/Nutrifuge to repair the centrifuge unit at the WWTP for \$39,650.00. Staff budgeted money to repair the centrifuge unit at the WWTP in the 2016 budget. The unit was originally installed in 2005 and has not had any repair or maintenance since that initial installation. Staff has received two bids for the necessary major repairs. Bids were received from Dairy Specialists West/Nutrifuge in the amount of \$39,650.00 and from Centrisys in the amount of \$47,650.00. The budget for the repair was is \$50,000. Although this item is budgeted and within the budgeted amount, purchasing regulations require approval from City Council for items costing over \$20,000. Going forward, staff will budget for preventative maintenance to occur every 5 years, as recommended by the manufacturer, to try and avoid the cost of major repairs.

It was moved by Councilmember Raley and seconded by Councilmember Roberts to award a contract to Dairy Specialists West/Nutrifuge in the amount of \$39,650.00. All in favor, motion carried.

Approval to Hire Public Finance Attorney Services for Urban Renewal Activities

City Manager David Torgler stated that at the work session last week there was discussion regarding moving forward with the Delta Urban Renewal Authority. It is important the city is in compliance with the new laws and that a solid foundation be established. Mr. Torgler is recommending that Council approve hiring the law firm of Brownstein Hyatt Farber Schreck.

Regular Meeting, Delta City Council, August 2, 2016 (cont.)
Approval to Hire Public Finance Attorney Services for Urban Renewal Activities (cont.)

Mayor Sisson stated that his questions were answered in the work session and believes this is important to take a step forward.

There was discussion regarding the process in which DURA would be formed and how the entity would continue to help with various projects.

Mr. Torgler also stated that he is requesting approval to submit a grant for 50% reimbursement of the cost of hiring the law firm.

Councilmember Roberts questioned where the funds will come from.

Mr. Torgler reported that the city has a 25% fund balance that would be used.

It was moved by Councilmember Austin and seconded by Councilmember Ryan to authorize the City Manager to execute an agreement to hire Brownstein Hyatt Farbert Schreck, LLP to represent the City of Delta per the July 8, 2016 Proposal and Fee Agreement. Councilmembers Austin, Ryan, Raley and Sisson voting aye; Councilmember Roberts voting nay. Motion carried.

It was moved by Councilmember Austin and seconded by Councilmember Raley to appropriate approximately \$30,000 in the 2016 budget and agree to include funding of approximately \$42,000 in the 2017 budget to cover the expenses. Councilmembers Austin, Ryan, Raley and Sisson voting aye; Councilmember Roberts voting nay. Motion carried.

It was moved by Councilmember Austin and seconded by Councilmember Ryan to approve the request for reimbursement from DURA for any city incurred expenses for this legal work as part of a future DURA budget, and include this request in an intergovernmental agreement between the City of Delta and the DURA. All in favor, motion carried.

It was moved by Councilmember Austin and seconded by Councilmember Raley to authorize the City Manager to request funding from the Department of Local Affairs for an administrative grant to cover fifty percent of the legal expenses up to \$25,000. All in favor, motion carried.

City Attorney Comments

There were none.

City Manager Comments

City Manager Torgler thanked the council for their time in the work session with the Bureau of Land Management.

Councilmember Comments

Councilmember Austin thanked Mr. Torgler for the work sessions as they are providing more information to Council to be better informed. He commented on Deltrado Days and the possibility of moving the events from Cleland Park to Confluence Park.

Councilmember Ryan also thanked Mr. Torgler for the work sessions. He recognized the youth that are in attendance tonight. He also questioned where the city is at in regards to the Chief of Police.

Mr. Torgler stated he is working with various individuals to determine what qualifications the community is wanting in the next Chief.

Intern Matt Hirschinger reminded everyone about the employee picnic on Friday.

The meeting was adjourned at 7:40 p.m.

Item D:

Citizen Comments



CITY OF DELTA

NOTICE OF HEARING

In the matter of)
the revocation of) NOTICE OF HEARING
the Delta Municipal Sales and Use Tax License of)

Kens Pit Stop
188 Gunnison River Drive
Delta, Colorado 81416

SALES & USE TAX LICENSE #1738

To: Kenneth Wood

You are hereby notified that a hearing will be held before the Delta City Council at 360 Main Street, Delta, Colorado on the 16th, day of August 2016 at 7:00 PM. The purpose of this hearing is to determine whether your license to engage in the business of selling at retail should be revoked. The hearing has been called, because there is probable cause to believe that you are in violation of provisions of the Delta Municipal Sales and Use Tax Ordinance as found in Chapter 3.04 of the Delta Municipal Code.

Specifically, there is probable cause that:

You have been delinquent in filing returns and paying the sales tax, penalty and interest due, in accordance with the Delta Municipal Sales and Use Tax Ordinance for the period(s) of April 2016 through June 2016.

You may appear at the hearing to show cause why your license should not be suspended or revoked. You may be represented by counsel at the hearing. You may testify on your own behalf or present other witnesses, and shall have the right to cross-examine any adverse witnesses. Subpoenas will be issued if requested.

Issued this 25th, day of July 2016 in the City of Delta, Colorado.

CITY OF DELTA, COLORADO



Tod DeZeeuw, Finance Director

The undersigned states that a copy of the within NOTICE OF HEARING was served upon

Kens Pit Stop by handing him and/or her a copy or leaving a copy
hereof with Amy Mcrollough on 07/25/16 @ 1556
at Delta, CO 81416

Chief Charles Kettle,
Serving Officer



MEMO

To: City Council, City Manager
From: Charles B. Kettle, Interim Chief of Police
Date: August 10, 2016
Subject: Letter of intent to participate in the hazard mitigation plan



Police Department

Recommendation

It is recommended that the Council approve the letter of intent to participate in the hazard mitigation plan.

Background

The Delta County Hazard Mitigation plan has expired. The Pre-Disaster Mitigation (PDM) Program provides funding on a nationally competitive basis for plans and for natural hazards mitigation projects. Eligible activities include local hazard mitigation plans, property acquisition and demolition, elevation or relocation, minor localized flood reduction projects (i.e., detention ponds, improved culverts, channel stabilization), structural retrofitting of existing buildings, infrastructure retrofits, construction of tornado safe rooms, and wildfire defensible space or fuels reduction projects. Applicants can apply for Federal funds, with a minimum of a 25% local match.

Cost

There is no cost to the City.

Action to be Taken if Approved

The Mayor will sign the intent to participate in the hazard mitigation plan letter. I will be attending 3 to 4 meetings throughout the year to assist with developing the plan.

Charles B. Kettle

DELTA COUNTY OFFICE OF EMERGENCY MANAGEMENT



JEFFREY WRIGHT, DIRECTOR

P.O. Box 172 ~ 555 Palmer Street ~ Delta, CO 81416

Phone: (970) 874-2004 Fax: (970) 874-2027

jwright@deltacounty.com

LETTER OF INTENT TO PARTICIPATE

August 16th, 2016

Delta County
Office of Emergency Management
555 Palmer Street. Delta Colorado 81416

Re: "Statement of Intent to Participate" as a participating jurisdiction in the Delta County Multi-Jurisdictional Hazard Mitigation Plan (HMP)

Dear City of Delta,

In accordance with the Federal Emergency Management Agency's (FEMA) Local Hazard Mitigation Plan (HMP) requirements, under [44 CFR §201.6](#), which specifically identify criteria that allow for multi-jurisdictional mitigation plans, the County of Delta is submitting this letter of intent to confirm that the City of Delta has agreed to participate in the Delta County Multi-Jurisdictional Hazard Mitigation Planning effort.

Further, as a condition to participating in the mitigation planning, The City of Delta agrees to meet the requirements for mitigation plans identified in [44 CFR §201.6](#) and to provide such cooperation as is necessary and in a timely manner to the County of Delta to complete the plan in conformance with FEMA requirements.

The City of Delta understands that it must engage in the following planning process, as more fully described in [FEMA's Local Mitigation Planning Handbook dated March 2013](#) including, but not limited to:

- Identification of hazards unique to the jurisdiction and not addressed in the master planning document;
- The conduct of a vulnerability analysis and an identification of risks, where they differ from the general planning area;
- The formulation of mitigation goals responsive to public input and development of mitigation actions complementary to those goals. A range of actions must be identified specific for each jurisdiction;
- Demonstration that there has been proactively offered an opportunity for participation in the planning process by all community stakeholders (examples of participation include relevant involvement in any planning process, attending meetings, contributing research, data, or other information, commenting on drafts of the plan, etc.);
- Documentation of an effective process to maintain and implement the plan;
- Formal adoption of the Multi-Jurisdictional Hazard Mitigation Plan by the jurisdiction's governing body (each jurisdiction must officially adopt the plan).

Therefore, with a full understanding of the obligations incurred by an agreement between the Lead Jurisdiction, Delta County, and the Participating Jurisdiction, City of Delta, I, _____, am authorized to, and under that authorization, do commit The City of Delta to the Delta County Multi-Jurisdictional Hazard Mitigation Planning effort.

Executed this 16th Day of August, 2016

Printed Name _____

Signed Name _____

MEMO

To: City Council
From: Glen L. Black *GLB*
Date: August 16, 2016
Subject: Planning Commission Recommendation of Denial
755 Crawford Avenue Zoning Amendment Request



Community Development

Recommendation: Council shall decide how they wish to proceed. Council has two options:

1. To accept the recommendation of denial from the Planning Commission and take no action, unless an appeal is filed. (No appeal was filed within the allowed time frame)
2. The Council may decide in its discretion to hear the matter de novo as set out in 17.04.290.H.1. and 17.04.290.H.3

Background: On August 1, 2016, the Planning Commission held a Public Hearing to review a Zoning Amendment/Rezone Request for 755 Crawford Avenue from MHR to B-2. After a properly notice public hearing, the Planning Commission made the decision to recommend "No Change" to the zoning map to City Council.

Cost: No cost if the City Council decides to accept the recommendation of the Planning Commission for "No Change" to the zoning map for 755 Crawford Avenue.

A de novo hearing will have certain costs associated with posting notice of the Public Hearing including newspaper ad, mailing notices to adjacent property owners and posting sign. Review of the tape-recording would have no cost.

Actions To Be Taken: Should Council choose to hold a de novo hearing, staff would recommend scheduling for the regular City Council meeting on September 6, 2016 to allow for timely notifications. Should Council choose to review tape-recording, staff can arrange this for the City Council meeting on September 6, 2016.

City of Delta

PROCLAMATION

**A Proclamation of the City of Delta, Colorado,
Proclaiming August 4, 2016**

“ANNA MARIE SUPPES DAY”

in the City of Delta

WHEREAS, Anna Marie Suppes was born August 4, 1916 in Coal Crick, Kansas. She had four brothers and six sisters;

WHEREAS, Anna Marie married Johnny Suppes in Montrose, Colorado on April 17, 1956 and they were married for 46 years before his passing;

WHEREAS, Anna Marie served in the convent in Debuque, IA for 36 years;

WHEREAS, Anna Marie raised her two children to be good citizens and to contribute to the community. She is proud that her grandchildren have also developed into good citizens;

WHEREAS, Anna Marie attributes her longevity to strength and to trying everything. Never say “you can’t”;

WHEREAS, Anna Marie’s greatest accomplishment was teaching for 36 years;

WHEREAS, Anna Marie has many grandchildren; and

WHEREAS, Anna Marie is known to make beautiful art out of sea shells.

NOW, THEREFORE, I, Edward C. Sisson, Mayor of the City of Delta, do hereby proclaim Thursday, August 4, 2016 as “**ANNA MARIE SUPPES DAY**” in the City of Delta, and wish Anna Marie a wonderful **100th birthday**.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the official seal of the City of Delta to be affixed this 4th day of August, 2016.



Mayor

ATTEST:



City Clerk



MEMO

To Mayor and City Council

From: Tod DeZeeuw, Finance Director

Date: August 16, 2016

Subject: Audit 2015

Timothy Mayberry, CPA from Holscher, Mayberry & Company, L.L.C. will be presenting the audited financial statements for the period ended December 31, 2015 at the City Council meeting on August 16th, 2016.

The City has submitted the 12-31-2015 Audit Report to all the required agencies.

CITY OF DELTA, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2015

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FINANCIAL SECTION

Management's Discussion and Analysis

As management of the City of Delta, we offer readers of the City of Delta's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2015.

Financial Highlights

The City went to the vote of the people to extend and expand the use of the Recreation Center's 1% sales and use tax. The 1% sales and use tax can be used for parks and golf course operations and the tax is now in perpetuity.

As of the close of the year, the City had \$14,535,088 in combined ending cash and investment balances compared to \$16,152,124 in combined ending cash and investment balances for the previous year. The major decrease in investments pertains to the Vistor Center Project and Storm Water Project expenses.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and

the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary comparisons for the general fund, recreation center fund and the city-wide capital improvement fund. Required supplementary information can be found on pages 33 through 36 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and budgetary comparison schedules are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 37 through 51 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The City's assets exceeded liabilities by \$61,545,122 at the close of the year 2015.

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

City of Delta's Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Current & other assets	\$ 8,724,812	\$ 6,138,154	\$ 10,044,047	\$ 10,842,771	\$ 18,768,859	\$ 16,980,925
Capital assets	54,287,800	52,881,359	22,838,395	22,056,904	77,126,195	74,938,263
Total assets	\$ 63,012,612	\$ 59,019,513	\$ 32,882,442	\$ 32,899,675	\$ 95,895,054	\$ 91,919,188
Long-term liabilities	\$ 22,012,066	\$ 22,413,854	\$ 6,178,247	\$ 6,395,907	\$ 28,190,313	\$ 28,809,761
Other liabilities	4,336,126	1,013,896	1,082,716	550,409	5,418,842	1,564,305
Total liabilities	\$ 26,348,192	\$ 23,427,750	\$ 7,260,963	\$ 6,946,316	\$ 33,609,155	\$ 30,374,066
Deferred inflows of resources	\$ 13,597	\$ -	\$ 1,169	\$ -	\$ 14,766	\$ -
Net position:						
Net investment in capital assets	\$ 29,039,460	\$ 30,770,817	\$ 16,296,825	\$ 15,878,668	\$ 45,336,285	\$ 46,649,485
Restricted	5,593,430	3,014,307	-	-	5,593,430	3,014,307
Unrestricted	2,017,933	1,806,639	9,323,485	10,074,691	11,341,418	11,881,330
Total net position	\$ 36,650,823	\$ 35,591,763	\$ 25,620,310	\$ 25,953,359	\$ 62,271,133	\$ 61,545,122

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

City of Delta's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 10,730,432	\$ 10,437,432	\$ 10,730,432	\$ 10,437,432
Fees and fines	968,496	939,286	-	-	968,496	939,286
Grants	2,328,446	2,548,082	-	14,540	2,328,446	2,562,622
General revenues:						
Taxes:						
Sales tax	5,602,232	5,787,926	-	-	5,602,232	5,787,926
Franchise and Occupational tax	153,545	153,118	-	-	153,545	153,118
Cigarette	21,778	21,356	-	-	21,778	21,356
Endowment	3,920	1,894	-	-	3,920	1,894
Investment	11,228	5,341	11,749	11,056	22,977	16,397
Miscellaneous	227,965	87,819	-	189,014	227,965	276,833
Accounting and administration	416,542	749,781	(345,766)	(403,430)	70,776	346,351
Franchise tax equivalents	477,325	484,971	(477,327)	(484,971)	(2)	-
Total revenue	<u>10,211,477</u>	<u>10,779,574</u>	<u>9,919,088</u>	<u>9,763,641</u>	<u>20,130,565</u>	<u>20,543,215</u>
Expenses:						
General government	1,028,379	806,275	-	-	1,028,379	806,275
Public safety	1,734,779	1,960,253	-	-	1,734,779	1,960,253
Public works	5,959,754	6,062,699	-	-	5,959,754	6,062,699
Health and safety	202,527	-	-	-	202,527	-
Parks and recreation	2,635,151	2,989,407	-	-	2,635,151	2,989,407
Miscellaneous	32,099	-	-	-	32,099	-
Municipal Light & Power	-	-	5,002,715	5,145,417	5,002,715	5,145,417
Sewer	-	-	1,148,792	1,099,801	1,148,792	1,099,801
Water	-	-	1,584,430	1,606,180	1,584,430	1,606,180
Refuse	-	-	493,594	428,162	493,594	428,162
Golf	-	-	1,171,833	1,151,032	1,171,833	1,151,032
Total expenses	<u>11,592,689</u>	<u>11,818,634</u>	<u>9,401,364</u>	<u>9,430,592</u>	<u>20,994,053</u>	<u>21,249,226</u>
Increase in net assets before transfers	(1,381,212)	(1,039,060)	517,724	333,049	(863,488)	(706,011)
Transfers	345,000	(20,000)	(345,000)	-	-	(20,000)
Increase (decrease) in net position	(1,036,212)	(1,059,060)	172,724	333,049	(863,488)	(726,011)
Net position - January 1st	<u>37,687,035</u>	<u>36,650,823</u>	<u>25,447,586</u>	<u>25,620,310</u>	<u>63,134,621</u>	<u>62,271,133</u>
Net position - December 31st	<u>\$ 36,650,823</u>	<u>\$ 35,591,763</u>	<u>\$ 25,620,310</u>	<u>\$ 25,953,359</u>	<u>\$ 62,271,133</u>	<u>\$ 61,545,122</u>

General Fund Budgetary Highlights

A positive item to note on page 33 regarding the General Fund variance column is a 4.89% increase in sales and uses taxes received over the amount budgeted.

Financial Analysis of the City's Funds

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

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

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

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2015, amounts to \$74,938,266 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, and roads and bridges.

City of Delta Capital Assets

(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Land	\$ 3,627,274	\$ 3,672,940	\$ 952,610	\$ 952,610	\$ 4,579,884	\$ 4,625,550
Construction in Progress	937,909	15,800	2,742,501	-	3,680,410	15,800
Improvements other than buildings	4,312,169	4,058,620	487,178	243,589	4,799,347	4,302,209
Infrastructures	41,554,269	41,351,655			41,554,269	41,351,655
Buildings	2,596,069	2,412,352	514,933	486,811	3,111,002	2,899,163
Water rights and storage Treatment and generation facilities			502,142	496,425	502,142	496,425
Collection, transmission and distribution systems			1,001,187	3,640,399	1,001,187	3,640,399
Street lighting system			16,459,383	16,018,895	16,459,383	16,018,895
Vehicles and equipment	1,260,110	1,369,993	89,311	85,786	89,311	85,786
Total	\$ 54,287,800	\$ 52,881,360	\$ 22,838,395	\$22,056,906	\$77,126,195	\$ 74,938,266

Additional information on the City of Delta's capital assets can be found in note 3 on pages 23 through 25 of this report.

Long-term debt. At the end of the current fiscal year, the City of Delta had total bonded debt and note payable outstanding of \$28,000,228. Of this amount, \$21,925,000 is backed by Sales and Use Tax Revenue collections and the remaining \$6,075,228 debt is secured by specified revenue sources.

City of Delta's Outstanding Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2015	2014	2015	2014	2015
Sales & use tax revenue bonds	\$ 22,465,000	\$21,925,000	\$ -	\$ -	\$ 22,465,000	\$ 21,925,000
Notes payable	-	-	6,406,854	6,075,228	6,406,854	6,075,228
Total	\$ 22,465,000	\$21,925,000	\$6,406,854	\$6,075,228	\$ 28,871,854	\$ 28,000,228

Additional information on the City's long-term debt can be found in note 6 on pages 27 through 29 of this report.

Economic Factors and Future Year's Budgets

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

Requests for Information

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

Holscher, Mayberry & Company, LLC

Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT

City Council
City of Delta
Delta, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Delta, Colorado, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the City of Delta's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 10, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management's Discussion and Analysis

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

Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 32 - 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the combining and budgetary comparison statements and schedules listed as other supplementary information on pages 36 - 50 are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Local Highway Finance Report* pages 51 - 52 and the supplemental schedules required pursuant to bond agreements on pages 53 - 50 are presented for purposes of legal compliance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2016, on our consideration of the City of Delta'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 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 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 City of Delta's internal control over financial reporting and compliance.



Englewood, Colorado
June 3, 2016

CITY OF DELTA, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2015

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES FUND	TOTAL
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 1,934,717	\$ 5,370,472	\$ 7,305,189
Investments	992,641	4,083,586	5,076,227
Restricted Cash and Investments	2,153,685	-	2,153,685
Receivables			
Utility Receivables	-	986,315	986,315
Accounts Receivable	921,860	35,801	957,661
Inventory	131,308	366,234	497,542
Prepaid Expenses	3,943	363	4,306
Total Current Assets	<u>6,138,154</u>	<u>10,842,771</u>	<u>16,980,925</u>
Noncurrent Assets			
Capital Assets not being Depreciated	3,688,740	952,610	4,641,350
Capital Assets being Depreciated, net	<u>49,192,619</u>	<u>21,104,294</u>	<u>70,296,913</u>
Total Noncurrent Assets	<u>52,881,359</u>	<u>22,056,904</u>	<u>74,938,263</u>
TOTAL ASSETS	<u>\$ 59,019,513</u>	<u>\$ 32,899,675</u>	<u>\$ 91,919,188</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 526,468	\$ 505,354	\$ 1,031,822
Accrued Liabilities	23,990	(21,478)	2,512
Accd Salaries & Benefits	154,431	63,122	217,553
Retainage Payable	8,021	(8,021)	-
Deposits and Escrow	183,330	-	183,330
Accrued Interest Payable	101,825	11,083	112,908
Unearned Revenue	15,831	349	16,180
Total Current Liabilities	<u>1,013,896</u>	<u>550,409</u>	<u>1,564,305</u>
Noncurrent Liabilities			
Due within one year	560,000	377,275	937,275
Due in more than one year	<u>21,853,854</u>	<u>6,018,632</u>	<u>27,872,486</u>
Total Noncurrent Liabilities	<u>22,413,854</u>	<u>6,395,907</u>	<u>28,809,761</u>
TOTAL LIABILITIES	<u>23,427,750</u>	<u>6,946,316</u>	<u>30,374,066</u>
NET POSITION			
Net Investment in Capital Assets	30,770,817	15,878,668	46,649,485
Restricted Net Position	3,014,307	-	3,014,307
Unrestricted Net Position	<u>1,806,639</u>	<u>10,074,691</u>	<u>11,881,330</u>
TOTAL NET POSITION	<u>35,591,763</u>	<u>25,953,359</u>	<u>61,545,122</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 59,019,513</u>	<u>\$ 32,899,675</u>	<u>\$ 91,919,188</u>

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

CITY OF DELTA, COLORADO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
Government Activities				
Current:				
General Government	\$ 1,350,974	\$ 814,278	\$ 466,074	-
Public Safety	1,960,253	111,763	-	-
Public Works	5,518,000	51,611	360,210	1,614,088
Culture and Recreation	2,989,407	711,415	86,354	-
TOTAL GOVERNMENT ACTIVITIES	<u>11,818,634</u>	<u>1,689,067</u>	<u>912,638</u>	<u>1,614,088</u>
Business-type Activities				
Current:				
ML&P	5,577,059	5,958,030	-	-
Sewer	1,266,145	1,362,369	-	-
Water	1,796,894	1,887,658	14,540	-
Golf Course	1,166,032	555,528	-	-
Refuse	512,863	673,847	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>10,318,993</u>	<u>10,437,432</u>	<u>14,540</u>	<u>-</u>
TOTAL GOVERNMENT	<u>\$ 22,137,627</u>	<u>\$ 12,126,499</u>	<u>\$ 927,178</u>	<u>\$ 1,614,088</u>
GENERAL REVENUES				
Sales and Use Taxes				
Franchise Taxes				
Other Taxes				
Interest Income				
Gain (Loss) on Disposal of Capital Assets				
Insurance Proceeds				
Other Revenues				
TRANSFERS				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
NET POSITION - Ending				

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
\$ (70,622)	\$ -	\$ (70,622)
(1,848,490)	-	(1,848,490)
(3,492,091)	-	(3,492,091)
<u>(2,191,638)</u>	<u>-</u>	<u>(2,191,638)</u>
<u>(7,602,841)</u>	<u>-</u>	<u>(7,602,841)</u>
-	380,971	380,971
-	96,224	96,224
-	105,304	105,304
-	(610,504)	(610,504)
-	160,984	160,984
<u>-</u>	<u>132,979</u>	<u>132,979</u>
<u>(7,602,841)</u>	<u>132,979</u>	<u>(7,469,862)</u>
5,787,926	-	5,787,926
617,443	-	617,443
42,002	-	42,002
5,341	11,056	16,397
18,088	-	18,088
16,667	-	16,667
76,314	189,014	265,328
<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
<u>6,543,781</u>	<u>200,070</u>	<u>6,743,851</u>
(1,059,060)	333,049	(726,011)
<u>36,650,823</u>	<u>25,620,310</u>	<u>62,271,133</u>
<u>\$ 35,591,763</u>	<u>\$ 25,953,359</u>	<u>\$ 61,545,122</u>

CITY OF DELTA, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

With Comparative Totals for December 31, 2014

	General Fund	Parks and Recreation Center Fund	City-wide Capital Improvement Fund	Other Funds
ASSETS				
Cash and Investments				
Cash	\$ 1,131,149	\$ 549,354	\$ (4,516)	\$ 167,589
Investments	256,363	-	-	109,557
Restricted Cash and Investments	18,755	-	1,781,905	353,025
Receivables				
Accounts Receivable	301,527	183,668	436,665	-
Other Receivables	-	-	-	-
Internal Balances	335,000	-	(335,000)	-
Inventory	-	3,265	-	-
Prepaid Expenses	2,652	1,291	-	-
TOTAL ASSETS	\$ 2,045,446	\$ 737,578	\$ 1,879,054	\$ 630,171
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 122,314	\$ 74,359	\$ 93,109	\$ 236,686
Accrued Liabilities	2,512	-	-	-
Accd Salaries & Benefits	107,801	46,630	-	-
Deposits and Escrow	162,635	6,045	14,650	-
Unearned Revenue	900	14,931	-	-
TOTAL LIABILITIES	396,162	141,965	107,759	236,686
FUND BALANCE				
Nonspendable Fund Balance	2,652	4,556	-	37,290
Restricted Fund Balance	295,760	591,057	1,771,295	356,195
Assigned Fund Balance	236,022	-	-	-
Unassigned Fund Balance	1,114,850	-	-	-
TOTAL FUND BALANCE	1,649,284	595,613	1,771,295	393,485
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,045,446	\$ 737,578	\$ 1,879,054	\$ 630,171

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

<u>Total</u>	
<u>2015</u>	<u>2014</u>
\$ 1,843,576	\$ 2,025,295
365,920	498,434
2,153,685	4,125,408
921,860	1,062,560
-	608
-	-
3,265	3,900
<u>3,943</u>	<u>19,341</u>
<u>\$ 5,292,249</u>	<u>\$ 7,735,546</u>

\$ 526,468	\$ 2,894,672
2,512	12,941
154,431	125,950
183,330	183,411
<u>15,831</u>	<u>13,597</u>
<u>882,572</u>	<u>3,230,571</u>
44,498	56,251
3,014,307	3,254,553
236,022	-
<u>1,114,850</u>	<u>1,194,171</u>
<u>4,409,677</u>	<u>4,504,975</u>
<u>\$ 5,292,249</u>	<u>\$ 7,735,546</u>

CITY OF DELTA, COLORADO

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION**

June 30, 2015

Fund Balance - Governmental Funds	\$ 4,409,677
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds	
Capital assets, not being depreciated	3,688,740
Capital assets, being depreciated	89,396,981
Accumulated depreciation	(41,544,904)
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds	
Bond premiums	(83,717)
Internal Service operations primarily benefit Governmental Activities	
Internal Service Fund Net Position	2,134,893
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.	
Bonds payable	(21,925,000)
Accrued interest payable	(101,825)
Accrued compensated absences	(383,082)
Total Net Position - Governmental Activities	<u>\$ 35,591,763</u>

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

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015
 With Comparative Totals for the Year Ended December 31, 2014

	General	Parks and Recreation	City-wide Capital	Other	TOTALS	
	Fund	Center Fund	Improvement Fund	Funds	2015	2014
REVENUES						
Taxes	2,367,885	1,729,799	2,328,331	-	6,426,015	6,233,104
Intergovernmental Revenue	847,390	-	1,614,088	84,710	2,546,188	2,346,629
Licenses and Permits	86,627	-	-	-	86,627	136,835
Fines and Forfeits	110,273	-	-	-	110,273	80,283
Internal Charges	749,781	-	-	-	749,781	720,844
Charges for Services	16,754	715,339	6,013	4,280	742,386	757,178
Investment Earnings	1,737	485	2,456	663	5,341	11,227
Other Revenue	61,279	33,596	18,088	-	112,963	225,882
TOTAL REVENUES	<u>4,241,726</u>	<u>2,479,219</u>	<u>3,968,976</u>	<u>89,653</u>	<u>10,779,574</u>	<u>10,511,982</u>
EXPENDITURES						
Current						
General Government	1,046,451	-	-	-	1,046,451	911,836
Public Safety	1,941,039	-	-	-	1,941,039	1,832,120
Public Works/Comm Devel	979,979	-	-	-	979,979	1,003,772
Parks, Recreation & Other	122,643	2,331,971	-	9,913	2,464,527	2,567,077
Admin/Mgmt Fees	-	239,055	71,953	-	311,008	341,492
Capital Outlay	18,654	73,230	2,130,894	110,985	2,333,763	9,975,351
Debt Service	-	-	1,778,105	-	1,778,105	1,778,705
TOTAL EXPENDITURES	<u>4,108,766</u>	<u>2,644,256</u>	<u>3,980,952</u>	<u>120,898</u>	<u>10,854,872</u>	<u>18,410,353</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>132,960</u>	<u>(165,037)</u>	<u>(11,976)</u>	<u>(31,245)</u>	<u>(75,298)</u>	<u>(7,898,371)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In (Out)	(20,000)	-	(128,781)	128,781	(20,000)	329,000
NET CHANGE IN FUND BALANCE	112,960	(165,037)	(140,757)	97,536	(95,298)	(7,569,371)
FUND BALANCE, BEGINNING	<u>1,536,324</u>	<u>760,650</u>	<u>1,912,052</u>	<u>295,949</u>	<u>4,504,975</u>	<u>12,074,346</u>
FUND BALANCE, ENDING	<u>\$ 1,649,284</u>	<u>\$ 595,613</u>	<u>\$ 1,771,295</u>	<u>\$ 393,485</u>	<u>\$ 4,409,677</u>	<u>\$ 4,504,975</u>

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

CITY OF DELTA, COLORADO

RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015

Change in Fund Balance - Governmental Funds	\$ (95,298)
<p>Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level</p>	
Capitalized Asset Purchases	2,276,709
Depreciation Expense	(3,805,354)
<p>Internal Service operations primarily benefit Governmental Activities</p>	
Change in net position - Internal Service Funds	(26,977)
<p>Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level</p>	
Principal payments on bonds payable	540,000
Change in accrued interest payable	1,350
Amortization of premiums and discounts	3,349
Change in accrued compensated absences	<u>47,161</u>
Change in Net Position - Governmental Activities	<u>\$ (1,059,060)</u>

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

CITY OF DELTA, COLORADO

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2015

With Comparative Totals for December 31, 2014

	Enterprise Funds				
	ML&P Fund	Sewer Fund	Water Fund	Golf Course Fund	Nonmajor Refuse Fund
ASSETS					
Current Assets					
Cash and Investments					
Cash	\$ 1,771,554	\$ 616,179	\$ 1,853,235	\$ 27,620	\$ 1,101,884
Investments	1,384,094	2,001,706	680,204	-	17,582
Utility Receivables	647,141	128,968	139,604	-	70,602
Accounts Receivable	16,357	868	17,074	1,442	60
Inventory	222,779	36,886	88,954	17,615	-
Prepaid Expenses	57	306	-	-	-
Total Current Assets	<u>4,041,982</u>	<u>2,784,913</u>	<u>2,779,071</u>	<u>46,677</u>	<u>1,190,128</u>
Noncurrent Assets					
Capital Assets Not Being Depreciated	103,950	445,186	259,534	143,940	-
Capital Assets Being Depreciated	12,311,798	17,968,337	9,165,458	4,649,205	-
Accumulated Depreciation	(4,702,254)	(9,263,361)	(5,049,292)	(3,975,597)	-
Total Noncurrent Assets	<u>7,713,494</u>	<u>9,150,162</u>	<u>4,375,700</u>	<u>817,548</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 11,755,476</u>	<u>\$ 11,935,075</u>	<u>\$ 7,154,771</u>	<u>\$ 864,225</u>	<u>\$ 1,190,128</u>
LIABILITIES AND NET POSITION					
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 402,738	\$ 33,392	\$ 34,872	\$ 3,111	\$ 9,763
Accd Salaries & Benefits	16,269	11,922	14,485	7,882	4,543
Deposits and Escrow	-	-	-	-	-
Accrued Interest Payable	5,315	2,905	-	2,863	-
Unearned Revenue	-	-	-	349	-
Total Current Liabilities	<u>424,322</u>	<u>48,219</u>	<u>49,357</u>	<u>14,205</u>	<u>14,306</u>
Noncurrent Liabilities					
Due within one year	191,347	99,962	-	85,966	-
Due in more than one year	2,491,033	2,137,032	74,699	1,300,512	15,356
Total Noncurrent Liabilities	<u>2,682,380</u>	<u>2,236,994</u>	<u>74,699</u>	<u>1,386,478</u>	<u>15,356</u>
TOTAL LIABILITIES	<u>3,106,702</u>	<u>2,285,213</u>	<u>124,056</u>	<u>1,400,683</u>	<u>29,662</u>
NET POSITION					
Net Investment in Capital Assets	5,077,384	6,972,509	4,375,700	(546,925)	-
Unrestricted Net Position	3,571,390	2,677,353	2,655,015	10,467	1,160,466
TOTAL NET POSITION	<u>8,648,774</u>	<u>9,649,862</u>	<u>7,030,715</u>	<u>(536,458)</u>	<u>1,160,466</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 11,755,476</u>	<u>\$ 11,935,075</u>	<u>\$ 7,154,771</u>	<u>\$ 864,225</u>	<u>\$ 1,190,128</u>

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

Internal Service Funds	Total	
	2015	2014
\$ 91,141	\$ 5,461,613	\$ 7,929,440
626,721	4,710,307	1,573,546
-	986,315	939,388
-	35,801	25,090
128,043	494,277	558,872
-	363	6,977
<u>845,905</u>	<u>11,688,676</u>	<u>11,033,313</u>
-	952,610	3,695,111
4,985,533	49,080,331	45,731,542
<u>(3,644,991)</u>	<u>(26,635,495)</u>	<u>(25,369,923)</u>
<u>1,340,542</u>	<u>23,397,446</u>	<u>24,056,730</u>
<u>\$ 2,186,447</u>	<u>\$ 35,086,122</u>	<u>\$ 35,090,043</u>
\$ 21,478	\$ 505,354	\$ 446,349
8,021	63,122	75,713
-	-	299
-	11,083	11,704
-	349	870
<u>29,499</u>	<u>579,908</u>	<u>534,935</u>
-	377,275	363,323
<u>22,055</u>	<u>6,040,687</u>	<u>6,409,605</u>
<u>22,055</u>	<u>6,417,962</u>	<u>6,772,928</u>
<u>51,554</u>	<u>6,997,870</u>	<u>7,307,863</u>
1,340,542	17,219,210	17,515,159
<u>794,351</u>	<u>10,869,042</u>	<u>10,267,021</u>
<u>2,134,893</u>	<u>28,088,252</u>	<u>27,782,180</u>
<u>\$ 2,186,447</u>	<u>\$ 35,086,122</u>	<u>\$ 35,090,043</u>

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
With Comparative Totals for the Year Ended December 31, 2014

	Enterprise Funds				
	ML&P Fund	Sewer Fund	Water Fund	Golf Course Fund	Nonmajor Refuse Fund
Operating Revenues					
Charges for Services	\$ 5,930,400	\$ 1,295,968	\$ 1,867,192	\$ 555,528	\$ 673,847
Other Charges for Service	27,630	7,001	666	-	-
Total Revenues	<u>5,958,030</u>	<u>1,302,969</u>	<u>1,867,858</u>	<u>555,528</u>	<u>673,847</u>
Operating Expenses					
Source of Supply/Commod.	3,995,522	-	344,893	-	-
Airport	-	-	-	-	-
Golf Course Pro and Conc.	-	-	-	414,849	-
Golf Course Maintenance	-	-	-	387,787	-
Management Fees	431,642	166,344	190,714	15,000	84,701
Recreation	-	-	-	-	-
Transmission and Distribution	648,183	181,145	572,266	-	428,162
Maintenance	-	442,453	-	-	-
Production and Treatment	-	-	404,260	-	-
Administration	34,750	34,254	21,108	-	-
Personnel Services	-	-	-	-	-
Other Capital Outlay	221	-	-	-	-
Depreciation Expense	347,549	364,527	263,653	284,216	-
Total Expenditures	<u>5,457,867</u>	<u>1,188,723</u>	<u>1,796,894</u>	<u>1,101,852</u>	<u>512,863</u>
Operating Income (Loss)	<u>500,163</u>	<u>114,246</u>	<u>70,964</u>	<u>(546,324)</u>	<u>160,984</u>
Other Income (Expense)					
Intergovernmental Revenue	-	-	14,540	-	-
Investment Earnings	3,805	3,269	2,840	-	1,142
Ins Proceeds and Recover	-	-	-	-	-
Other Revenue	96,408	34,225	38,709	3,968	15,704
Interest Expense	(119,192)	(77,422)	-	(64,180)	-
Gain (Loss) on Sale Asset	-	-	-	-	-
Total Other Income (Expense)	<u>(18,979)</u>	<u>(39,928)</u>	<u>56,089</u>	<u>(60,212)</u>	<u>16,846</u>
Net Income (Loss) before Transfers	<u>481,184</u>	<u>74,318</u>	<u>127,053</u>	<u>(606,536)</u>	<u>177,830</u>
Transfers					
Transfers In (Out)	-	(180,000)	(50,000)	410,000	(180,000)
Net Income (Loss)	<u>481,184</u>	<u>(105,682)</u>	<u>77,053</u>	<u>(196,536)</u>	<u>(2,170)</u>
Contributed Capital					
Plant Investment Fees	-	59,400	19,800	-	-
Change in Net Position	<u>481,184</u>	<u>(46,282)</u>	<u>96,853</u>	<u>(196,536)</u>	<u>(2,170)</u>
Net Position, Beginning	<u>8,167,590</u>	<u>9,696,144</u>	<u>6,933,862</u>	<u>(339,922)</u>	<u>1,162,636</u>
Net Position, Ending	<u>\$ 8,648,774</u>	<u>\$ 9,649,862</u>	<u>\$ 7,030,715</u>	<u>\$ (536,458)</u>	<u>\$ 1,160,466</u>

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

Internal Service Funds	Total	
	2015	2014
\$ 1,007,774	\$ 11,330,709	\$ 9,767,429
9,698	44,995	57,278
<u>1,017,472</u>	<u>11,375,704</u>	<u>9,824,707</u>
-	4,340,415	4,181,053
597,821	597,821	676,059
-	414,849	333,633
-	387,787	478,856
-	888,401	823,093
35,343	35,343	33,586
-	1,829,756	1,889,557
-	442,453	458,228
-	404,260	380,032
77,151	167,263	183,595
9,860	9,860	9,653
-	221	27,273
<u>387,760</u>	<u>1,647,705</u>	<u>1,636,553</u>
<u>1,107,935</u>	<u>11,166,134</u>	<u>11,111,171</u>
<u>(90,463)</u>	<u>209,570</u>	<u>(1,286,464)</u>
-	14,540	-
1,081	12,137	12,395
4,458	4,458	10,214
170	189,184	1,658,018
-	(260,794)	(274,597)
<u>37,777</u>	<u>37,777</u>	<u>37,273</u>
<u>43,486</u>	<u>(2,698)</u>	<u>1,443,303</u>
(46,977)	206,872	156,839
<u>20,000</u>	<u>20,000</u>	<u>(329,000)</u>
(26,977)	226,872	(172,161)
-	79,200	365,850
(26,977)	306,072	193,689
<u>2,161,870</u>	<u>27,782,180</u>	<u>27,588,491</u>
<u>\$ 2,134,893</u>	<u>\$ 28,088,252</u>	<u>\$ 27,782,180</u>

CITY OF DELTA

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
With Comparative Totals for the Year Ended December 31, 2014**

	Enterprise Funds					
	ML&P	Sewer	Water	Golf Course	Nonmajor Refuse	Internal Service
	Fund	Fund	Fund	Fund	Fund	Funds
Cash Flows From Operating Activities:						
Cash Received from Customers	\$ 5,904,031	\$ 1,306,878	\$ 1,855,808	\$ 557,773	\$ 675,208	\$ 72,180
Cash Received from Interfund Services Provided						1,007,774
Cash Paid to Suppliers	(4,236,145)	(410,733)	(1,045,832)	(453,702)	(338,662)	(519,219)
Cash Paid to Employees	(351,909)	(266,782)	(271,580)	(345,994)	(90,524)	(172,953)
Payments for Interfund Services Used	(431,642)	(166,344)	(190,714)	(15,000)	(84,701)	-
Net Cash Provided by Operating Activities	<u>884,335</u>	<u>463,019</u>	<u>347,683</u>	<u>(256,924)</u>	<u>161,321</u>	<u>387,782</u>
Cash Flows From Capital and Related Financing Activities:						
Tap Fees Received	-	59,400	19,800	-	-	-
Debt Principal Payments	(184,365)	(96,765)	-	(82,205)	-	-
Interest Payments	(119,512)	(77,551)	-	(64,353)	-	-
Acquisition of Capital Assets	(189,032)	(178,126)	(111,300)	-	-	(509,964)
Cash Flows Used by Capital and Related Financing Activities	<u>(492,909)</u>	<u>(293,042)</u>	<u>(91,500)</u>	<u>(146,558)</u>	<u>-</u>	<u>(509,964)</u>
Cash Flows (Uses) From Noncapital Financing Activities:						
Cash from Other Funds	-	(180,000)	(50,000)	410,000	(180,000)	-
Other Revenues (Expense)	96,408	34,225	53,249	3,968	15,704	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>96,408</u>	<u>(145,775)</u>	<u>3,249</u>	<u>413,968</u>	<u>(164,296)</u>	<u>-</u>
Cash Flows (Uses) From Investing Activities:						
Interest Received	3,805	3,269	2,840	-	1,142	1,081
Net Increase (Decrease) in Cash	491,638	27,471	262,272	10,487	(1,833)	(121,101)
Cash - Beginning	2,664,010	2,590,414	2,271,167	17,133	1,121,299	838,963
Cash - Ending	<u>\$ 3,155,648</u>	<u>\$ 2,617,885</u>	<u>\$ 2,533,439</u>	<u>\$ 27,620</u>	<u>\$ 1,119,466</u>	<u>\$ 717,862</u>
Cash	\$ 1,771,554	\$ 616,179	\$ 1,853,235	\$ 27,620	\$ 1,101,884	\$ 91,141
Investments	1,384,094	2,001,706	680,204	-	17,582	626,721
Total	<u>\$ 3,155,648</u>	<u>\$ 2,617,885</u>	<u>\$ 2,533,439</u>	<u>\$ 27,620</u>	<u>\$ 1,119,466</u>	<u>\$ 717,862</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:						
Operating Income (Loss)	\$ 500,163	\$ 114,246	\$ 70,964	\$ (546,324)	\$ 160,984	\$ (28,058)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation Expense	347,549	364,527	263,653	284,216	-	387,760
Changes in Assets and Liabilities Related to Operations:						
(Increase) Decrease in:						
Utility Receivables	(54,818)	4,171	2,299	-	1,421	-
Accounts Receivable	819	(262)	(14,349)	3,064	(60)	77
Inventory	24,972	(600)	8,750	10,055	-	21,418
Prepaid Expenses	1,271	862	1,941	999	776	765
(Increase) Decrease in:						
Accounts Payable	56,709	(7,017)	10,394	(5,724)	(222)	4,865
Accd Salaries & Benefits	2,692	(17,301)	1,243	1,067	(647)	357
Deposits and Escrow	-	-	-	(299)	-	-
Unearned Revenue	-	-	-	(521)	-	-
Accrued Compensated Absences	4,978	4,393	2,788	(3,457)	(931)	599
Total Adjustments	<u>384,172</u>	<u>348,773</u>	<u>276,719</u>	<u>289,401</u>	<u>337</u>	<u>415,840</u>
Net Cash Used for Operating Activities	<u>\$ 884,335</u>	<u>\$ 463,019</u>	<u>\$ 347,683</u>	<u>\$ (256,924)</u>	<u>\$ 161,321</u>	<u>\$ 387,782</u>

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

Total	
2015	2014
\$ 10,371,877	\$ 8,719,018
1,007,774	1,109,908
(7,004,293)	(7,748,916)
(1,499,742)	(1,575,197)
<u>(888,401)</u>	<u>(478,631)</u>
<u>1,987,215</u>	<u>26,182</u>
79,200	365,850
(363,335)	(341,848)
(261,416)	(274,657)
<u>(988,422)</u>	<u>750,122</u>
<u>(1,533,973)</u>	<u>499,467</u>
-	(345,000)
<u>203,554</u>	<u>1,659,736</u>
<u>203,554</u>	<u>1,314,736</u>
12,137	12,395
668,934	1,852,780
<u>9,502,986</u>	<u>7,650,206</u>
<u>\$ 10,171,920</u>	<u>\$ 9,502,986</u>
\$ 5,461,613	\$ 7,929,440
<u>4,710,307</u>	<u>1,573,546</u>
<u>\$ 10,171,920</u>	<u>\$ 9,502,986</u>
\$ 271,975	\$ (1,224,695)
1,647,705	1,636,553
(46,927)	38,339
(10,711)	2,372
64,595	(24,441)
6,614	(215)
59,004	(301,494)
(12,588)	25,508
(299)	(98,581)
(521)	320
<u>8,369</u>	<u>(27,484)</u>
<u>1,715,240</u>	<u>1,250,877</u>
<u>\$ 1,987,215</u>	<u>\$ 26,182</u>

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. THE FINANCIAL REPORTING ENTITY

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

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

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

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

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

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

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major enterprise funds:

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

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

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

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

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The City reports the following fund type:

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

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

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

D. ASSETS, LIABILITIES, AND EQUITY

Deposits and investments. The cash balances of substantially all funds are pooled for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at December 31, 2015 based on market prices. The individual funds' portions of the pool's fair value are presented as cash and cash equivalents or short-term investments. Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average monthly balance of each participating fund.

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

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

For the fiscal year 2015, the City did not levy property taxes.

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND EQUITY (continued)

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

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

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

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

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

Long-term debt. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

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

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND EQUITY (continued)

Compensated absences. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The City has a policy to award a one-time cash payment between \$250 and \$1,000 to employees who retire with fifteen or more continuous years of service with the City. For 2014, no employee would be eligible based on this criteria, so no liability has been accrued.

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

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

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

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

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

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND EQUITY (continued)

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

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

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

E. BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing budgets:

1. Budgets are required by state law for all governmental and proprietary funds.
2. During September the proposed budget is submitted to the City Council for the fiscal year commencing the following January 1.
3. Prior to December 31, the budget is adopted and appropriations are authorized by ordinance at the fund level for all funds. The legal level of budgetary control is at the individual fund level for all funds.
4. Budgets are adopted on a basis consistent with the accounting basis of all funds except for proprietary-type funds. In the proprietary funds, the City budgets for capital outlays, and bond principal and interest payments and does not budget for depreciation.
5. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class and in total by each fund. The total fund level constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to approval by ordinance from the City Council. Within the fund level control basis, management may transfer appropriations without Council approval. Budget amounts included in the budgetary comparison schedules are based on the final legally amended budget.

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETS AND BUDGETARY ACCOUNTING (continued)

6. Appropriations lapse at the end of each year, and the City Council may adopt supplemental appropriations during the year. The City Council may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by the City Council when adopting supplemental appropriations.

Originally adopted budgeted and appropriated expenditures for the year ended December 31, 2015 are as follows:

	<u>Original Budget</u>	<u>Supplemental Budget</u>	<u>Final Budget</u>
General Fund	\$ 4,885,531	\$ -	\$ 4,885,531
Parks & Rec. Center Fund	3,076,322	-	3,076,322
City-Wide Capital Improvement Fund	4,587,021	-	4,587,021
Capital Project Fund	-	90,000	90,000
Nonmajor Governmental Funds	1,921,275	-	1,921,275
Municipal Light & Power Fund	6,879,152	-	6,879,152
Sewer Fund	1,696,603	-	1,696,603
Water Fund	2,579,482	-	2,579,482
Golf Course Fund	919,914	50,000	969,914
Nonmajor Enterprise Fund	731,216	-	731,216
Internal Service Funds	<u>1,362,733</u>	<u>6,000</u>	<u>1,368,733</u>
Total Appropriations	<u>\$28,639,249</u>	<u>\$ 146,000</u>	<u>\$28,785,249</u>

F. COMPARATIVE DATA

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

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 - DEPOSITS AND INVESTMENTS

DEPOSITS

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

CUSTODIAL CREDIT RISK - DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2015 none of the City's bank balances of \$14,583,608 were exposed to custodial credit risk as \$500,000 was insured and \$14,083,608 was collateralized by securities pledged by financial institutions. Book balances of the City's deposits were \$14,531,588. The City also has \$3,500 of cash on hand included as cash and cash equivalents for financial statement presentation.

INVESTMENTS

At December 31, 2015 the City had the following investments:

<u>Description</u>	<u>Weighted Maturity</u>	<u>Fair Value</u>	<u>Rating</u>
Colotrust Plus +	N/A	5,094,981	AAAm
Mutual Funds - ICMA	N/A	11,751	N/A
Total Investments		<u>\$ 5,106,732</u>	

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

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

CITY OF DELTA, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

2 - DEPOSITS AND INVESTMENTS (continued)

The City's general investment policy is to apply the prudent-person rule: Prudence and protection of City funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety and interest of the local economy. As of December 31, 2015, the City's investment in Colotrust Plus was rated AAAM by Standard & Poor's.

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

A reconciliation of cash and investment balances is as follows:

Cash & cash equivalents	\$ 7,293,426
Investments	5,087,977
Temporarily restricted cash	2,097,640
Temporarily restricted investments	18,755
Permanently restricted cash	37,290
Total	<u>\$ 14,535,088</u>

Petty Cash	\$ 3,500
Cash Deposits	9,436,607
Government Pools	5,094,981
Total	<u>\$ 14,535,088</u>

<u>Description</u>	<u>Fair Value</u>
Cash & cash equivalents	\$ 10,297,673
Investments	
Mutual Funds - ICMA	11,751
Governmental pools	<u>2,071,979</u>
Total unrestricted investments	2,083,730
Restricted deposits (truck route Railroad)	315,735
Restricted C/D (debt service bond reserve)	1,781,905
Restricted governmental pools(police seizure)	18,755
Permanently restricted deposit (perpetual care deposits)	37,290
Total	<u>\$ 14,535,088</u>

These balances are allocated in the financial statements as follows:

Government-wide cash	\$ 7,293,426
Government-wide investments	5,087,977
Government-wide restricted cash	2,097,640
Government-wide restricted investments	18,755
Government-wide permanently restricted cash	37,290
Total	<u>\$ 14,535,088</u>

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

3. - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

Governmental Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Construction in Progress	\$ 937,909	\$ -	\$ 922,109	\$ 15,800
Land	3,627,274	45,666	-	3,672,940
Total Capital assets not being depreciated	<u>4,565,183</u>	<u>45,666</u>	<u>922,109</u>	<u>3,688,740</u>
Capital assets being depreciated:				
Land improvements	8,077,029	111,978	-	8,189,007
Infrastructure - road network	70,838,717	3,009,693	-	73,848,410
Buildings	6,858,251	-	-	6,858,251
Vehicles	2,256,507	210,804	231,510	2,235,801
Equipment	3,121,061	330,640	200,656	3,251,045
Total capital assets being depreciated	<u>91,151,565</u>	<u>3,663,115</u>	<u>432,166</u>	<u>94,382,514</u>
Less accumulated depreciation for:				
Land improvements	3,764,860	365,527	-	4,130,387
Infrastructure - road network	29,284,448	3,212,307	-	32,496,755
Buildings	4,262,182	183,717	-	4,445,899
Vehicles	1,522,635	248,915	231,510	1,540,040
Equipment	2,594,823	182,647	200,656	2,576,814
Total accumulated depreciation	<u>41,428,948</u>	<u>4,193,113</u>	<u>432,166</u>	<u>45,189,895</u>
Total capital assets being depreciated, net	<u>49,722,617</u>	<u>(529,998)</u>	<u>-</u>	<u>49,192,619</u>
Governmental activity capital assets, net	<u>\$ 54,287,800</u>	<u>\$ (484,332)</u>	<u>\$ 922,109</u>	<u>\$ 52,881,359</u>

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

3. – CAPITAL ASSETS (continued)

The majority of the governmental activities construction in progress amount represents the truck route under construction. In addition, there are amounts included for storm water improvements as well as partial construction and preliminary engineering and design of other improvements.

	<u>Business-Type Activities</u>			Ending Balances
	Beginning Balance	Increases	Decreases	
Capital assets not being depreciated:				
Land and Easements	\$ 952,610	\$ -	\$ -	\$ 952,610
Construction in Progress	2,742,501	-	2,742,501	-
Total Capital assets not being depreciated	<u>3,695,111</u>	<u>-</u>	<u>2,742,501</u>	<u>952,610</u>
Capital assets being depreciated:				
Land improvements	3,625,777	-	-	3,625,777
Water rights and storage reservoirs	607,491	-	-	607,491
Treatment and generation facilities	6,778,204	2,742,501	-	9,520,705
Collection, transmission and distribution system	28,116,181	386,479	-	28,502,660
Buildings and improvements	1,140,137	18,428	-	1,158,565
Street lighting system	178,947	2,440	-	181,387
Equipment	427,100	71,113	-	498,213
Total capital assets being depreciated	<u>40,873,837</u>	<u>3,220,961</u>	<u>-</u>	<u>44,094,798</u>
Less accumulated depreciation for:				
Land improvements	3,138,599	243,589	-	3,382,188
Water rights and storage reservoirs	105,349	5,717	-	111,066
Treatment and generation facilities	5,777,017	103,289	-	5,880,306
Collection, transmission and distribution system	11,656,800	826,965	-	12,483,765
Buildings and improvements	625,204	46,550	-	671,754
Street lighting system	89,636	5,965	-	95,601
Equipment	337,950	27,874	-	365,824
Total accumulated depreciation	<u>21,730,555</u>	<u>1,259,949</u>	<u>-</u>	<u>22,990,504</u>
Total capital assets being depreciated, net	<u>19,143,282</u>	<u>1,961,012</u>	<u>-</u>	<u>21,104,294</u>
Business-Type activity capital assets, net	<u>\$ 22,838,393</u>	<u>\$ 1,961,012</u>	<u>\$ 2,742,501</u>	<u>\$ 22,056,904</u>

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

3 - CAPITAL ASSETS (continued)

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

Governmental Activities	
General government	\$ 59,366
Public safety	19,214
Public works, including depreciation of general infrastructure assets	3,212,307
Parks and recreation	514,464
Capital assets held by the City's internal service fund are charged to various functions based on their usage of the assets	<u>387,760</u>
Total Depreciation expense Governmental activities	<u>\$ 4,193,111</u>
Business-Type Activities	
Municipal Light and Power	\$ 347,549
Golf Course	284,216
Sewer	364,527
Water	<u>263,653</u>
Total Depreciation expense Business-Type activities	<u>\$ 1,259,945</u>

4 - EMPLOYEE RETIREMENT PLANS

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

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

The City's total payroll for fiscal year 2015 was \$4,848,532. The City's contributions were calculated using the base salary of \$3,798,163. The City made the required contributions of \$233,842 and the employees made required and elective contribution of \$235,307 or \$469,149 in total.

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

5 - COMMITMENTS

Raw Water Purchase

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

<u>Calendar Years</u>	<u>Annual Payments</u>
2015-2049	\$ 313,070

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

Electricity Purchase

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

The City has a contract with the Municipal Energy Agency of Nebraska (MEAN) which shall continue in effect for a period of 28 years to purchase electrical energy needed in excess of the amounts contracted with WAPA as follows:

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

During 2015, the City purchased 57,546,169 kilowatt hours for \$3,995,521.

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

6 - LONG-TERM DEBT

A. CITY OF DELTA SALES AND USE TAX REVENUE BONDS PAYABLE FROM GOVERNMENTAL ACTIVITIES:

\$24,385,000 Sales and Use Tax Revenue Bond of September 24, 2010 bearing interest at 2.00% to 6.082% payable on June 1 and December 1 through 2039, \$20,790,000 of these bonds are Build America Bonds for the purpose of the Recovery Act and to receive a cash subsidy from the United States Treasury equal to 35% of the interest payable on these bonds. The bond reserve requirement at 12/31/2015 = \$1,781,905 which is covered through the City Wide Capital Improvement Fund and the Capital Project Fund Restricted Fund Balance.

Total Outstanding Sales and Use Tax Revenue Bonds as of December 12, 2015 = \$21,925,000

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

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

Total Outstanding Sewer Revenue Refunding Bank Loan as of December 31st, 2015 = \$2,177,653

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

Total Outstanding Golf Course and M.L&P. Note Payable as of December 31st, 2015 = \$3,897,566

Total payable from business-type activities: \$ 6,075,219

C. PRINCIPAL AND INTEREST PAYMENT REQUIREMENTS

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

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 560,000	\$ 1,221,905	\$ 345,578	\$ 244,927
2017	575,000	1,205,105	361,201	229,874
2018	590,000	1,187,855	376,876	214,364
2019	605,000	1,164,368	393,075	198,173
2020	625,000	1,138,770	2,957,959	137,370
2021-2025	3,420,000	5,231,675	639,255	232,325
2026-2030	4,075,000	4,226,268	760,521	111,059
2031-2035	4,930,000	2,913,582	240,754	6,334
2036-2039	6,545,000	1,178,086	-	-
	<u>\$ 21,925,000</u>	<u>\$ 19,467,614</u>	<u>\$ 6,075,219</u>	<u>\$ 1,374,426</u>

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

6 - LONG-TERM DEBT (continued)

D. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2015 was as follows:

	<u>Governmental Activities</u>					
	Balance	<u>Additions</u>	<u>Reductions</u>	Balance	Due within	Interest
	<u>1-1-2015</u>			<u>12-31-2015</u>		
2010 Sales & Use Tax Revenue Bonds	\$22,465,000	\$ -	\$ 540,000	\$21,925,000	\$ 560,000	\$1,238,105
Bond Premiums	87,066	-	3,349	83,717	-	-
Compensated Absences	451,699	-	46,562	405,137	-	-
Total	<u>\$23,003,765</u>	<u>\$ -</u>	<u>\$ 589,911</u>	<u>\$22,413,854</u>	<u>\$ 560,000</u>	<u>\$1,238,105</u>

	<u>Business-Type Activities</u>					
	Balance	<u>Additions</u>	<u>Reductions</u>	Balance	Due within	Interest
	<u>1-1-2015</u>			<u>12-31-2015</u>		
MEAN Litigation Note Payable	\$ 134,715	\$ -	\$ 31,697	\$ 103,016	\$ 31,697	\$ -
2012 Sewer Revenue Bank Loan	2,274,417	-	96,764	2,177,653	99,962	96,764
Golf Course & M.L.&P. Note Payable	4,132,438	-	234,872	3,897,566	245,616	183,372
Compensated Absences	209,900	7,770	-	217,670	-	-
Total	<u>\$ 6,751,470</u>	<u>\$ 7,770</u>	<u>\$ 363,333</u>	<u>\$ 6,395,905</u>	<u>\$ 377,275</u>	<u>\$ 280,136</u>

The City is part of a Power Pool with MEAN of Nebraska and that pool closed a legal settlement in which the City is responsible for its portion of the settlement. The current amount allocated to the City = \$103,018 which is required to be paid equally over the next three plus years.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year end, \$22,055 of accrued costs of compensated absences are included in the above amounts. Also, for the governmental activities, accrued costs of employees' future compensated absences are generally liquidated by the general fund and the recreation center fund.

E. INTEREST EXPENSE

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

	<u>Municipal</u>	<u>Golf</u>	
	<u>Light & Power</u>	<u>Course</u>	<u>Sewer</u>
Interest Expense	\$ 119,192	\$ 64,180	\$ 96,764

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

6 - LONG-TERM DEBT (continued)

F. RATE MAINTENANCE

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

G. INTEREST RATE SWAP

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

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

Fair value. At December 31, 2015 the swap had a fair value of \$(362,335) as represented by the counterparty.

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

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

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

7 - INTERFUND TRANSFERS

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

Transfers Out	Transfers In				Total
	Debt Service Fund	Capital Projects Fund	Golf Fund	Nonmajor Governmental Fund	
General Fund	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
City-Wide Capital Improvement Fund	1,377,946	128,781	-	-	1,506,727
Sewer Fund	-	-	180,000	-	180,000
Water Fund	-	-	50,000	-	50,000
Nonmajor Enterprise Fund	-	-	180,000	-	180,000
	<u>\$ 1,377,946</u>	<u>\$ 128,781</u>	<u>\$ 410,000</u>	<u>\$ 20,000</u>	<u>\$ 1,936,727</u>

8 - JOINTLY GOVERNED ORGANIZATION

Project 7 Water Authority

In 1977, the City along with the City of Montrose, the Town of Olathe, the Tri-County Water Conservancy District and the Menoken Water District entered into a contract to create a separate governmental entity, the Project 7 Water Authority, which owns and operates a water treatment facility. The Authority is governed by a board consisting of appointed representatives from each of the contracting entities. The Authority produces treated water that is purchased by the 5 contracting parties and one other water district that operate water distribution systems. The City is obligated by contract to purchase the treatment of 500 million gallons of water annually from the Authority so long as the Authority has any unpaid debt, other than from operating expenses. The rate for 2015 was 90 cents per thousand gallons which results in a minimum annual purchase commitment of \$425,000, but the rate charged may be changed by action of the Authority. During 2015 the City was allowed to purchase treatment of only 449 million gallons for \$404,260 since the other entities in the joint venture purchased amounts in excess of their commitments. At December 31, 2015, the City owed the Authority \$20,153. Separate financial statements of Project 7 Water Authority are available from the Authority.

9 - RISK MANAGEMENT

Participation in Public Entity Risk Pool

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

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

9 - RISK MANAGEMENT (continued)

Employee Dental Benefit Plan

The City adopted an employee dental benefit plan whereby the City self-insures only \$1,000 per individual and dependents of covered dental claims and \$1,000 of orthodontic claims for dependents based on approximately 89 employees and 78 dependents covered in 2015. The City estimates and records incurred but not reported medical claims liability in the Employee's Dental Benefit Fund based on historical experience of outstanding medical claims. Changes in the reported medical claims liability since January 1, 2014 resulted in the following:

Year	<u>Dental Claims</u>			
	Beginning Balance	Claims & Changes in Estimates	Claim Balance Payments	Ending Balance
2014	\$ -	\$ 51,919	\$ 51,919	\$ -
2015	-	51,603	51,603	-

Unemployment Benefit Plan

The City does not purchase unemployment insurance and self-insures for unemployment benefits payable to former employees. The City records incurred but not reported unemployment claims liability in the funds based on actual experience of outstanding unemployment claims. Changes in the reported unemployment claims liability since January 1, 2014 resulted from the following:

Year	<u>Unemployment Claims</u>			
	Beginning Balance	Claims & Changes in Estimates	Claim Balance Payments	Ending Balance
2014	\$ -	\$ 27,327	\$ 27,327	\$ -
2015	-	30,698	30,698	-

10 - TAX, SPENDING AND DEBT LIMITATIONS

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

11 - CONTINGENT LIABILITIES

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

CITY OF DELTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

12 - FUND BALANCES OF GOVERNMENTAL FUNDS

	General Fund	Parks & Recreation Center Fund	City-wide Capital Improvement Fund	Other Governmental Fund
Fund Balances:				
Nonspendable:				
Prepays & Inventory	\$ 2,652	\$ 4,556	\$ -	\$ -
Perpetual Care	-	-	-	37,290
Restricted for:				
Emergency	262,607	-	-	-
Parks & Recreation Center	14,398	591,057	-	274,656
Debt Service	-	-	1,771,295	10,610
Capital Improvement	-	-	-	70,929
Police Seizure	18,755	-	-	-
Assigned for:				
Subsequent year's expenditures	236,022	-	-	-
Unassigned:				
General Fund	1,114,850	-	-	-
	<u>\$1,649,284</u>	<u>\$ 595,613</u>	<u>\$ 1,771,295</u>	<u>\$ 393,485</u>

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	2015		Variance With Final Budget	2014 Actual
	Original & Final Budget	Actual		
REVENUES				
Taxes				
Sales and Use Taxes	\$ 1,640,245	\$ 1,729,796	\$ 89,551	\$ 1,671,215
Franchise and In Lieu Tax	584,820	617,443	32,623	612,569
Other Tax Revenue	18,000	20,646	2,646	18,302
Total Tax Revenue	<u>2,243,065</u>	<u>2,367,885</u>	<u>124,820</u>	<u>2,302,086</u>
Intergovernmental Revenue				
Cigarette Taxes	26,000	21,356	(4,644)	21,778
Highway Users Tax Fund	303,326	321,511	18,185	311,586
Road and Bridge	40,000	38,699	(1,301)	37,506
Clerk/Motor Vehicle Fees	32,000	35,475	3,475	35,271
Mineral Lease	225,000	115,415	(109,585)	222,707
Severance Taxes	150,000	158,451	8,451	186,013
Federal Grants	-	97,372	97,372	-
State Grants	56,775	59,111	2,336	30,906
Total Intergovernmental Revenue	<u>833,101</u>	<u>847,390</u>	<u>14,289</u>	<u>845,767</u>
Licenses and Permits				
Liquor Licenses	4,000	5,401	1,401	4,330
Building Permits	40,000	40,751	751	76,357
Annexation and Planning & Zoning Fees	22,000	10,860	(11,140)	27,478
Animal Licenses	800	1,490	690	1,140
Other Licenses	26,000	28,125	2,125	27,530
Total Licenses and Permits	<u>92,800</u>	<u>86,627</u>	<u>(6,173)</u>	<u>136,835</u>
Fines and Forfeits				
	<u>80,000</u>	<u>110,273</u>	<u>30,273</u>	<u>80,283</u>
Internal Charges				
Admin/Mgmt Fees	<u>749,781</u>	<u>749,781</u>	<u>-</u>	<u>720,844</u>
Charges for Services				
Utility Charges	7,800	7,900	100	8,000
Recreation/Community Center/Events	-	-	-	3,648
Sales of Goods	5,000	6,720	1,720	5,880
Rents	-	-	-	6,377
Other Charges for Service	3,350	2,134	(1,216)	4,749
Total Charges for Services	<u>16,150</u>	<u>16,754</u>	<u>604</u>	<u>28,654</u>
Investment Earnings				
	<u>1,800</u>	<u>1,737</u>	<u>(63)</u>	<u>1,928</u>
Other Revenue				
Donations	500	250	(250)	150
Insurance Proceeds and Recoveries	-	16,667	16,667	-
Other Miscellaneous Revenue	20,000	44,362	24,362	55,597
Total Other Revenue	<u>20,500</u>	<u>61,279</u>	<u>40,779</u>	<u>55,747</u>
TOTAL REVENUES	<u>4,037,197</u>	<u>4,241,726</u>	<u>204,529</u>	<u>4,172,144</u>

(Continued)

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	2015		Variance With Final Budget	2014 Actual
	Original & Final Budget	Actual		
(Continued)				
EXPENDITURES				
General Government				
Mayor & Council/Board	83,579	55,652	27,927	85,891
Administrator/Manager	273,141	391,969	(118,828)	231,148
Clerk	50,152	51,045	(893)	56,767
Treasurer/Finance	414,749	416,030	(1,281)	410,534
Attorney	15,000	37,826	(22,826)	17,290
Other General Government	125,131	93,929	31,202	110,206
Total General Government	<u>961,752</u>	<u>1,046,451</u>	<u>(84,699)</u>	<u>911,836</u>
Public Safety				
Police	1,727,897	1,815,963	(88,066)	1,702,151
Animal Control	17,598	17,291	307	18,842
Municipal Court	43,530	43,018	512	43,809
Code Enforcement	66,141	64,767	1,374	67,318
Total Public Safety	<u>1,855,166</u>	<u>1,941,039</u>	<u>(85,873)</u>	<u>1,832,120</u>
Public Works/Comm Devel				
Community Development	184,366	90,697	93,669	273,928
Planning and Zoning	96,919	94,359	2,560	-
Engineering	76,656	80,606	(3,950)	-
Streets	622,132	635,005	(12,873)	612,246
Bulding and Property Mnt	90,777	79,312	11,465	82,078
Public Works Admin	-	-	-	31,104
Other Pub Works/Comm Dev	-	-	-	4,416
Total Public Works/Comm Devel	<u>1,070,850</u>	<u>979,979</u>	<u>90,871</u>	<u>1,003,772</u>
Parks, Recreation & Other				
Parks	500	-	500	760,412
Cemetery	144,740	122,643	22,097	116,967
Total Parks, Recreation & Other	<u>145,240</u>	<u>122,643</u>	<u>22,597</u>	<u>877,379</u>
Capital Outlay				
General Government Capital Outlay	-	5,058	(5,058)	-
Public Safety Capital Outlay	36,523	13,596	22,927	18,671
Public Works Capital Outlay	-	-	-	7,095
Parks, Recreation and Other Capital Outlay	-	-	-	2,981
Total Capital Outlay	<u>36,523</u>	<u>18,654</u>	<u>17,869</u>	<u>28,747</u>
TOTAL EXPENDITURES	<u>4,069,531</u>	<u>4,108,766</u>	<u>(39,235)</u>	<u>4,653,854</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>(32,334)</u>	<u>132,960</u>	<u>243,764</u>	<u>(481,710)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	930,000	-	(930,000)	495,000
Transfers (Out)	(816,000)	(20,000)	796,000	(26,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>114,000</u>	<u>(20,000)</u>	<u>(134,000)</u>	<u>469,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 81,666</u>	<u>112,960</u>	<u>\$ 109,764</u>	<u>(12,710)</u>
FUND BALANCE, BEGINNING		<u>1,536,324</u>		<u>1,537,042</u>
FUND BALANCE, ENDING		<u>\$ 1,649,284</u>		<u>\$ 1,524,332</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE

Parks and Recreation Center Fund

FOR THE YEAR ENDED DECEMBER 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	2015			2014 Actual
	Original & Final Budget	Actual	Variance With Final Budget	
REVENUES				
Taxes				
Sales and Use Taxes	\$ 1,640,244	\$ 1,729,799	\$ 89,555	\$ 1,671,220
Charges for Services				
Recreation/Community Center/Events	735,370	711,415	(23,955)	707,950
Rents	4,200	3,924	(276)	4,553
Total Charges for Services	739,570	715,339	(24,231)	712,503
Investment Earnings	1,125	485	(640)	621
Other Revenue				
Donations	-	1,644	1,644	64
Other Miscellaneous Revenue	-	31,952	31,952	2,566
Total Other Revenue	-	33,596	33,596	2,630
TOTAL REVENUES	2,380,939	2,479,219	98,280	2,386,974
EXPENDITURES				
Parks, Recreation & Other				
Parks	687,940	688,220	(280)	-
Recreation	940,723	910,895	29,828	975,315
Parks and Rec Administration	713,389	721,879	(8,490)	703,699
Other Parks, Rec & Other	13,215	10,977	2,238	10,684
Total Parks and Recreation	2,355,267	2,331,971	23,296	1,689,698
Internal Charges				
Admin/Mgmt Fees	239,055	239,055	-	270,716
Capital Outlay				
Parks, Recreation and Other Capital Outlay	102,000	73,230	28,770	71,445
TOTAL EXPENDITURES	2,696,322	2,644,256	52,066	2,031,859
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(315,383)	(165,037)	46,214	355,115
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	420,000	-	(420,000)	-
NET CHANGE IN FUND BALANCE	\$ 104,617	(165,037)	\$ (373,786)	355,115
FUND BALANCE, BEGINNING		760,650		405,535
FUND BALANCE, ENDING		\$ 595,613		\$ 760,650

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE
City-wide Capital Improvement Fund
FOR THE YEAR ENDED DECEMBER 31, 2015
With Comparative Totals for the Year Ended December 31, 2014

	2015		Variance With Final Budget	2014 Actual
	Original & Final Budget	Actual		
REVENUES				
Taxes				
Sales and Use Taxes	\$ 2,205,845	\$ 2,328,331	\$ 122,486	\$ 2,259,798
Intergovernmental Revenue				
Federal Grants	385,815	383,032	(2,783)	385,597
Other Intergovernmental	1,664,500	1,231,056	(433,444)	-
Total Intergovernmental Revenue	2,050,315	1,614,088	(436,227)	385,597
Charges for Services				
Rents	7,800	6,013	(1,787)	12,801
Investment Earnings	5,120	2,456	(2,664)	6,443
Other Revenue				
Sale of Capital Assets	-	18,088	18,088	45
Other Miscellaneous Revenue	10,000	-	(10,000)	802
Total Other Revenue	10,000	18,088	8,088	847
TOTAL REVENUES	4,279,080	3,968,976	(310,104)	2,665,486
EXPENDITURES				
Internal Charges				
Admin/Mgmt Fees	71,953	71,953	-	70,776
Capital Outlay				
Other Capital Outlay	3,087,122	2,130,894	956,228	484,780
Debt Service				
Principal	540,000	540,000	-	530,000
Interest	1,238,105	1,238,105	-	1,248,705
Total Debt Service	1,778,105	1,778,105	-	1,778,705
TOTAL EXPENDITURES	4,937,180	3,980,952	956,228	2,334,261
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(658,100)	(11,976)	(1,266,332)	331,225
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(50,000)	(128,781)	78,781	(2,808,866)
NET CHANGE IN FUND BALANCE	\$ (708,100)	(140,757)	\$ (1,187,551)	(2,477,641)
FUND BALANCE, BEGINNING		1,912,052		4,389,693
FUND BALANCE, ENDING		\$ 1,771,295		\$ 1,912,052

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015
With Comparative Totals for December 31, 2014

	Conservation Trust Fund	Capital Projects Fund	Permanent Fund - Perpetual Care Fund	Total	
				2015	2014
ASSETS					
Cash and Investments					
Cash	\$ 167,589	\$ -	\$ -	\$ 167,589	\$ 156,538
Investments	109,557	-	-	109,557	109,368
Restricted Cash and Investments	-	315,735	37,290	353,025	2,349,285
Receivables					
Accounts Receivable	-	-	-	-	380,000
Prepaid Expenses	-	-	-	-	149
TOTAL ASSETS	\$ 277,146	\$ 315,735	\$ 37,290	\$ 630,171	\$ 2,995,340
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 2,490	\$ 234,196	\$ -	\$ 236,686	\$ 2,697,679
Accd Salaries & Benefits	-	-	-	-	1,712
TOTAL LIABILITIES	2,490	234,196	-	236,686	2,699,391
FUND BALANCE					
Nonspendable Fund Balance	-	-	37,290	37,290	33,159
Restricted Fund Balance	274,656	81,539	-	356,195	262,790
TOTAL FUND BALANCE	274,656	81,539	37,290	393,485	295,949
TOTAL LIABILITIES AND FUND BALANCE	\$ 277,146	\$ 315,735	\$ 37,290	\$ 630,171	\$ 2,995,340

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
With Comparative Totals for the Year Ended December 31, 2014

	Conservation Trust Fund	Capital Projects Fund	Permanent Fund - Perpetual Care Fund	TOTALS	
				2015	2014
REVENUES					
Intergovernmental Revenue					
Conservation Trust Fund Revenue	\$ 84,710	\$ -	\$ -	\$ 84,710	\$ 84,774
Other Intergovernmental	-	-	-	-	1,030,491
Intergovernmental Revenue	84,710	-	-	84,710	1,115,265
Charges for Services					
Sales of Goods	-	-	4,280	4,280	3,220
Investment Earnings					
	189	474	-	663	2,235
Other Revenue					
Other Miscellaneous Revenue	-	-	-	-	166,658
TOTAL REVENUES	84,899	474	4,280	89,653	1,287,378
EXPENDITURES					
Parks, Recreation & Other					
Parks	9,913	-	-	9,913	-
Capital Outlay					
Public Works Capital Outlay	1,279	47,716	-	48,995	9,329,729
Parks, Recreation and Other Capital Outlay	61,990	-	-	61,990	60,650
TOTAL EXPENDITURES	73,182	47,716	-	120,898	9,390,379
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	11,717	(47,242)	4,280	(31,245)	(8,103,001)
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	-	128,781	-	128,781	2,668,866
NET CHANGE IN FUND BALANCE	11,717	81,539	4,280	97,536	(5,434,135)
FUND BALANCE, BEGINNING	262,939	-	33,010	295,949	5,730,084
FUND BALANCE, ENDING	\$ 274,656	\$ 81,539	\$ 37,290	\$ 393,485	\$ 295,949

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE

Conservation Trust Fund

FOR THE YEAR ENDED DECEMBER 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	2015		Variance With Final Budget	2014 Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental Revenue				
Conservation Trust Fund Revenue	\$ 91,000	\$ 84,710	\$ (6,290)	\$ 84,774
Investment Earnings	125	189	64	117
TOTAL REVENUES	<u>91,125</u>	<u>84,899</u>	<u>(6,226)</u>	<u>84,891</u>
EXPENDITURES				
Parks, Recreation & Other				
Parks	24,670	9,913	14,757	-
Capital Outlay				
Public Works Capital Outlay	-	1,279	(1,279)	19,839
Parks, Recreation and Other Capital Outlay	117,500	61,990	55,510	60,650
Total Capital Outlay	<u>117,500</u>	<u>63,269</u>	<u>54,231</u>	<u>80,489</u>
TOTAL EXPENDITURES	<u>142,170</u>	<u>73,182</u>	<u>68,988</u>	<u>80,489</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(51,045)	11,717	62,762	4,402
Transfers In (Out)	-	-	-	10,000
NET CHANGE IN FUND BALANCE	<u>\$ (51,045)</u>	11,717	<u>\$ 62,762</u>	14,402
FUND BALANCE, BEGINNING		262,939		248,537
FUND BALANCE, ENDING		<u>\$ 274,656</u>		<u>\$ 262,939</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE

Capital Projects Fund

FOR THE YEAR ENDED DECEMBER 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	2015		Variance With Final Budget	2014 Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental Revenue				
Other Intergovernmental	\$ -	\$ -	\$ -	\$ 1,030,491
Investment Earnings				
	-	474	474	2,118
Other Revenue				
Other Miscellaneous Revenue	-	-	-	166,658
TOTAL REVENUES	<u>-</u>	<u>474</u>	<u>474</u>	<u>1,199,267</u>
EXPENDITURES				
Capital Outlay				
Public Works Capital Outlay	<u>90,000</u>	<u>47,716</u>	<u>42,284</u>	<u>9,309,890</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>(90,000)</u>	<u>(47,242)</u>	<u>42,758</u>	<u>(8,110,623)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	128,781	128,781	2,658,866
NET CHANGE IN FUND BALANCE	<u>\$ (90,000)</u>	81,539	<u>\$ 171,539</u>	(5,451,757)
FUND BALANCE, BEGINNING		-		5,451,757
FUND BALANCE, ENDING		<u>\$ 81,539</u>		<u>\$ -</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

BUDGETARY COMPARISON SCHEDULE
Permanent Fund - Perpetual Care Fund
FOR THE YEAR ENDED DECEMBER 31, 2015
With Comparative Totals for the Year Ended December 31, 2014

	2015		Variance With Final Budget	2014
	Final Budget	Actual		Actual
REVENUES				
Charges for Services				
Sales of Goods	\$ 3,500	\$ 4,280	\$ 780	\$ 3,220
EXPENDITURES				
Parks, Recreation & Other				
Cemetery	1,000	-	1,000	-
NET CHANGE IN FUND BALANCE	\$ 2,500	4,280	\$ 1,780	3,220
FUND BALANCE, BEGINNING		33,010		29,790
FUND BALANCE, ENDING		\$ 37,290		\$ 33,010

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

ML&P Fund

FOR THE YEAR ENDED DECEMBER 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	2015			2014 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Charges for Services	\$ 6,082,000	\$ 5,930,400	\$ (151,600)	\$ 4,262,914
Other Charges for Service	40,000	27,630	(12,370)	37,981
Total Revenues	<u>6,122,000</u>	<u>5,958,030</u>	<u>(163,970)</u>	<u>4,300,895</u>
Operating Expenses				
Source of Supply/Commod.	4,500,000	3,995,522	504,478	3,838,965
Management Fees	441,887	431,642	10,245	416,035
Transmission and Distribution	665,370	648,183	17,187	622,041
Administration	69,353	34,750	34,603	44,813
Other Capital Outlay	932,000	189,253	742,747	(1,230,326)
Total Expenditures	<u>6,608,610</u>	<u>5,299,350</u>	<u>1,309,260</u>	<u>3,691,528</u>
Operating Income (Loss)	<u>(486,610)</u>	<u>658,680</u>	<u>1,145,290</u>	<u>609,367</u>
Other Income (Expense)				
Investment Earnings	3,500	3,805	305	3,012
Ins Proceeds and Recover	-	-	-	4,172
Other Revenue	107,000	96,408	(10,592)	1,533,829
Principal and Interest Expense	(270,541)	(303,557)	(33,016)	(295,786)
Total Other Income (Expense)	<u>(160,041)</u>	<u>(203,344)</u>	<u>(43,303)</u>	<u>1,245,227</u>
Change in Net Position (Budget Basis)	<u>\$ (646,651)</u>	<u>455,336</u>	<u>\$ 1,101,987</u>	<u>1,854,594</u>
Budget to GAAP Reconciliation				
Principal Paid		184,365		169,768
Depreciation Expense		(347,549)		(344,307)
Capital Outlay		189,032		(1,256,898)
Change in Net Position - GAAP Basis		481,184		423,157
Net Position, Beginning		<u>8,167,590</u>		<u>7,744,433</u>
Net Position, Ending		<u>\$ 8,648,774</u>		<u>\$ 8,167,590</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Golf Course Fund

FOR THE YEAR ENDED DECEMBER 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	2015			2014 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Charges for Services	\$ 536,700	\$ 555,528	\$ 18,828	\$ 538,722
Operating Expenses				
Golf Course Pro and Conc.	374,844	414,849	(40,005)	333,633
Golf Course Maintenance	434,373	387,787	46,586	478,856
Management Fees	15,000	15,000	-	15,000
Total Expenditures	824,217	817,636	6,581	827,489
Operating Income (Loss)	(287,517)	(262,108)	25,409	(288,767)
Other Income (Expense)				
Other Revenue	-	3,968	3,968	1,011
Interest Expense	(145,697)	(146,385)	(688)	(146,469)
Total Other Income (Expense)	(145,697)	(142,417)	3,280	(145,458)
Net Income (Loss) before Transfers	(433,214)	(404,525)	28,689	(434,225)
Transfers				
Transfers In (Out)	380,000	410,000	30,000	430,000
Change in Net Position (Budget Basis)	\$ (53,214)	5,475	\$ 58,689	(4,225)
Budget to GAAP Reconciliation				
Principal Paid		82,205		78,613
Depreciation Expense		(284,216)		(291,487)
Change in Net Position - GAAP Basis		(196,536)		(217,099)
Net Position, Beginning		(339,922)		(122,823)
Net Position, Ending		\$ (536,458)		\$ (339,922)

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Sewer Fund

FOR THE YEAR ENDED DECEMBER 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	2015		Variance with Final Budget	2014
	Final Budget	Actual		Actual
Operating Revenues				
Charges for Services	\$ 1,230,800	\$ 1,295,968	\$ 65,168	\$ 1,290,381
Other Charges for Service	6,500	7,001	501	7,359
Total Revenues	<u>1,237,300</u>	<u>1,302,969</u>	<u>65,669</u>	<u>1,297,740</u>
Operating Expenses				
Management Fees	163,612	166,344	(2,732)	142,282
Transmission and Distribution	201,197	181,145	20,052	197,124
Maintenance	434,954	442,453	(7,499)	458,228
Administration	37,523	34,254	3,269	52,068
Other Capital Outlay	460,000	178,126	281,874	190,206
Total Expenditures	<u>1,297,286</u>	<u>1,002,322</u>	<u>294,964</u>	<u>1,039,908</u>
Operating Income (Loss)	<u>(59,986)</u>	<u>300,647</u>	<u>360,633</u>	<u>257,832</u>
Other Income (Expense)				
Investment Earnings	3,000	3,269	269	4,270
Other Revenue	28,200	34,225	6,025	34,740
Principal and Interest Expense	<u>(174,317)</u>	<u>(174,187)</u>	<u>130</u>	<u>(174,190)</u>
Total Other Income (Expense)	<u>(143,117)</u>	<u>(136,693)</u>	<u>6,424</u>	<u>(135,180)</u>
Net Income (Loss) before Transfers	(203,103)	163,954	367,057	122,652
Transfers				
Transfers In (Out)	<u>(225,000)</u>	<u>(180,000)</u>	<u>45,000</u>	<u>(270,000)</u>
Net Income (Loss), Budget Basis	(428,103)	(16,046)	412,057	(147,348)
Contributed Capital				
Plant Investment Fees	<u>25,000</u>	<u>59,400</u>	<u>34,400</u>	<u>234,050</u>
Change in Net Position (Budget Basis)	<u>\$ (403,103)</u>	<u>43,354</u>	<u>\$ 446,457</u>	<u>86,702</u>
Budget to GAAP Reconciliation				
Principal Paid		96,765		93,467
Depreciation Expense		(364,527)		(360,650)
Capital Outlay		<u>178,126</u>		<u>190,206</u>
Change in Net Position - GAAP Basis		(46,282)		9,725
Net Position, Beginning		<u>9,696,144</u>		<u>9,686,419</u>
Net Position, Ending		<u>\$ 9,649,862</u>		<u>\$ 9,696,144</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL

Water Fund

FOR THE YEAR ENDED DECEMBER 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	2015			2014 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Charges for Services	\$ 1,835,300	\$ 1,867,192	\$ 31,892	\$ 1,885,155
Other Charges for Service	2,000	666	(1,334)	1,988
Total Revenues	<u>1,837,300</u>	<u>1,867,858</u>	<u>30,558</u>	<u>1,887,143</u>
Operating Expenses				
Source of Supply/Commod.	348,903	344,893	4,010	342,088
Management Fees	189,254	190,714	(1,460)	168,063
Transmission and Distribution	605,134	572,266	32,868	576,798
Production and Treatment	460,000	404,260	55,740	380,032
Administration	21,191	21,108	83	21,596
Other Capital Outlay	<u>500,000</u>	<u>111,300</u>	<u>388,700</u>	<u>(16,613)</u>
Total Expenditures	<u>2,124,482</u>	<u>1,644,541</u>	<u>479,941</u>	<u>1,471,964</u>
Operating Income (Loss)	<u>(287,182)</u>	<u>223,317</u>	<u>510,499</u>	<u>415,179</u>
Other Income (Expense)				
Intergovernmental Revenue	200,000	14,540	(185,460)	-
Investment Earnings	2,500	2,840	340	2,870
Other Revenue	<u>31,250</u>	<u>38,709</u>	<u>7,459</u>	<u>68,809</u>
Total Other Income (Expense)	<u>233,750</u>	<u>56,089</u>	<u>(177,661)</u>	<u>71,679</u>
Net Income (Loss) before Transfers	(53,432)	279,406	332,838	486,858
Transfers				
Transfers In (Out)	<u>(455,000)</u>	<u>(50,000)</u>	<u>405,000</u>	<u>(360,000)</u>
Net Income (Loss), Budget Basis	(508,432)	229,406	737,838	126,858
Contributed Capital				
Plant Investment Fees	<u>15,000</u>	<u>19,800</u>	<u>4,800</u>	<u>131,800</u>
Change in Net Position (Budget Basis)	<u>\$ (493,432)</u>	<u>249,206</u>	<u>\$ 742,638</u>	<u>258,658</u>
Budget to GAAP Reconciliation				
Depreciation Expense		(263,653)		(263,916)
Capital Outlay		<u>111,300</u>		<u>(16,613)</u>
Change in Net Position - GAAP Basis		96,853		(21,871)
Net Position, Beginning		<u>6,933,862</u>		<u>6,955,733</u>
Net Position, Ending		<u>\$ 7,030,715</u>		<u>\$ 6,933,862</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Nonmajor Refuse Fund

FOR THE YEAR ENDED DECEMBER 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	2015			2014 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Charges for Services	\$ 665,000	\$ 673,847	\$ 8,847	\$ 680,349
Operating Expenses				
Management Fees	84,332	84,701	(369)	81,713
Transmission and Distribution	446,884	428,162	18,722	493,594
Total Expenditures	531,216	512,863	18,353	575,307
Operating Income (Loss)	133,784	160,984	27,200	105,042
Other Income (Expense)				
Investment Earnings	1,500	1,142	(358)	1,597
Other Revenue	15,000	15,704	704	17,175
Total Other Income (Expense)	16,500	16,846	346	18,772
Net Income (Loss) before Transfers	150,284	177,830	27,546	123,814
Transfers				
Transfers In (Out)	(200,000)	(180,000)	20,000	(145,000)
Change in Net Position (Budget Basis)	\$ (49,716)	(2,170)	\$ 47,546	(21,186)
Net Position, Beginning		1,162,636		1,183,822
Net Position, Ending		\$ 1,160,466		\$ 1,162,636

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

SCHEDULE OF NET POSITION

INTERNAL SERVICE FUNDS

DECEMBER 31, 2015

With Comparative Totals for December 31, 2014

	Internal	Employees'	Total	
	Service	Dental		
	Fund	Fund	2015	2014
ASSETS				
Current Assets				
Cash and Investments				
Cash	\$ 91,103	\$ 38	\$ 91,141	\$ 213,323
Investments	626,721	-	626,721	625,640
Accounts Receivable	-	-	-	77
Inventory	128,043	-	128,043	149,462
Prepaid Expenses	-	-	-	765
Total Current Assets	<u>845,867</u>	<u>38</u>	<u>845,905</u>	<u>989,267</u>
Noncurrent Assets				
Capital Assets Being Depreciated	4,985,533	-	4,985,533	4,857,703
Accumulated Depreciation	(3,644,991)	-	(3,644,991)	(3,639,365)
Total Noncurrent Assets	<u>1,340,542</u>	<u>-</u>	<u>1,340,542</u>	<u>1,218,338</u>
TOTAL ASSETS	<u>\$ 2,186,409</u>	<u>\$ 38</u>	<u>\$ 2,186,447</u>	<u>\$ 2,207,605</u>
LIABILITIES AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 21,478	\$ -	\$ 21,478	\$ 16,614
Accd Salaries & Benefits	8,021	-	8,021	7,665
Total Current Liabilities	<u>29,499</u>	<u>-</u>	<u>29,499</u>	<u>24,279</u>
Noncurrent Liabilities				
Due in more than one year	22,055	-	22,055	21,456
TOTAL LIABILITIES	<u>51,554</u>	<u>-</u>	<u>51,554</u>	<u>45,735</u>
NET POSITION				
Net Investment in Capital Assets	1,340,542	-	1,340,542	1,218,338
Unrestricted Net Position	794,313	38	794,351	943,532
TOTAL NET POSITION	<u>2,134,855</u>	<u>38</u>	<u>2,134,893</u>	<u>2,161,870</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,186,409</u>	<u>\$ 38</u>	<u>\$ 2,186,447</u>	<u>\$ 2,207,605</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	Internal Service Fund	Employees' Dental Insurance Fund	Total	
			2015	2014
Operating Revenues				
Charges for Services	\$ 977,937	\$ 29,837	\$ 1,007,774	\$ 1,109,908
Sales of Goods	10	-	10	-
Investment Earnings	1,081	-	1,081	646
Sale of Capital Assets	37,777	-	37,777	37,273
Ins Proceeds and Recover	4,458	-	4,458	6,042
Other Miscellaneous Rev	160	-	160	2,454
Other Charges for Service	-	9,698	9,698	9,950
Total Revenues	<u>1,021,423</u>	<u>39,535</u>	<u>1,060,958</u>	<u>1,166,273</u>
Operating Expenses				
Maintenance	597,821	-	597,821	676,059
Management Fees	35,343	-	35,343	33,586
Claims and Premiums	25,548	51,603	77,151	65,118
Administration	-	9,860	9,860	9,653
Other Capital Outlay	-	-	-	701
Depreciation Expense	387,760	-	387,760	376,193
Total Expenditures	<u>1,046,472</u>	<u>61,463</u>	<u>1,107,935</u>	<u>1,161,310</u>
Net Income (Loss) before Transfers	(25,049)	(21,928)	(46,977)	4,963
Transfers				
Transfers In (Out)	-	20,000	20,000	16,000
Change in Net Position	(25,049)	(1,928)	(26,977)	20,963
Net Position, Beginning	<u>2,159,904</u>	<u>1,966</u>	<u>2,161,870</u>	<u>2,140,907</u>
Net Position, Ending	<u>\$ 2,134,855</u>	<u>\$ 38</u>	<u>\$ 2,134,893</u>	<u>\$ 2,161,870</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA

**STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
With Comparative Totals for the Year Ended December 31, 2014**

	Internal Service Fund	Employees' Dental Insurance Fund	Total	
			2015	2014
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 42,482	\$ 29,698	\$ 72,180	\$ 71,841
Cash Received from Intefund Services Provided	977,937	29,837	1,007,774	1,109,908
Cash Paid to Suppliers	(457,756)	(61,463)	(519,219)	(574,201)
Cash Paid to Employees	(172,953)	-	(172,953)	(221,840)
Net Cash Provided by Operating Activities	<u>389,710</u>	<u>(1,928)</u>	<u>387,782</u>	<u>385,708</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of Capital Assets	<u>(509,964)</u>	<u>-</u>	<u>(509,964)</u>	<u>(250,002)</u>
Cash Flows (Uses) From Investing Activities:				
Interest Received	<u>1,081</u>	<u>-</u>	<u>1,081</u>	<u>646</u>
Net Increase (Decrease) in Cash	(119,173)	(1,928)	(121,101)	136,352
Cash - Beginning	<u>836,997</u>	<u>1,966</u>	<u>838,963</u>	<u>702,611</u>
Cash - Ending	<u>\$ 717,824</u>	<u>\$ 38</u>	<u>\$ 717,862</u>	<u>\$ 838,963</u>
Cash	\$ 91,103	\$ 38	\$ 91,141	\$ 213,323
Investments	<u>626,721</u>	<u>-</u>	<u>626,721</u>	<u>625,640</u>
Total	<u>\$ 717,824</u>	<u>\$ 38</u>	<u>\$ 717,862</u>	<u>\$ 838,963</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	\$ (26,130)	\$ (1,928)	\$ (28,058)	\$ 20,317
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	387,760	-	387,760	376,193
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Accounts Receivable	77	-	77	122
Inventory	21,418	-	21,418	(2,860)
Prepaid Expenses	765	-	765	237
(Increase) Decrease in:				
Accounts Payable	4,865	-	4,865	(13,007)
Accd Salaries & Benefits	357	-	357	197
Accrued Compensated Absences	<u>599</u>	<u>-</u>	<u>599</u>	<u>4,509</u>
Total Adjustments	<u>415,840</u>	<u>-</u>	<u>415,840</u>	<u>365,391</u>
Net Cash Used for Operating Activities	<u>\$ 389,710</u>	<u>\$ (1,928)</u>	<u>\$ 387,782</u>	<u>\$ 385,708</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Internal Service Fund

FOR THE YEAR ENDED DECEMBER 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	2015		Variance with Final Budget	2014
	Final Budget	Actual		Actual
Operating Revenues				
Internal Charges	\$ 1,076,368	\$ 977,937	\$ (98,431)	\$ 1,079,367
Sales of Goods	3,000	10	(2,990)	-
Investment Earnings	1,000	1,081	81	646
Sale of Capital Assets	5,000	37,777	32,777	37,273
Ins Proceeds and Recover	-	4,458	4,458	6,042
Other Miscellaneous Rev	-	160	160	2,454
Total Revenues	<u>1,085,368</u>	<u>1,021,423</u>	<u>(63,945)</u>	<u>1,125,782</u>
Operating Expenses				
Maintenance	700,020	597,821	102,199	676,059
Management Fees	35,343	35,343	-	33,586
Claims and Premiums	28,570	25,548	3,022	22,851
Other Capital Outlay	539,000	127,830	411,170	(112,902)
Total Expenditures	<u>1,302,933</u>	<u>786,542</u>	<u>516,391</u>	<u>619,594</u>
Change in Net Position (Budget Basis)	<u>\$ (217,565)</u>	234,881	<u>\$ 452,446</u>	506,188
Budget to GAAP Reconciliation				
Depreciation Expense		(387,760)		(376,193)
Capital Outlay		<u>127,830</u>		<u>(113,603)</u>
Change in Net Position - GAAP Basis		(25,049)		16,392
Net Position, Beginning		<u>2,159,904</u>		<u>2,143,512</u>
Net Position, Ending		<u>\$ 2,134,855</u>		<u>\$ 2,159,904</u>

See accompanying Independent Auditors' Report.

CITY OF DELTA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Employees' Dental Insurance Fund

FOR THE YEAR ENDED DECEMBER 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	2015			2014 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Internal Charges	\$ 33,127	\$ 29,837	\$ (3,290)	\$ 30,541
Other Charges for Service	<u>10,826</u>	<u>9,698</u>	<u>(1,128)</u>	<u>9,950</u>
Total Revenues	<u>43,953</u>	<u>39,535</u>	<u>(4,418)</u>	<u>40,491</u>
Operating Expenses				
Claims and Premiums	56,000	51,603	4,397	42,267
Administration	<u>9,800</u>	<u>9,860</u>	<u>(60)</u>	<u>9,652</u>
Total Expenditures	<u>65,800</u>	<u>61,463</u>	<u>4,337</u>	<u>51,919</u>
Net Income (Loss) before Transfers	(21,847)	(21,928)	(81)	(11,428)
Transfers				
Transfers In (Out)	<u>16,000</u>	<u>20,000</u>	<u>4,000</u>	<u>16,000</u>
Change in Net Position (Budget Basis)	<u>\$ (5,847)</u>	<u>\$ (1,928)</u>	<u>\$ 3,919</u>	<u>\$ 4,572</u>
Change in Net Position - GAAP Basis		(1,928)		4,572
Net Position, Beginning		<u>1,966</u>		<u>(2,606)</u>
Net Position, Ending		<u>\$ 38</u>		<u>\$ 1,966</u>

See accompanying Independent Auditors' Report.

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Delta
		YEAR ENDING : December 2015
This Information From The Records of the City of Delta, CO	Prepared By: Phone:	Tod DeZeeuw, CPA 970-874-7908

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	398,966
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	567,368
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	90,163
2. General fund appropriations		b. Snow and ice removal	25,216
3. Other local imposts (from page 2)	2,766,020	c. Other	1,892
4. Miscellaneous local receipts (from page 2)	112,909	d. Total (a. through c.)	117,271
5. Transfers from toll facilities		4. General administration & miscellaneous	35,933
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	721,304
a. Bonds - Original Issues		6. Total (1 through 5)	1,840,842
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	1,238,105
7. Total (1 through 6)	2,878,929	b. Redemption	540,000
B. Private Contributions		c. Total (a. + b.)	1,778,105
C. Receipts from State government (from page 2)	356,986	2. Notes:	
D. Receipts from Federal Government (from page 2)	383,032	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,618,947	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	1,778,105
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,618,947

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	22,465,000		540,000	21,925,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	3,618,947	3,618,947		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2015

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	2,636
b. Other local imposts:		b. Traffic Fines & Penalties	110,273
1. Sales Taxes	2,727,321	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	38,699	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	2,766,020	h. Other	
c. Total (a. + b.)	2,766,020	i. Total (a. through h.)	112,909
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	321,511	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	35,475	d. Federal Transit Admin	
d. Other (Specify)	0	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	383,032
f. Total (a. through e.)	35,475	g. Total (a. through f.)	383,032
4. Total (1. + 2. + 3.f)	356,986	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		100,581	100,581
(3). System Preservation			0
(4). System Enhancement & Operation		298,385	298,385
(5). Total Construction (1) + (2) + (3) + (4)	0	398,966	398,966
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	398,966	398,966
			(Carry forward to page 1)

Notes and Comments:

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2015

TABLE 1
Debt Service Coverage

	2011	2012	2013	2014	2015
City CIF Tax	1,541,955	1,606,938	1,643,294	1,671,214	1,729,795
County CIF Tax	508,580	553,211	570,040	588,584	598,535
Interest Earnings	9,280	7,592	6,459	2,982	296
Total Pledged Revenues	2,059,815	2,167,741	2,219,793	2,262,780	2,328,626

Maximum Annual Debt Service

TABLE 2
History of City CIF Tax

Year	City CIF Sales Tax Collections	City CIF Use Tax Collections	Total City CIF Tax Collections
2011	1,516,030	25,925	1,541,955
2012	1,578,651	28,287	1,606,938
2013	1,611,577	31,717	1,643,294
2014	1,643,489	27,725	1,671,214
2015	1,704,691	25,104	1,729,795

TABLE 3
History of County CIF Tax

Year	Total County CIF Sales Tax
2011	508,580
2012	553,211
2013	570,040
2014	588,584
2015	598,535

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2015

TABLE 4
Monthly Comparison of Collections of City CIF Tax

Month	2014	2014	2015	2015	Percent Change
	Current Month	Period To Date	Current Month	Period To Date	
January	164,727	164,727	169,190	169,190	2.7%
February	122,662	287,389	129,866	299,056	4.1%
March	118,692	406,081	118,619	417,675	2.9%
April	140,761	546,842	146,760	564,435	3.2%
May	132,662	679,504	135,666	700,101	3.0%
June	137,399	816,903	141,954	842,055	3.1%
July	143,534	960,437	153,950	996,005	3.7%
August	142,288	1,102,725	145,144	1,141,149	3.5%
September	148,541	1,251,266	139,706	1,280,855	2.4%
October	144,588	1,395,854	151,787	1,432,642	2.6%
November	137,040	1,532,894	140,664	1,573,306	2.6%
December	138,319	1,671,214	156,489	1,729,795	3.5%

TABLE 5
Monthly Comparison of Collections of County CIF Tax

Month	2014	2014	2015	2015	Percent Change
	Current Month	Period To Date	Current Month	Period To Date	
January	0	0	0	0	0.0%
February	476	476	379	379	-20.4%
March	45,530	46,006	59,600	59,979	30.4%
April	41,847	87,853	41,907	101,886	16.0%
May	46,871	134,724	48,141	150,027	11.4%
June	46,984	181,708	47,106	197,133	8.5%
July	48,966	230,674	48,558	245,691	6.5%
August	49,737	280,411	49,367	295,058	5.2%
September	51,122	331,533	52,620	347,678	4.9%
October	53,186	384,719	49,118	396,796	3.1%
November	54,521	439,240	57,635	454,431	3.5%
December	149,346	588,586	144,104	598,535	1.7%

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2015

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

<u>Business Type</u>	<u>3% Sales & Use Tax Receipts</u>	<u>% of Total Collections</u>
Retail	1,507,897	30.1%
Grocery	404,740	8.1%
Government	276,748	5.5%
Grocery	245,482	4.9%
Government	149,085	3.0%
Retail	118,271	2.4%
Retail	104,205	2.1%
Utility	98,705	2.0%
Utility	66,385	1.3%
Retail	65,777	1.3%
Auto	62,114	1.2%
Auto	60,577	1.2%
Total =	<u>3,159,986</u>	

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2015

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

	2014	2015	2015
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>
Revenues			
Sales Tax	1,599,251	1,615,245	1,704,691
Use Tax	25,000	25,000	25,104
County Sales Tax	547,000	565,600	598,535
Income From Investments	7,500	1,500	296
Grant	902,100	1,664,500	1,231,056
Miscellaneous	<u>17,800</u>	<u>17,800</u>	<u>24,101</u>
Total Revenues	3,098,651	3,889,645	3,583,783
Expenditures			
Miscellaneous Engineering	50,000	125,000	29,735
Sidewalk Projects	40,000	40,000	
Murals/Public Art	2,500	2,500	
ADA Compliance	3,500	3,500	
Public Facilities	509,369	1,011,202	529,100
Street Improvement Projects	400,000	400,000	314,020
Storm Water System Improvements	1,000,000	1,500,000	1,253,155
Non-Departmental	75,387	76,873	76,838
Transfers to Other Funds	<u>2,980,125</u>	<u>1,427,946</u>	<u>1,506,727</u>
Total Expenditures	5,060,881	4,587,021	3,709,575
Fund Balance - Beginning	2,523,992	1,086,137	119,800
Fund Balance - Ending	561,762	388,761	-5,992

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2015

Table 8
Capital Improvements Plan Summary

Project Categories	2016	2017	2018	2019	2020
Parks	153,000	20,000			
Recreation Center	317,500	104,000	47,000	450,000	
City-Wide Improvements	905,000	610,000	610,000	610,000	610,000
Electrical	1,595,000	135,000	135,000	135,000	135,000
Sewer	350,000	350,000	350,000	350,000	350,000
Water	430,000	250,000	250,000	250,000	250,000
Internal Service	483,400	472,050			

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2015

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

Revenues	2011	2012	2013	2014	2015
Taxes	1,541,892	1,606,938	1,643,294	1,671,214	1,771,798
Franchise Tax Equivalents	617,873	617,829	651,857	652,650	617,442
Licenses & Permits	94,450	85,696	86,168	109,357	75,767
Intergovernmental	807,629	1,026,333	760,622	823,988	826,032
Charges for Services	56,036	38,492	28,055	37,737	19,593
Fines & Forfeitures	156,136	81,130	77,324	80,283	110,273
Other Rental	9,243	7,280	7,625	6,377	
Miscellaneous	130,395	130,194	48,638	67,765	69,300
Accounting & Adm. Charges	425,000	425,000	425,000	720,844	749,781
Investment Earnings	1,379	2,413	2,375	1,928	1,737
Total Revenues	3,840,033	4,021,305	3,730,958	4,172,143	4,241,723
Expenditures					
General Government	1,010,299	1,028,799	952,577	927,518	1,074,852
Public Safety	1,757,007	1,689,436	1,771,966	1,720,823	1,829,559
Community Development	248,823	260,448	269,074	273,928	265,662
Public Works	600,246	603,355	675,744	654,861	635,005
Animal & Code Enforcement	105,102	118,115	106,627	86,159	82,058
Parks & Cemetery	1,085,384	898,726	903,315	897,367	132,594
IT	55,220	63,138	65,203	61,098	50,611
Non-Departmental	119,399	150,539	56,791	32,099	58,422
	4,981,480	4,812,556	4,801,297	4,653,853	4,128,763
Revenues Over (Under)					
Expenditures	-1,141,447	-791,251	-1,070,339	-481,710	112,960
Other Financing Sources					
Transfers In Total	1,195,500	1,075,000	950,000	469,000	0
Revenues & Other Financing					
Sources Over (Under)					
Expenditures	54,053	283,749	-120,339	-12,710	112,960
Fund Balance - Beginning	1,331,571	1,385,624	1,669,373	1,549,034	1,536,324
Fund Balance - Ending	1,385,624	1,669,373	1,549,034	1,536,324	1,649,284

CITY OF DELTA, COLORADO

SUPPLEMENTAL SCHEDULES REQUIRED

PURSUANT TO BOND AGREEMENTS

(Continuing Disclosure Undertaking)

December 31, 2015

Table 10
General Fund Budget Summary & Comparison

	2014 <u>Budget</u>	2015 <u>Budget</u>	2015 <u>Actual</u>
Revenues			
Taxes	1,707,805	1,684,245	1,771,798
Franchise Tax Equivalents	612,569	584,820	617,442
Licenses & Permits	71,900	70,800	75,767
Intergovernmental	722,847	807,101	826,032
Charges for Services	58,650	30,250	19,593
Fines & Forfeitures	100,000	80,000	110,273
Miscellaneous	50,650	30,200	71,037
Accounting & Adm. Charges	720,844	749,781	749,781
Other Financing Sources	650,000	930,000	
Total Revenues	<u>4,695,265</u>	<u>4,967,197</u>	<u>4,241,723</u>
Expenditures			
Personnel	3,388,183	2,971,992	2,988,244
Charges & Services	1,396,640	1,877,016	1,121,864
Capital Outlay	45,000	36,523	18,655
Total Expenditures	<u>4,829,823</u>	<u>4,885,531</u>	<u>4,128,763</u>
Fund Balance - Beginning	1,615,185	1,591,317	1,536,324
Fund Balance - Ending	1,480,626	1,672,982	1,649,284

Table 11
Revenue Obligations of the City

Revenue Obligation	Principal Amount Outstanding
Municipal Light & Power Revenue Notes, Series 2000	3,897,566
Sewer Note, Series 2012	2,177,653
Sales & Use Tax Revenue Bonds, Series 2010	21,925,000
Total Revenue Obligations Outstanding	<u><u>28,000,219</u></u>

Attorney Comments



City Manager Comments



Councilmember Comments



Executive Session: