

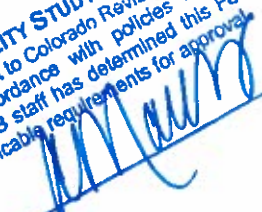
**Loan Feasibility Study
for
Hallenbeck Reservoir No. 1
Dam Failure Mitigation Project**

Sponsored by
City of Grand Junction Water Department
in conjunction with
Colorado Water Conservation Board
&
Gunnison Basin Round Table

Prepared by

Bret Guillory, P.E.
City of Grand Junction - Utility Engineer
250 N 5th Street
Grand Junction, CO 81501

January 2016

FEASIBILITY STUDY APPROVAL
Pursuant to Colorado Revised Statutes 37-60-121 & 122, and
in accordance with policies adopted by the Board, the
CWCB staff has determined this Feasibility Study meets all
applicable requirements for approval.

Signed _____ Date 3/4/16



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

Water Project Loan Program

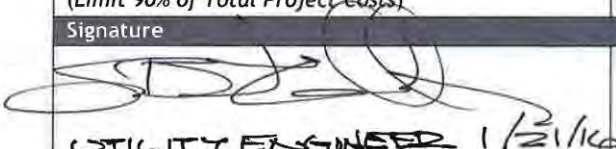
Application Type	
☐ Prequalification (Attach 3 years of financial statements) ☒ Loan Approval (Attach Loan Feasibility Study)	
Agency/Company Information	
Company / Borrower Name: City of Grand Junction	
Authorized Agent & Title: Rick Brinkman, Water System Manager	
Address: 333 West Avenue, Building E, Grand Junction, CO 81501	
Phone: (970) 244-1429	Email: rickbr@gjcity.org
Organization Type: ☐ Ditch Co, ☐ District, ☒ Municipality ☐ other: _____	Incorporated? ☒ YES ☐ NO
County: Mesa	Number of Shares/Taps: 9,500
Water District: 42	Avg. Water Diverted/Yr <u>5,218</u> acre-feet
Number of Shareholders/Customers Served: 27,100	Current Assessment per Share \$ <u>n/a</u> (Ditch Co)
	Average monthly water bill \$ <u>16.50</u> (Municipality)
Contact Information	
Project Representative: Bret Guillory, P.E. - Utility Engineer	
Phone: (970) 244-1590	Email: Bretg@gjcity.org
Engineer: see above	
Phone: ()	Email:
Attorney: John Shaver, City Attorney	
Phone: (970) 244-1506	Email: johns@gjcity.org
Project Information	
Project Name: Hallenbeck No. 1 Downstream Slope Repair	
Brief Description of Project: (Attach separate sheets if needed)	
This project involves repair of a dam that has experienced a structural failure of the downstream slope of the dam. This project will mitigate seepage through the dam, which contributed to the failure.	
A forensics study was completed prior to design in an effort to understand what caused the failure and provide direction for design of the mitigation project. Cost of the study was \$55,212	
General Location: (Attach Map of Area)	
Please see map included with the attached Loan Feasibility Study	
Estimated Engineering Costs: \$71,258	Estimated Construction Costs: \$1,012,312
Other Costs (Describe Above): \$55,212	Estimated Total Project Costs: \$1,153,782
Requested Loan Amount: \$1,000,000 (Limit 90% of Total Project Costs)	Project Start Date(s) Design: <u>June 2015</u> Construction: <u>June 2016</u>
Signature	
 UTILITY ENGINEER 1/21/16 Signature / Title Date	Return to: Finance Section Attn: Anna Mauss 1313 Sherman St #718 Denver, CO 80203 Ph. 303/866.3449 e-mail: anna.mauss@state.co.us

Table of Contents

Introduction	1
Project Sponsor.....	1
Project Service Area and Facilities	2
Map of Service Area	3
Water Rights.....	4
Project Description and Alternatives.....	5
Engineers estimate of cost for construction	6
Implementation Schedule	7
Permitting.....	7
Institutional Considerations.....	7
Financial Analysis.....	8
Credit Worthiness	8
Alternative Financing Considerations.....	8
Collateral	8
Economic Analysis	8
Social and Physical Impacts	10
Conclusions.....	10

List of Appendices

Appendix A	Comprehensive Annual Financial Report
Appendix B	90% Plan Drawings
Appendix C	WSRA Grant Application
Appendix D	CWCB Loan Application

City of Grand Junction Water Department Staff

Public Works Director: Greg Lanning, P.E.

Water Systems Manager: Rick Brinkman

City Utility Engineer: Bret Guillory, P.E.

Water Treatment Plant Manager: Mark Ritterbush

Watershed Manager: Slade Connell

City Attorney:

John Shaver

Introduction

Hallenbeck Reservoir No. 1 is one of two terminal raw water reservoirs in the City of Grand Junction's water system. The reservoir is capable of storing 699 acre feet of water. In 2014 the City of Grand Junction had developed plans to mitigate seepage through the dam. As part of this plan, in May/June of 2014, we were in the process of gradually filling the reservoir to the spill level in an effort to fully identify limits of seepage across the downstream face of the dam. This evaluation effort was included in the construction plan approved by the State Engineers Office for the project. During the evaluation process, on June 10, 2014, the dam began to exhibit non-typical performance in the form a longitudinal crack along the downstream face, odd piezometer performance, and loss of production in the existing toe drain system. The crack appeared over a two day period and was roughly 80 feet in length. An emergency inspection was performed with assistance of the local Dam Safety Engineer from Division 5. The Emergency Action Plan (EAP) was executed as a result of the inspection, emergency managers from the area were alerted in accordance with the EAP, and water was released from the reservoir in an effort to relieve hydrostatic pressure within the dam. Increased seepage through the embankment around the two toe drain pipes was observed during the drawdown process that resulted in the reservoir being drained entirely as a precautionary measure.

Upon completion of the drawdown process, the City of Grand Junction Water Department issued a solicitation for a Forensics Evaluation of the dam to determine what may have caused the failure condition on the downstream face, and development of increased seepage through the embankment around the toe drain systems.

A request for proposals to provide a professional engineering forensic evaluation of the dam was advertised in July of 2014. Four engineering firms submitted proposals that were evaluated based on professional experience in the fields of earthen dam construction and mitigation projects, geotechnical evaluation of class 1 structures, and recent project experience with similar work completed that had been reviewed and approved by the State Engineers Office (SEO) Dam Safety Branch. The City selected and contracted with URS to complete the forensics evaluation of the dam. The scope of engineering services provided by URS included a geotechnical investigation and structural evaluation of the dam, resulting in recommendations for mitigation of the damage. The SEO's office was included in this effort, and resulting report.

The City then contracted with URS to complete formal design for the mitigation project. The forensics findings were supported by more rigorous field investigation and laboratory testing, that was used to complete a design report, including construction plans and specifications, demonstration that the proposed mitigation project will allow for the continued safe operation of the reservoir, and comply fully with Rule 5 of the Colorado "Rules and Regulations for Dam Safety and Dam Construction," dated 2007, as adopted by the Colorado SEO.

Project Sponsor

The City of Grand Junction is a municipal corporation created under the authority of Article XX of the Colorado State Constitution with our Charter being adopted September 14, 1909. It is a council/manager form of government.

The City of Grand Junction, under Tabor guidelines, created a Water Enterprise Fund to manage and operate the water system.

The Water Enterprise Fund is managed under direction of the Water Services Manager who reports to the Public Works Director, who reports to the City Manager.

Rick Brinkman, Water Services Manager, 333 West Avenue BLDG E, Grand Junction, Colorado, 81501.

Project Service Area and Facilities

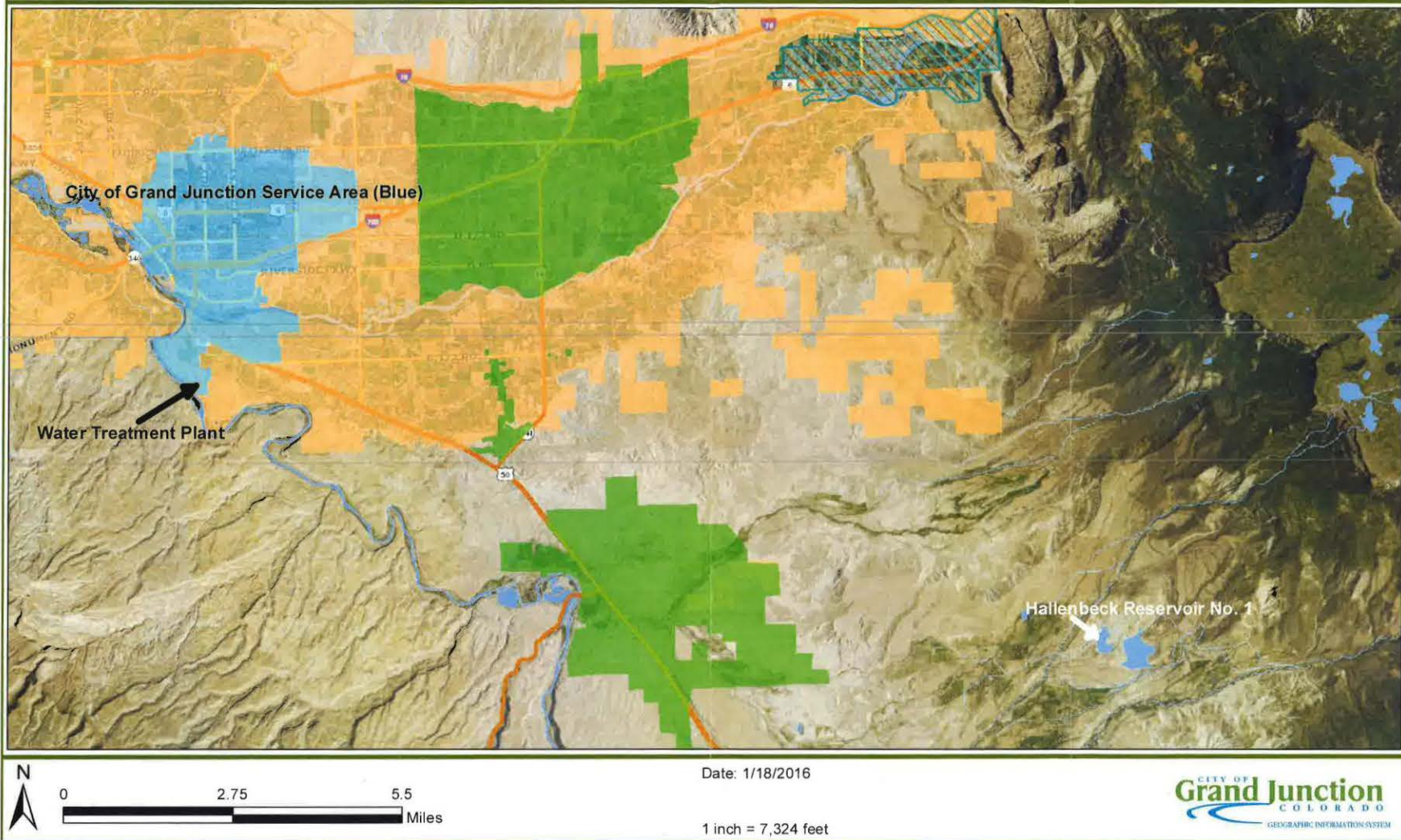
The water system has a service area of approximately 8.5 square miles and currently serves 27,100 customers through 9,500 taps. The growth potential for new customers is not likely due to being entirely surrounded by another water utility. Actual average growth rate for last five years has been 0.10%. The Water Enterprise Fund is wholly supported by water user fees.

The City owns and maintains a water treatment facility with a capacity of 16.0 million gallons per day with an average daily rate of 6.0 million gallons per day and a peak flow of 11.5 million gallons per day.

The City also owns and operates a vast raw water supply system that consists of 14 reservoirs, with twelve of these on top of Grand Mesa. These 12 reservoirs hold approximately 5,100 acre feet of water when full. The other two reservoirs are in the lower Kannah Creek drainage and are off channel reservoirs and have a capacity of 7,900 acre feet. The two lower terminal reservoirs, Hallenbeck Reservoir No. 1 being one of the two, will supply the City's municipal needs for approximately one year.

The reservoirs on top of the Grand Mesa are generally used for irrigation purposes on City owned land and other agricultural land within the basins. The City maintains in reserve a portion of the water in these reservoirs each year for use the following year in case of drought. This allots what is needed for City properties and if any excess water is available, it is then leased out to ranchers in the basins.

City of Grand Junction Water Service Area



Water Rights

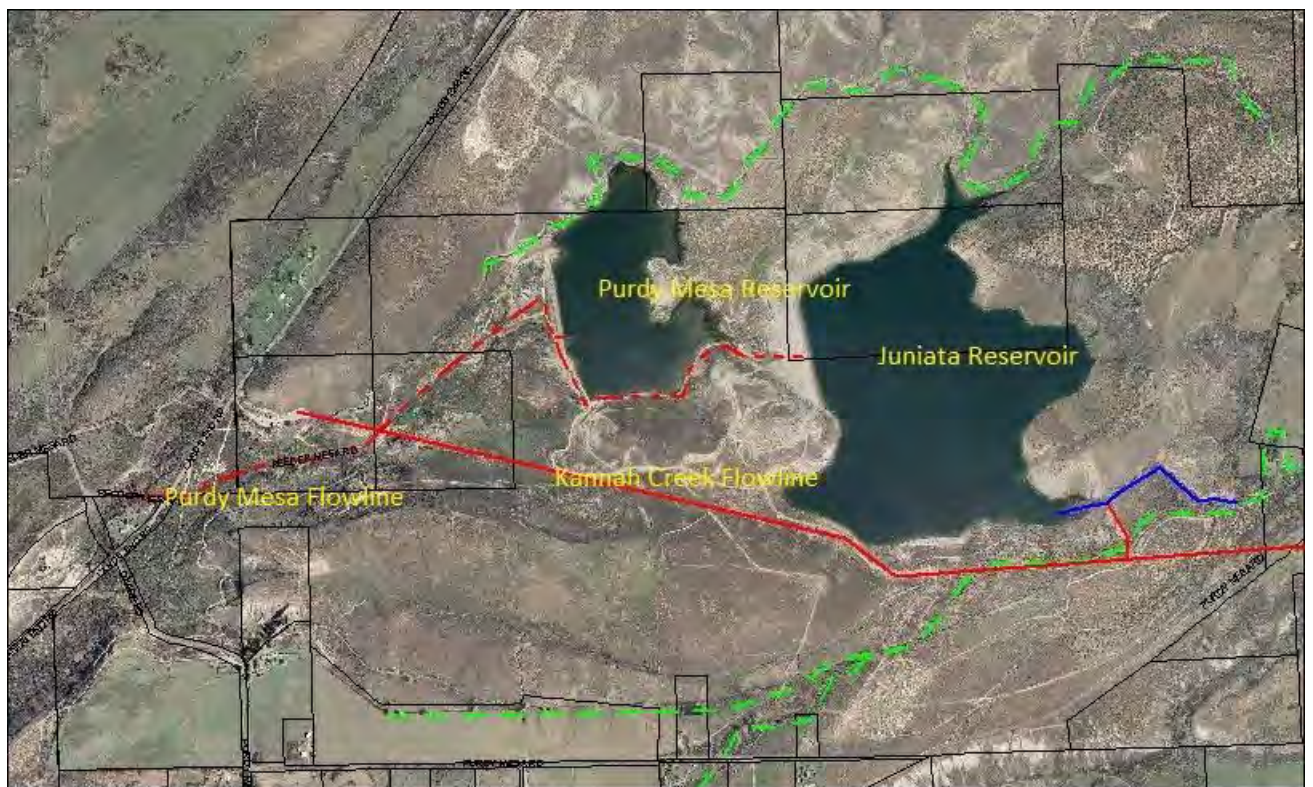
Water Rights:

The city of Grand Junction Water Department holds the paramount water right in the Kannah Creek basin that is 7.81 cfs. The water department also holds the No. 2 direct right in the Kannah Creek basin that is 3.91 cfs.

Reservoir Storage Decrees:

Structure	Decree Amount	Units	Use	Status	Adjudication Date	Appropriation Date
Hallenbeck Reservoir #1 aka Purdy Mesa	863.1	af	I	Absolute	07/25/1941	09/01/1939
	659	af	M	Conditional	12/31/1993	12/15/1993

Hallenbeck Reservoir #1 is fed by Juniata Reservoir and is used primarily as a supplemental feed reservoir for irrigation water for downstream lessees of irrigation water and also provides critical drought supply water for the City of Grand Junction municipal uses. Normal operating procedures for Hallenbeck Reservoir #1 are to fill the reservoir during the winter months with the goal of having it full by April 1st. During average to above average water years the water is leased out to downstream ranchers for irrigation use. In cooperation with Colorado Parks and Wildlife the City tries to maintain a minimum pool of 200 acre feet in the reservoir year round to provide habitat and warm water public fishing opportunities.



Project Description and Alternatives

The purpose of this project is to make repairs to the dam that will mitigate the structural failure, and provide improved control of seepage through the structure, that will allow the City to make use of the 1939 absolute Irrigation right, and 1993 conditional Municipal right. Completion of this project will also allow the City the opportunity to apply for an additional conditional Municipal storage right of 40 acre feet in 2017.

There were two alternatives considered for the dam:

1. The null alternative.
2. Rehabilitation of the dam to allow the full storage potential of the reservoir.

Alternative No. 1 was considered unacceptable because it would mean that the City of Grand Junction Water Department would lose 699 ac-ft of raw water storage.

Alternative No. 2 was selected because it will allow the City of Grand Junction Water Department full use of the 699 acre feet of storage for drought mitigation and irrigation.

The selected alternative, Alternative No. 2, involves removal of several feet of material on the downstream face of the dam, removal of the existing toe drain system, installation of a blanket filter on the downstream face, installation of a new toe drain system, installation of a buttress on the downstream face, and installation of new piezometers and monuments that will facilitate improved monitoring for performance of the dam.

The estimate of cost for completion of the project is approximately \$1M.

Project Budget

Project: Hallenbeck No. 1 Down Stream Slope Repair						
Owner: City of Grand Junction, CO						
Date: December 30, 2015						
Task 1 - Forensic Evaluation Report						
Item	Unit	Quantity	Unit Cost	Total	Loan Funds	Matching Funds
Forensic Evaluation	LS	1	\$ 42,712	\$ 42,712	\$ -	\$ -
Aerial Topography	LS	1	\$ 7,500	\$ 7,500	\$ -	\$ -
Project Management	LS	1	\$ 5,000	\$ 5,000	\$ -	\$ -
Sub-Total Design				\$ 55,212	\$ -	\$ 55,212
Task 2 - Design						
Item	Unit	Quantity	Unit Cost	Total	Loan Funds	Matching Funds
Engineering Design Report, Plans, Tech Specs	LS	1	\$ 68,758	\$ 68,758	\$ -	\$ -
Project Management	LS	1	\$ 2,500	\$ 2,500	\$ -	\$ -
Sub-Total Design				\$ 71,258	\$ -	\$ 71,258
Task 3 - Construction						
Item	Unit	Quantity	Unit Cost	Total	Loan Funds	Grant/Matching Funds
Construction	LS	1	\$1,012,312	\$1,012,312	\$1,000,000	\$ 12,312
Project Management	LS	1	\$ 15,000	\$ 15,000	\$ -	\$ 15,000
Sub-Total Construction				\$1,027,312	\$1,000,000	\$ 27,312
Total Estimated Project Cost				\$1,153,782	\$1,000,000	\$ 153,782

Engineers estimate of cost for construction

Hallenbeck No. 1 Dam - Downstream Slope Repair					
Effective Date: October 2015					
Design: 90%					
Item No.	Description	UOM	Quantity	Unit Price (\$)	Amount (\$)
1	Mobilize	LS	1	100,000.00	100,000
2	Remove Piezometers, Toe Drain Pipe, Cobble Stone	LS	1	5,000.00	5,000
3	Protect Existing Facilities	LS	1	7,500.00	7,500
4	Excavation (Total)	CY	13,030	5.71	74,440
4.1	Trench Excavation	CY	11,160	6.00	66,960
4.2	Slope Excavation	CY	1,870	4.00	7,480
5	Drain Gravel	CY	745	52.00	38,740
6	Filter Sand	CY	4,812	60.00	288,720
7	Embankment Fill (Total)	CY	28,879	6.00	173,232
7.1	From Excavation	CY	11,560	3.00	34,680
7.2	From Borrow Area	CY	17,319	8.00	138,552
8	Riprap Upstream Slope	CY	8,100	8.00	64,800
9	Dam Crest Restore and Resurface	CY	258	65.00	16,770
10	Slotted 8" HDPE Toe Drain Pipe	LF	759	90.00	68,310
11	Solid 8" HDPE Toe Drain Pipe	LF	156	85.00	13,260
12	Toe Drain Cleanout	EA	4	750.00	3,000
13	Nested Standpipe Piezometer holes (2 piezos per hole)	EA	6	4,900.00	29,400
14	Single Standpipe Piezometer holes (1 piezo per hole)	EA	1	4,500.00	4,500
15	Movement Monument	EA	5	1,000.00	5,000
16	Structural Survey Point	EA	1	500.00	500
17	Station Marker	EA	10	1,000.00	10,000
18	Structural Concrete - Wall	CY	15	900.00	13,500
19	Structural Concrete - Footing	CY	21	800.00	16,800
20	Handrail	LF	31	85.00	2,635
21	Reclamation	Acres	8	3,500.00	28,000
	Subtotal				\$964,107
	Contingency (5%)				\$48,205
	Total				\$1,012,312

Implementation Schedule

The proposed project schedule is as follows:

- December 2015 – apply for IBCC Grant
- February 2016 – receive approval of construction plans and design report from State Engineers Office
- February 2016 – submit loan feasibility study & application to CWCB
- April 2016 – solicit for construction bids
- May 2016 – award construction contract
- June 2016 – start construction
- August 2016 – complete construction
- October 2016 – submit final project documents to the State Engineers Office.

Design Review from State Engineers Office (SEO) – Dam Safety Branch

The plans and specifications for this project have been submitted to the Dam Safety Branch of the State Engineers Office for review. We anticipate that we will receive approval from the SEO for this project by March 31, 2016.

Permitting

The proposed project is located fully within City owned property. The entire project will be located on upland areas with no disruption to wetlands or waters of the State. There will be no US Army Corps permitting needed for this project. This will be confirmed with the US Army Corps of Engineers.

This project will be reviewed and approved by the Colorado State Engineers Office, Dam Safety Division prior to construction.

Institutional Considerations

The entities that will be involved in the design, construction, and financing of the project include:

1. City of Grand Junction Water Department - financing, construction oversight, and project management.
2. URS - design
3. Colorado Water Conservation Board - financing
4. Gunnison Basin Round Table & Colorado Water Supply Reserve Account - financing

The City of Grand Junction Water Department will be the lead for the financing, design, and construction of the project, and will be the entity entering into contracts and agreements with the various entities for the services provided by each.

Financial Analysis

The City of Grand Junction Water Department is applying for a loan from the CWCB in the amount of \$1,000,000 that would account for 87% of the estimated \$1,153,782 total project cost. The City is also pursuing a \$100,000 grant from the Gunnison Basin Round Table and Water Supply Reserve Account for this project. The additional \$53,782 will be paid directly from fund balance that is generated by water rates.

The City of Grand Junction Water Department is requesting a 20-year loan from the CWCB. The City of Grand Junction falls into the middle-income municipal rate category. We understand that the rate for a 20-year term may be approximately 2.7% that will be based on the bond market the final week of January. We have used a rate of 3.0% for this feasibility level evaluation. At this rate, annual payments are estimated to be \$67,216 as shown in Table 1.

We also have a proposed debt funded project at the Water Treatment plant for which we are pursuing funding through the Colorado Water and Power Development Authority, State Revolving Fund in the amount of \$1.5M. This project is also represented in Table 1.

Credit Worthiness

The City of Grand Junction Water Enterprise is funded solely by rates. We have recently completed a rate study that resulted in a recommendation to debt fund \$2.6M in capital projects in 2016/2017. This project is one of those identified in the study. Table 1 shows projected revenues from rates through the term of the loan, annual debt service, and reserve account balance as a condition of the loan.

The City of Grand Junction Water Department has two outstanding loans with the Colorado Water Resources and Power Development Authority issued in 2002 (bond issuance), and 2010. The reserve account requirements of the 2010 loan are three months operating and maintenance expense (25% of annual O&M) up to \$1.25M in the form of unobligated fund balance. The City water department carries 30% of O&M reserve that exceeds this requirement.

Complete financial information may be found in the City of Grand Junction Comprehensive Annual Financial Report (CAFR) included as Appendix A for 2012 through 2014.

Alternative Financing Considerations

The City has investigated alternative financing sources.

Collateral

The City of Grand Junction Water Department can pledge revenue income from rates as security for the CWCB loan.

Economic Analysis

The economic benefit of the project is considerable. By rehabilitating the dam the Water Department will regain 699 acre- feet of raw water storage. Using current estimated cost of

Grand Junction, CO
Financial Planning Cash Flow Analysis
Water Fund

Table 1

Line No.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
1	Forecast Rate Revenue Increase	9.5%	9.5%	9.5%	8.5%	8.0%	8.0%	5.5%	3.8%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
2	Beginning Water Fund Balance	\$2,240,474	\$2,848,826	\$3,396,719	\$2,585,689	\$2,529,409	\$2,179,250	\$2,672,486	\$3,350,103	\$3,531,693	\$3,747,545	\$3,950,212	\$4,137,160	\$4,305,821	\$4,456,575	\$4,585,752	\$4,688,615	\$4,888,036	\$5,181,757	\$5,441,757	\$5,667,987	\$5,854,298	\$5,999,428
Sources of Funds																							
3	Service Charge Revenue	5,311,763	5,720,759	6,264,231	6,859,333	7,442,377	8,037,767	8,680,788	9,158,231	9,506,244	9,838,963	10,183,326	10,539,743	10,908,634	11,290,436	11,685,601	12,094,597	12,517,908	12,956,035	13,409,496	13,878,829	14,364,588	14,867,348
4	Other Miscellaneous Revenue	1,060,116	1,023,828	1,048,126	1,009,811	1,021,912	1,035,542	1,052,005	1,067,959	1,083,033	1,098,439	1,114,060	1,129,886	1,145,920	1,162,157	1,178,584	1,195,502	1,213,218	1,231,413	1,249,774	1,268,292	1,286,954	1,305,992
5	Total Operating Revenue	6,371,879	6,744,687	7,312,358	7,869,144	8,464,289	9,073,309	9,732,793	10,226,190	10,589,277	10,937,402	11,297,386	11,669,629	12,054,553	12,452,593	12,864,185	13,290,099	13,731,126	14,187,448	14,659,270	15,147,120	15,651,542	16,173,341
New Bond Issuances																							
6	CWCB Loan	0	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	State Revolving Fund Loan	0	1,600,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Total New Bond Issuances	0	2,600,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total Sources of Funds	6,371,879	9,344,687	7,312,358	7,869,144	8,464,289	9,073,309	9,732,793	10,226,190	10,589,277	10,937,402	11,297,386	11,669,629	12,054,553	12,452,593	12,864,185	13,290,099	13,731,126	14,187,448	14,659,270	15,147,120	15,651,542	16,173,341
Uses of Funds																							
10	Operating Expenses	4,668,253	4,665,771	4,834,577	5,064,240	5,316,167	5,512,692	5,733,325	5,963,121	6,202,469	6,451,780	6,711,479	6,982,013	7,263,845	7,557,460	7,863,366	8,182,092	8,514,188	8,860,231	9,220,823	9,596,592	9,988,194	10,396,313
Debt Service																							
11	Existing	500,274	497,696	499,594	497,185	494,063	500,164	503,633	510,282	244,738	244,738	244,741	244,738	244,738	244,738	244,738	122,369	0	0	0	0	0	0
12	CWCB Loan	0	33,608	67,216	67,216	67,216	67,216	67,216	67,216	67,216	67,216	67,216	67,216	67,216	67,216	67,216	67,216	67,216	67,216	67,216	67,216	67,216	33,608
13	State Revolving Fund Loan	0	61,501	123,002	123,002	123,002	123,002	123,002	123,002	123,002	123,002	123,002	123,002	123,002	123,002	123,002	123,002	123,002	123,002	123,002	123,002	123,002	61,501
14	Total Debt Service	500,274	592,805	689,811	687,402	684,280	690,381	693,850	700,480	434,955	434,955	434,958	434,955	434,955	434,955	434,955	312,587	190,218	190,218	190,218	190,218	190,218	95,109
Debt Issuance Expense																							
15	CWCB Loan	0	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	State Revolving Fund Loan	0	16,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Total Debt Issuance Expense	0	26,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Reserve																							
18	CWCB Loan	0	67,216	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(67,216)
19	State Revolving Fund Loan	0	123,002	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(123,002)
20	Total Debt Service Reserve	0	190,218	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(190,218)
Capital Projects																							
21	Rate Financed Capital Projects	595,000	1,776,000	1,803,000	2,132,000	2,814,000	2,377,000	2,628,000	3,381,000	3,736,000	3,848,000	3,964,000	4,084,000	4,205,000	4,331,000	4,463,000	4,596,000	4,733,000	4,877,000	5,022,000	5,174,000	5,328,000	5,487,000
22	Debt Financed Capital Projects	0	1,546,000	796,000	41,782	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Total Capital Projects	595,000	3,322,000	2,599,000	2,173,782	2,814,000	2,377,000	2,628,000	3,381,000	3,736,000	3,848,000	3,964,000	4,084,000	4,205,000	4,331,000	4,463,000	4,596,000	4,733,000	4,877,000	5,022,000	5,174,000	5,328,000	5,487,000
24	Total Uses of Funds	5,763,527	8,796,794	8,123,388	7,925,425	8,814,448	8,580,073	9,055,176	10,044,600	10,373,425	10,734,735	11,110,438	11,500,968	11,903,800	12,323,416	12,761,322	13,090,678	13,437,405	13,927,448	14,433,040	14,960,810	15,506,411	15,788,205
25	Annual Surplus (Deficit)	608,352	547,894	(811,030)	(56,280)	(350,159)	493,235	677,618	181,590	215,852	202,667	186,948	168,661	150,753	129,177	102,863	199,421	293,721	260,000	226,230	186,311	145,130	385,136
26	Ending Water Fund Balance	\$2,848,826	\$3,396,719	\$2,585,689	\$2,529,409	\$2,179,250	\$2,672,486	\$3,350,103	\$3,531,693	\$3,747,545	\$3,950,212	\$4,137,160	\$4,305,821	\$4,456,575	\$4,585,752	\$4,688,615	\$4,888,036	\$5,181,757	\$5,441,757	\$5,667,987	\$5,854,298	\$5,999,428	\$6,384,564
27	Debt Service Coverage: (Line 5 - Line 10) / (Line 14)	3.41	3.51	3.59	4.08	4.60	5.16	5.76	6.09	10.09	10.31	10.54	10.78	11.01	11.25	11.50	16.34	27.43	28.01	28.59	29.18	29.77	60.74

building new storage of +/- \$10,000 per acre-foot, the value of the project is \$7M, compared to the estimated total cost of \$153,000, or \$218 per acre-foot, providing a benefit cost ratio of 46.

Social and Physical Impacts

The project will have significant positive social impact in that it will allow for continued use of the reservoir for drought mitigation, irrigation water for local farms, and use as a warm water fishery.

Physical impacts include the modification of the dam crest and downstream face, and re-contouring of the borrow area located adjacent to the reservoir. The physical improvements of the project will provide for continued safe and reliable water storage.

Conclusions

1. The City of Grand Junction is an incorporated entity in the State of Colorado. The Water Department is an Enterprise of the City that has the ability to legally enter into a contract with the CWCB for the purpose of obtaining a Construction fund loan.
2. The project is located on land owned by the City of Grand Junction.
3. The project will provide continued use of 699 acre-feet of raw water storage for the beneficial use of the rate payers, and agriculture.
4. The City of Grand Junction Water Fund is financially sound and capable of repaying the loan in full.
5. The project is technically feasible. Formal design has been closely coordinated with the SEO.
6. The project is financially feasible as demonstrated by the CAFR and long range financial plan for the City of Grand Junction Water Department.

Appendix A

Audited statements for the Water enterprise fund as found in the Comprehensive Annual Financial Report (CAFR) for the City of Grand Junction are included with this Appendix. The complete CAFR reports for years 2012 – 2014 may be found at the following links:

2014 CAFR - <http://www.gjcity.org/2014CAFR.aspx>

2013 CAFR - http://www.gjcity.org/Financial_Operations/Budget_and_Accounting/CAFR_PDFs/2013_CAFR.aspx

2012 CAFR - <http://www.gjcity.org/2012CAFR.aspx>

City of Grand Junction, Colorado
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2014

	Business-Type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	
ASSETS							
Current assets:							
Cash and investments	\$ 2,042,300	\$ 139,489	\$ 57,585	\$ 123,308	\$ 699,963	\$ 3,062,645	\$ 7,837,616
Accounts receivable, net of allowance	417,698	113,205	10	4,534	445,450	980,897	607,206
Intergovernmental receivable	5,880	-	-	-	-	5,880	420,202
Prepaid items	-	1,300	-	-	-	1,300	81,810
Inventory	-	-	37,842	-	-	37,842	-
Total current assets	2,465,878	253,994	95,437	127,842	1,145,413	4,088,564	8,946,834
Noncurrent assets:							
Capital assets:							
Land	2,506,211	197,993	891,356	1,598,330	-	5,193,890	-
Buildings, improvements, plant and system	46,916,902	20,242,204	7,346,930	5,058,459	3,685,557	83,250,052	2,753,984
Equipment	991,837	1,163,491	248,044	321,382	1,260,436	3,985,190	37,514,801
Construction in progress	1,002,815	-	-	-	-	1,002,815	843,877
Intangible assets	190,464	-	-	-	-	190,464	-
Less accumulated depreciation	(18,959,535)	(4,889,994)	(3,716,270)	(1,231,920)	(3,765,756)	(32,563,475)	(21,886,098)
Total capital assets (net of accumulated depreciation)	32,648,694	16,713,694	4,770,060	5,746,251	1,180,237	61,058,936	19,226,564
Total noncurrent assets	32,648,694	16,713,694	4,770,060	5,746,251	1,180,237	61,058,936	19,226,564
Total assets	35,114,572	16,967,688	4,865,497	5,874,093	2,325,650	65,147,500	28,173,398
LIABILITIES							
Current liabilities:							
Accounts payable	159,140	226,955	19,346	1,408	93,132	499,981	458,151
Accrued liabilities	67,498	27,040	17,313	3,864	30,949	146,664	206,466
Accrued interest payable	41,240	-	-	-	-	41,240	-
Compensated absences payable	15,068	3,639	5,130	501	7,700	32,038	27,498
Claims payable	-	-	-	-	-	-	770,998
Current portion of promissory notes payable	356,680	-	-	-	-	356,680	-
Due to other funds	-	-	184,534	197,902	84,895	467,331	-
Total current liabilities	639,626	257,634	226,323	203,675	216,676	1,543,934	1,463,113
Noncurrent liabilities:							
Compensated absences payable	248,961	60,113	84,777	8,279	127,231	529,361	454,349
Claims payable	-	-	-	-	-	-	1,302,881
Advances from other funds - general fund	-	-	3,124,592	2,859,763	675,356	6,659,711	-
Promissory notes payable	4,494,375	-	-	-	-	4,494,375	-
Total noncurrent liabilities	4,743,336	60,113	3,209,369	2,868,042	802,587	11,683,447	1,757,230
Total liabilities	5,382,962	317,747	3,435,692	3,071,717	1,019,263	13,227,381	3,220,343
NET POSITION							
Net investment in capital assets	27,797,639	16,713,694	4,770,060	5,746,251	1,180,237	56,207,881	19,226,564
Restricted for:							
Public safety	-	-	-	-	-	-	164,241
Unrestricted	1,933,971	(63,753)	(3,340,255)	(2,943,875)	126,150	(4,287,762)	5,562,250
Total net position	\$ 29,731,610	\$ 16,649,941	\$ 1,429,805	\$ 2,802,376	\$ 1,306,387	\$ 51,920,119	\$ 24,953,055

Amounts reported for business-type activities on the statement of net position (page 31) are different because:

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:

Current year:	141,817
Prior years:	416,668
Net position - business-type activities (page 31)	\$ 52,478,604

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2014

Business-Type Activities - Enterprise Funds							
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
Operating revenues:							
Charges for sales and services	\$ 5,877,233	\$ 2,026,520	\$ 1,818,323	\$ 475,368	\$ 3,780,227	\$ 13,977,671	\$ 16,492,387
Other income	-	-	-	-	-	-	616,585
Total operating revenues	<u>5,877,233</u>	<u>2,026,520</u>	<u>1,818,323</u>	<u>475,368</u>	<u>3,780,227</u>	<u>13,977,671</u>	<u>17,108,972</u>
Operating expenses:							
Personnel services	2,707,312	1,327,877	861,327	146,154	1,155,003	6,197,673	7,324,068
Costs of sales and services	1,758,307	1,017,482	801,276	96,470	2,305,497	5,979,032	8,261,635
Depreciation and amortization	1,065,329	449,989	233,321	132,783	155,316	2,036,738	3,259,594
Total operating expenses	<u>5,530,948</u>	<u>2,795,348</u>	<u>1,895,924</u>	<u>375,407</u>	<u>3,615,816</u>	<u>14,213,443</u>	<u>18,845,297</u>
Operating income (loss)	<u>346,285</u>	<u>(768,828)</u>	<u>(77,601)</u>	<u>99,961</u>	<u>164,411</u>	<u>(235,772)</u>	<u>(1,736,325)</u>
Nonoperating revenues (expenses):							
Intergovernmental	84,513	-	-	-	-	84,513	324,710
Miscellaneous	84,952	3,096	-	-	-	88,048	-
Investment income	14,076	-	155	996	3,900	19,127	48,674
Gain (loss) on disposition of property and equipment	(131,006)	(20,218)	500	-	-	(150,724)	55,178
Interest expense	(145,428)	-	(52,375)	(48,790)	-	(246,593)	-
Total nonoperating revenues (expenses)	<u>(92,893)</u>	<u>(17,122)</u>	<u>(51,720)</u>	<u>(47,794)</u>	<u>3,900</u>	<u>(205,629)</u>	<u>428,562</u>
Income (loss) before contributions and transfers	<u>253,392</u>	<u>(785,950)</u>	<u>(129,321)</u>	<u>52,167</u>	<u>168,311</u>	<u>(441,401)</u>	<u>(1,307,763)</u>
Capital contributions - tap fees	39,825	-	-	-	1,820	41,645	-
Contributed capital	179,977	10,507,815	-	-	-	10,687,792	-
Transfers in	-	416,601	160,413	-	-	577,014	1,779,880
Transfers out	-	-	-	-	(100,000)	(100,000)	-
Change in net position	<u>473,194</u>	<u>10,138,466</u>	<u>31,092</u>	<u>52,167</u>	<u>70,131</u>	<u>10,765,050</u>	<u>472,117</u>
Net position - beginning	<u>29,258,416</u>	<u>6,511,475</u>	<u>1,398,713</u>	<u>2,750,209</u>	<u>1,236,256</u>	<u>41,155,069</u>	<u>24,480,938</u>
Net position - ending	<u>\$ 29,731,610</u>	<u>\$ 16,649,941</u>	<u>\$ 1,429,805</u>	<u>\$ 2,802,376</u>	<u>\$ 1,306,387</u>	<u>\$ 51,920,119</u>	<u>\$ 24,953,055</u>

Amounts reported for business-type activities in the statement of activities (page 33) are different because:

Change in net position-enterprise funds	10,765,050
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:	141,817
Change in net position of business-type activities (page 33)	<u>\$ 10,906,867</u>

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2014

	Business-Type Activities - Enterprise Funds						Governmental Activities-Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:							
Cash received from interfund	\$ 678,645	\$ -	\$ -	\$ -	\$ -	\$ 678,645	\$ 14,249,295
Cash received from customers and users	5,202,135	1,989,706	1,827,592	470,987	3,757,460	13,247,880	2,168,764
Cash paid to interfund	(831,979)	(177,958)	(314,134)	(44,219)	(979,729)	(2,348,019)	(1,507,367)
Cash paid to suppliers	(919,172)	(835,217)	(483,694)	(52,843)	(1,325,169)	(3,616,095)	(6,820,576)
Cash paid to employees	(2,698,540)	(1,327,814)	(865,531)	(146,853)	(1,144,481)	(6,183,219)	(7,249,492)
Miscellaneous receipts	84,952	3,096	-	-	-	88,048	1,337,876
Net cash provided (used) by operating activities	<u>1,516,041</u>	<u>(348,187)</u>	<u>164,233</u>	<u>227,072</u>	<u>308,081</u>	<u>1,867,240</u>	<u>2,178,500</u>
Cash flows from noncapital financing activities:							
Transfers from other funds	-	418,601	160,413	-	-	577,014	1,779,880
Transfers to other funds	-	-	-	-	(100,000)	(100,000)	-
Increase (decrease) in amount due other funds	-	-	91,335	2,925	2,232	96,492	-
Intergovernmental receipts	79,373	-	-	-	-	79,373	3,593
Net cash provided (used) by noncapital financing activities	<u>79,373</u>	<u>418,601</u>	<u>251,748</u>	<u>2,925</u>	<u>(97,768)</u>	<u>652,879</u>	<u>1,783,473</u>
Cash flows from capital and related financing activities:							
Tap fees	39,825	-	-	-	1,820	41,645	-
Principal payments:							
Promissory notes	(352,007)	-	-	-	-	(352,007)	-
Repayment of interfund capital loans	-	-	(273,876)	(197,902)	(84,895)	(556,673)	-
Interest paid	(144,594)	-	(52,375)	(48,790)	-	(245,759)	-
Proceeds from disposition of capital assets	-	-	500	-	-	500	86,820
Purchase of capital assets	(1,395,025)	(6,634)	(42,768)	(5,104)	(35,659)	(1,485,190)	(4,947,097)
Intergovernmental receipts	-	-	-	-	-	-	103,524
Net cash used in capital and related financing activities	<u>(1,851,801)</u>	<u>(6,634)</u>	<u>(368,519)</u>	<u>(251,796)</u>	<u>(118,734)</u>	<u>(2,597,484)</u>	<u>(4,758,753)</u>
Cash flows from investing activities:							
Investment income received	14,076	-	155	996	3,900	19,127	48,674
Net cash provided (used) by investing activities	<u>14,076</u>	<u>-</u>	<u>155</u>	<u>996</u>	<u>3,900</u>	<u>19,127</u>	<u>48,674</u>
Net increase (decrease) in cash and cash equivalents	<u>(242,311)</u>	<u>61,780</u>	<u>47,617</u>	<u>(20,803)</u>	<u>95,479</u>	<u>(58,239)</u>	<u>(746,106)</u>
Cash and cash equivalents, January 1	2,284,611	77,709	9,968	144,111	604,484	3,120,883	8,583,722
Cash and cash equivalents, December 31	<u>\$ 2,042,300</u>	<u>\$ 139,489</u>	<u>\$ 57,585</u>	<u>\$ 123,308</u>	<u>\$ 699,963</u>	<u>\$ 3,062,645</u>	<u>\$ 7,837,616</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	\$ 346,285	\$ (768,828)	\$ (77,601)	\$ 99,961	\$ 164,411	\$ (235,772)	\$ (1,736,325)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	1,065,329	449,989	233,321	132,783	155,316	2,036,738	3,259,594
(Increase) decrease in accounts receivable	3,547	(36,814)	9,269	(4,381)	(22,787)	(51,146)	646,963
Miscellaneous receipts	84,952	3,096	-	-	-	88,048	-
(Increase) decrease in inventory	-	-	4,834	-	-	4,834	-
(Increase) decrease in prepaid items	-	(892)	185	-	-	(707)	56,375
Increase (decrease) in accounts payable	79,830	104,215	(22,971)	(592)	599	161,081	(304,450)
Increase (decrease) in claims payable	-	-	-	-	-	-	(144,106)
Increase (decrease) in accrued liabilities and compensated absences payable	8,772	63	(4,204)	(699)	10,522	14,454	74,576
(Increase) decrease in accounts payable due to the purchase of capital assets on account	(72,674)	(99,016)	21,400	-	-	(150,290)	325,873
Total adjustments	<u>1,189,756</u>	<u>420,641</u>	<u>241,834</u>	<u>127,111</u>	<u>143,870</u>	<u>2,103,012</u>	<u>3,914,825</u>
Net cash provided (used) by operating activities	<u>\$ 1,516,041</u>	<u>\$ (348,187)</u>	<u>\$ 164,233</u>	<u>\$ 227,072</u>	<u>\$ 308,081</u>	<u>\$ 1,867,240</u>	<u>\$ 2,178,500</u>
Noncash Investing, Capital and Financing Activities							
Purchase of capital assets on account	\$ 121,465	\$ 103,444	\$ -	\$ -	\$ -	\$ 224,909	\$ 104,096
Capital contributions	179,977	10,507,815	-	-	-	10,687,792	-
Net book value of capital assets traded in on capital assets acquired	-	-	-	-	-	-	24,897
Trade in value of disposed assets	-	-	-	-	-	-	77,800
Intergovernmental receivable from capital financing activities	-	-	-	-	-	-	298,175
Intergovernmental receivable from noncapital financing activities	5,880	-	-	-	-	5,880	-

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

Business-Type Activities - Enterprise Funds							
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 2,284,611	\$ 77,709	\$ 9,968	\$ 144,111	\$ 604,484	\$ 3,120,883	\$ 8,583,722
Accounts receivable, net of allowance	421,245	76,391	9,279	153	422,682	929,750	1,330,108
Intergovernmental receivable	740	-	-	-	-	740	126,670
Prepaid items	-	408	185	-	-	593	138,184
Inventory	-	-	42,675	-	-	42,675	-
Total current assets	<u>2,706,596</u>	<u>154,508</u>	<u>62,107</u>	<u>144,264</u>	<u>1,027,166</u>	<u>4,094,641</u>	<u>10,178,684</u>
Noncurrent assets:							
Capital assets:							
Land	2,506,211	153,001	891,356	1,598,330	-	5,148,898	-
Buildings, improvements, plant and system	46,224,376	9,166,204	7,346,930	5,058,459	3,649,898	71,445,867	2,747,494
Equipment	1,052,803	649,740	226,676	316,278	1,260,436	3,505,933	34,028,600
Construction in progress	135,559	49,726	-	-	-	185,285	903,636
Intangible assets	190,464	-	-	-	-	190,464	-
Less accumulated depreciation	(17,917,021)	(3,448,235)	(3,482,949)	(1,099,137)	(3,610,440)	(29,557,782)	(19,783,154)
Total capital assets (net of accumulated depreciation)	<u>32,192,392</u>	<u>6,570,436</u>	<u>4,982,013</u>	<u>5,873,930</u>	<u>1,299,894</u>	<u>50,918,665</u>	<u>17,896,576</u>
Total noncurrent assets	<u>32,192,392</u>	<u>6,570,436</u>	<u>4,982,013</u>	<u>5,873,930</u>	<u>1,299,894</u>	<u>50,918,665</u>	<u>17,896,576</u>
Total assets	<u>34,898,988</u>	<u>6,724,944</u>	<u>5,044,120</u>	<u>6,018,194</u>	<u>2,327,060</u>	<u>55,013,306</u>	<u>28,075,260</u>
LIABILITIES							
Current liabilities:							
Accounts payable	79,310	122,740	42,317	2,000	92,532	338,899	762,600
Accrued liabilities	63,959	31,768	17,813	3,335	27,232	144,107	160,640
Accrued interest payable	40,406	-	-	-	-	40,406	-
Compensated absences payable	14,146	3,223	5,117	547	7,003	30,036	24,766
Claims payable	-	-	-	-	-	-	858,711
Current portion of promissory notes payable	347,046	-	-	-	-	347,046	-
Due to other funds	-	-	93,198	194,978	82,663	370,839	-
Total current liabilities	<u>544,867</u>	<u>157,731</u>	<u>158,445</u>	<u>200,860</u>	<u>209,430</u>	<u>1,271,333</u>	<u>1,806,717</u>
Noncurrent liabilities:							
Compensated absences payable	244,650	55,738	88,494	9,480	121,123	519,465	428,331
Claims payable	-	-	-	-	-	-	1,359,274
Advances from other funds - general fund	-	-	3,398,468	3,057,665	760,251	7,216,384	-
Promissory notes payable	4,851,055	-	-	-	-	4,851,055	-
Total noncurrent liabilities	<u>5,095,705</u>	<u>55,738</u>	<u>3,486,962</u>	<u>3,067,125</u>	<u>881,374</u>	<u>12,586,904</u>	<u>1,787,605</u>
Total liabilities	<u>5,640,572</u>	<u>213,469</u>	<u>3,645,407</u>	<u>3,267,985</u>	<u>1,090,804</u>	<u>13,858,237</u>	<u>3,594,322</u>
NET POSITION							
Net investment in capital assets	26,994,291	6,570,436	4,982,013	5,873,930	1,299,894	45,720,564	17,896,576
Restricted for:							
Public safety	-	-	-	-	-	-	111,842
Unrestricted	2,264,125	(58,961)	(3,583,300)	(3,123,721)	(63,638)	(4,565,495)	6,472,520
Total net position	<u>\$ 29,258,416</u>	<u>\$ 6,511,475</u>	<u>\$ 1,398,713</u>	<u>\$ 2,750,209</u>	<u>\$ 1,236,256</u>	<u>\$ 41,155,069</u>	<u>\$ 24,480,938</u>

Amounts reported for business-type activities on the statement of net position (page 31) are different because:

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:

Current year:	263,710
Prior years:	152,958
Net position - business-type activities (page 31)	<u>\$ 41,571,737</u>

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

Business-Type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:							
Charges for sales and services	\$ 5,303,609	\$ 1,998,488	\$ 1,748,166	\$ 454,184	\$ 3,567,668	\$ 13,072,115	\$ 15,803,652
Other income	-	-	-	-	-	-	1,444,855
Total operating revenues	5,303,609	1,998,488	1,748,166	454,184	3,567,668	13,072,115	17,248,507
Operating expenses:							
Personnel services	2,732,414	1,375,070	975,993	143,668	1,159,477	6,386,622	6,998,636
Costs of sales and services	1,573,076	975,387	844,880	76,912	2,246,800	5,717,055	8,219,458
Depreciation and amortization	1,036,746	247,659	230,074	132,274	152,355	1,799,108	2,906,621
Total operating expenses	5,342,236	2,598,116	2,050,947	352,854	3,558,632	13,902,785	18,124,715
Operating income (loss)	(38,627)	(599,628)	(302,781)	101,330	9,036	(830,670)	(876,208)
Nonoperating revenues (expenses):							
Intergovernmental	740	-	-	-	-	740	367,207
Miscellaneous	76,137	3,017	-	-	-	79,154	-
Investment income (loss)	(6,096)	-	(306)	(177)	(1,170)	(7,749)	(21,993)
Gain (loss) on disposition of property and equipment	(12,872)	(11,020)	-	(5,226)	-	(29,118)	85,761
Interest expense	(154,923)	-	(52,375)	(51,871)	-	(258,969)	-
Total nonoperating revenues (expenses)	(97,014)	(8,003)	(52,681)	(57,074)	(1,170)	(215,942)	430,975
Income (loss) before contributions and transfers	(135,641)	(607,631)	(355,462)	44,256	7,866	(1,046,612)	(445,233)
Capital contributions - tap fees	47,600	-	-	-	1,300	48,900	-
Contributed capital	43,379	-	-	247,455	-	290,834	22,560
Transfers in	-	523,283	156,539	-	-	679,822	2,114,018
Change in net position	(44,662)	(84,348)	(198,923)	291,711	9,166	(27,056)	1,691,345
Net position - beginning	29,303,078	6,595,823	1,597,636	2,458,498	1,227,090	41,182,125	22,789,593
Net position - ending	\$ 29,258,416	\$ 6,511,475	\$ 1,398,713	\$ 2,750,209	\$ 1,236,256	\$ 41,155,069	\$ 24,480,938

Amounts reported for business-type activities in the statement of activities (page 33) are different because:

Change in net position-enterprise funds	(27,056)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:	263,710
Change in net position of business-type activities (page 33)	\$ 236,654

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds						Governmental Activities-Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:							
Cash received from interfund	\$ 805,322	\$ -	\$ -	\$ -	\$ -	\$ 805,322	\$ 13,863,818
Cash received from customers and users	4,694,482	2,138,895	1,739,198	454,772	3,566,916	12,597,263	1,922,735
Cash paid to interfund	(784,960)	(153,039)	(333,875)	(39,257)	(962,113)	(2,253,244)	(1,300,208)
Cash paid to suppliers	(846,198)	(824,588)	(559,527)	(37,246)	(1,277,838)	(3,545,397)	(7,221,639)
Cash paid to employees	(2,710,038)	(1,374,949)	(973,712)	(142,173)	(1,155,460)	(6,356,332)	(6,973,041)
Miscellaneous receipts	76,137	3,017	-	-	-	79,154	118,009
Net cash provided (used) by operating activities	1,054,745	(210,664)	(127,916)	236,096	174,505	1,126,766	409,672
Cash flows from noncapital financing activities:							
Transfers from other funds	-	523,283	156,539	-	-	679,822	2,114,018
Increase (decrease) in amount due other funds	-	(60,621)	(191,764)	2,881	2,174	(247,330)	-
Intergovernmental receipts	-	-	-	-	-	-	39,351
Net cash provided (used) by noncapital financing activities	-	462,662	(35,225)	2,881	2,174	432,492	2,153,369
Cash flows from capital and related financing activities:							
Tap fees	47,600	-	-	-	1,300	48,900	-
Principal payments:							
Promissory notes	(342,609)	-	-	-	-	(342,609)	-
Advances of interfund capital loans	-	-	191,764	-	-	191,764	-
Repayment of interfund capital loans	-	-	-	(194,978)	(82,863)	(277,641)	-
Interest paid	(168,357)	-	(52,375)	(51,671)	-	(272,403)	-
Proceeds from disposition of capital assets	-	-	-	-	-	-	59,870
Purchase of capital assets	(1,105,901)	(174,289)	(14,709)	-	(115,728)	(1,410,625)	(4,141,974)
Intergovernmental receipts	-	-	-	-	-	-	547,274
Net cash used in capital and related financing activities	(1,569,267)	(174,289)	124,880	(246,649)	(197,089)	(2,062,614)	(3,534,830)
Cash flows from investing activities:							
Investment income (loss) received	(6,096)	-	(306)	(177)	(1,170)	(7,749)	(21,993)
Net cash provided (used) by investing activities	(6,096)	-	(306)	(177)	(1,170)	(7,749)	(21,993)
Net increase (decrease) in cash and cash equivalents	(520,618)	77,709	(38,767)	(7,849)	(21,580)	(511,105)	(993,782)
Cash and cash equivalents, January 1	2,805,229	-	48,735	151,960	626,064	3,631,988	9,577,504
Cash and cash equivalents, December 31	\$ 2,284,611	\$ 77,709	\$ 9,968	\$ 144,111	\$ 604,484	\$ 3,120,883	\$ 8,583,722
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	\$ (38,627)	\$ (599,626)	\$ (302,781)	\$ 101,330	\$ 9,036	\$ (830,670)	\$ (676,208)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	1,036,745	247,659	230,074	132,274	152,355	1,799,108	2,906,621
(Increase) decrease in accounts receivable	(3,805)	140,407	(8,968)	588	2,248	130,470	(1,343,947)
Miscellaneous receipts	76,137	3,017	-	-	-	79,154	-
(Increase) decrease in inventory	-	-	(7,149)	-	-	(7,149)	-
(Increase) decrease in prepaid items	-	(408)	(185)	-	-	(593)	(94,933)
Increase (decrease) in accounts payable	(422,428)	(14,300)	(19,788)	409	6,849	(449,258)	283,078
Increase (decrease) in claims payable	-	-	-	-	-	-	(120,892)
Increase (decrease) in accrued liabilities and compensated absences payable	22,376	121	2,281	1,495	4,017	30,290	25,595
(Increase) decrease in accounts payable due to the purchase of capital assets on account	384,346	12,466	(21,400)	-	-	375,414	(369,642)
Total adjustments	1,093,372	388,964	174,865	134,766	165,469	1,957,436	1,285,880
Net cash provided (used) by operating activities	\$ 1,054,745	\$ (210,664)	\$ (127,916)	\$ 236,096	\$ 174,505	\$ 1,126,766	\$ 409,672
Noncash Investing, Capital and Financing Activities							
Purchase of capital assets on account	\$ 48,791	\$ 4,427	\$ 21,400	\$ -	\$ -	\$ 74,618	\$ 429,969
Capital contributions	43,379	-	-	247,455	-	290,834	22,560
Net book value of capital assets traded in on capital assets acquired	-	-	-	-	-	-	183,019
Trade in value of disposed assets	-	-	-	-	-	-	209,010
Intergovernmental receivable from capital financing activities	-	-	-	-	-	-	80,582
Intergovernmental receivable from noncapital financing activities	740	-	-	-	-	740	-

The notes to the financial statements are an integral part of this statement.

City of Grand Junction
STATEMENT OF NET POSITION
December 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and investments	\$ 37,131,802	\$ 3,631,988	\$ 40,763,790	\$ 3,782,856
Other receivables, net of allowance for uncollectibles	16,376,811	1,060,219	17,437,030	1,403,896
Internal balances	7,767,471	(7,767,471)	-	-
Prepays	145,868	-	145,868	30,000
Inventories	193,964	35,526	229,490	-
Restricted cash and investments	5,694,230	-	5,694,230	-
Net pension asset	205,576	-	205,576	-
Capital assets (net of accumulated depreciation):				
Land	300,420,223	4,901,443	305,321,666	1,042,146
Buildings and systems	74,783,126	38,719,408	113,502,534	2,598,019
Improvements other than buildings	14,818,957	4,825,390	19,644,347	-
Equipment	20,542,592	1,396,362	21,938,954	761,630
Infrastructure	269,755,949	-	269,755,949	-
Construction in progress	3,169,737	1,381,270	4,551,007	993
Intangible assets	1,290,092	190,464	1,480,556	-
Total assets	<u>752,296,398</u>	<u>48,374,599</u>	<u>800,670,997</u>	<u>9,619,540</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	2,553,302	-	2,553,302	-
Total deferred outflows of resources	<u>2,553,302</u>	<u>-</u>	<u>2,553,302</u>	<u>-</u>
LIABILITIES				
Accounts payable and other current liabilities	4,424,268	897,950	5,322,218	9,224
Accrued interest payable	848,709	53,841	902,550	13,120
Unearned revenue	103,389	-	103,389	-
Noncurrent liabilities:				
Due within one year	7,420,611	370,425	7,791,036	595,375
Due in more than one year	85,806,224	5,717,300	91,523,524	6,536,261
Total liabilities	<u>98,603,201</u>	<u>7,039,516</u>	<u>105,642,717</u>	<u>7,153,980</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	8,015,288	-	8,015,288	1,403,376
Unavailable revenue-special assessments	56,890	-	56,890	-
Total deferred inflows of resources	<u>8,072,178</u>	<u>-</u>	<u>8,072,178</u>	<u>1,403,376</u>
NET POSITION				
Net investment in capital assets	607,986,872	45,880,136	653,867,008	4,295,348
Restricted for :				
Perpetual care:				
Nonexpendable	1,309,993	-	1,309,993	-
Avalon Theatre building improvements	20,625	-	20,625	-
Debt service	6,588,940	-	6,588,940	126,534
General capital improvements	263,350	-	263,350	-
Emergency reserves	2,000,000	-	2,000,000	-
Legends historical sculptures project	-	-	-	165,640
Parks and recreation	812,435	-	812,435	-
Public safety	2,596,584	-	2,596,584	-
Retiree health benefits	26,974	-	26,974	-
Urban development and housing	-	-	-	663,671
Unrestricted	26,568,548	(4,545,053)	22,023,495	(4,189,009)
Total net position	<u>\$ 648,174,321</u>	<u>\$ 41,335,083</u>	<u>\$ 689,509,404</u>	<u>\$ 1,062,184</u>

The notes to the financial statements are an integral part of this statement.

City of Grand Junction
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 12,735,595	\$ 3,002,193	\$ 1,202,378	\$ 697,992
Public safety	41,301,254	10,741,763	1,089,506	851,430
Public works	19,980,846	1,927,747	14,654	7,544,761
Parks and recreation	10,281,037	2,069,864	725,813	842,723
Urban development and housing	477,886	-	171,858	-
Interest on long-term debt	4,713,532	-	-	-
Total governmental activities	89,490,150	17,741,567	3,204,209	9,936,906
Business-type Activities:				
Water	5,405,744	5,271,849	81,963	220,631
Convention Center	2,881,584	2,385,684	3,227	-
Solid Waste Removal	3,179,267	3,311,362	-	-
Golf	2,072,890	1,980,120	-	-
Parking	405,744	491,203	-	-
Irrigation Systems	302,106	216,915	-	520
Total business-type activities	14,247,335	13,657,133	85,190	221,151
Total primary government	\$ 103,737,485	\$ 31,398,700	\$ 3,289,399	\$ 10,158,057
Component unit:				
Downtown Development Authority	\$ 1,511,186	\$ 35,317	\$ 85,122	\$ 442,767
General revenues:				
Sales & use taxes				
Property taxes				
Franchise taxes				
Highway users tax				
Other shared taxes				
Investment earnings				
Transfers				
Total general revenues				
Change in net position				
Net position - beginning				
Prior period adjustment				
Net position - beginning as restated				
Net position - ending				

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Downtown Development Authority
\$ (7,833,032)	\$ -	\$ (7,833,032)	\$ -
(28,618,555)	-	(28,618,555)	-
(10,493,684)	-	(10,493,684)	-
(6,642,637)	-	(6,642,637)	-
(306,028)	-	(306,028)	-
(4,713,532)	-	(4,713,532)	-
<u>(58,607,468)</u>	<u>-</u>	<u>(58,607,468)</u>	<u>-</u>
-	168,699	168,699	-
-	(492,673)	(492,673)	-
-	132,095	132,095	-
-	(92,770)	(92,770)	-
-	85,459	85,459	-
-	(84,671)	(84,671)	-
-	(283,861)	(283,861)	-
<u>\$ (58,607,468)</u>	<u>\$ (283,861)</u>	<u>\$ (58,891,329)</u>	<u>\$ -</u>
-	-	-	(947,980)
50,702,973	-	50,702,973	-
8,976,292	-	8,976,292	1,984,461
2,528,419	-	2,528,419	-
2,186,732	-	2,186,732	-
2,648,647	-	2,648,647	-
329,469	20,129	349,598	21,427
(334,688)	334,688	-	-
<u>67,037,844</u>	<u>354,817</u>	<u>67,392,661</u>	<u>2,005,888</u>
8,430,376	70,956	8,501,332	1,057,908
640,300,661	41,264,127	681,564,788	33,194
(556,716)	-	(556,716)	(28,918)
<u>639,743,945</u>	<u>41,264,127</u>	<u>681,008,072</u>	<u>4,276</u>
<u>\$ 648,174,321</u>	<u>\$ 41,335,083</u>	<u>\$ 689,509,404</u>	<u>\$ 1,062,184</u>

Appendix B

90% Plan Drawings

(Currently being reviewed by the SEO)

DESIGN DRAWINGS

FOR

HALLENBECK NO. 1 DOWNSTREAM SLOPE REPAIR

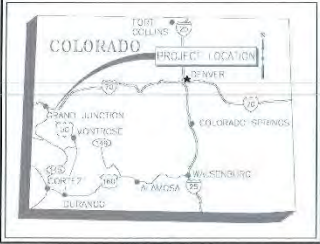
PREPARED FOR

CITY OF GRAND JUNCTION, COLORADO

SECTION 36, TOWNSHIP 12S, RANGE 98W OF THE SIXTH P.M.

MESA COUNTY, COLORADO

WATER DIVISION 4, WATER DISTRICT 42, DAM ID. 420125



STATE MAP
NOT TO SCALE



VICINITY MAP
NOT TO SCALE

COLORADO PROFESSIONAL ENGINEER CERTIFICATION

I HEREBY CERTIFY THAT THESE DRAWINGS FOR THE CENTENNIAL DAM REHABILITATION WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION FOR THE PURPOSES INTENDED.

CHRISTINA ALVARA KINCKLE COLORADO PE #15480

COLORADO STATE ENGINEER

APPROVED ON THE _____ DAY OF _____, 2015.

STATE ENGINEER _____

BY: WILLIAM J. MCCORMICK II, CDP# 40927
DAM SAFETY DIVISION

ENGINEER OF RECORD

THESE PLANS REPRESENT THE AS-CONSTRUCTED CONDITIONS OF THE HALLENBECK NO. 1 DOWNSTREAM SLOPE REPAIR TO THE BEST OF OUR KNOWLEDGE AND JUDGMENT, BASED IN PART ON INFORMATION FURNISHED BY OTHERS, AS OF THE _____ DAY OF _____, 2015.

ENGINEER _____ SIGNATURE _____

AECOM

800 East 10th Avenue
Denver, CO 80202
303.733.0000
100 PARK DRIVE

CITY OF GRAND JUNCTION, COLORADO

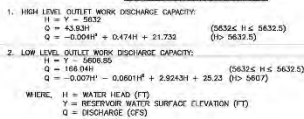
HALLENBECK NO. 1 DOWNSTREAM SLOPE REPAIR

90% REVIEW
NOT FOR CONSTRUCTION
SEO FILE NO. C-0356F

COVER SHEET

G-1

SHEET 001 OF 017



HIGH-LEVEL RATING CURVE



LOW-LEVEL RATING CURVE

ABBREVIATIONS

APPROX	APPROXIMATE
BP	BEGIN POINT
C, CL	CENTERLINE
CMP	CORRUGATED METAL PIPE
DIA	DIAMETER
E	EAST
ELEV	ELEVATION
END	END POINT
FT	FOOT OR FEET
GV	GALVANIZED
HDE	HIGH DENSITY POLYETHYLENE
K	KNOT
L	LENGTH OF
NAX	MAXIMUM
NIN	MINIMUM
N	NORTH
N	NUMBER
PC	POINT OF CURVE
P	POINT OF INTERSECTION
PT	POINT OF TANGENCY
PVC	POLYVINYL CHLORIDE PLASTIC
PI	POINT OF VERTICAL INTERSECTION
PZ	PIEZOMETER
R	RADIUS
SSD	STOPPING SIGHT DISTANCE
STA	STATION
TH	THICK
TP	TYPICAL
VC	VERTICAL CURVE
VERT	VERTICAL

	NEW CONCRETE
	EXISTING CONCRETE
	CONCRETE TO BE REMOVED
	FILTER SAND
	COMMON FILL
	DRAIN STONE
	RIPRAP BEDDING
	ROCK



INDICATES DETAIL LOCATION. 1 REFERS TO THE DETAIL DESIGNATION. 4 REFERS TO THE DRAWING NUMBER WHERE THE DETAIL IS INDICATED OR SHOWN.



INDICATES CROSS SECTION LOCATION. "B" REFERS TO THE CROSS SECTION DESIGNATION. 1 REFERS TO THE DRAWING NUMBER WHERE THE CROSS SECTION IS INDICATED OR SHOWN.

Sheet List Table		
SHEET NO.	DRAWING NO.	DRAWING TITLE
001	01	COVER SHEET
002	02	GENERAL NOTES, LEGEND, AND ABBREVIATIONS
003	03	PLANTING AND LANDSCAPE ARCHITECTURE DETAILS
004	04	SECTION 01000 - GENERAL NOTES
005	05	SECTION 02000 - EXTERIOR FINISHES
006	06	SECTION 03000 - PAINTS AND COATINGS
007	07	SECTION 04000 - METALS
008	08	SECTION 05000 - WOOD AND PLASTICS
009	09	SECTION 06000 - CONCRETE
010	10	SECTION 07000 - MASONRY
011	11	SECTION 08000 - ROADS AND PAVEMENTS
012	12	SECTION 09000 - UTILITIES
013	13	SECTION 10000 - ELECTRICAL
014	14	SECTION 11000 - MECHANICAL
015	15	SECTION 12000 - SPECIALTIES
016	16	SECTION 13000 - FURNITURE
017	17	SECTION 14000 - EQUIPMENT
018	18	SECTION 15000 - SIGNS
019	19	SECTION 16000 - SECURITY
020	20	SECTION 17000 - TELECOMMUNICATIONS
021	21	SECTION 18000 - TRANSPORTATION
022	22	SECTION 19000 - SPECIALTIES
023	23	SECTION 20000 - OTHER
024	24	SECTION 21000 - OTHER
025	25	SECTION 22000 - OTHER
026	26	SECTION 23000 - OTHER
027	27	SECTION 24000 - OTHER
028	28	SECTION 25000 - OTHER
029	29	SECTION 26000 - OTHER
030	30	SECTION 27000 - OTHER
031	31	SECTION 28000 - OTHER
032	32	SECTION 29000 - OTHER
033	33	SECTION 30000 - OTHER
034	34	SECTION 31000 - OTHER
035	35	SECTION 32000 - OTHER
036	36	SECTION 33000 - OTHER
037	37	SECTION 34000 - OTHER
038	38	SECTION 35000 - OTHER
039	39	SECTION 36000 - OTHER
040	40	SECTION 37000 - OTHER
041	41	SECTION 38000 - OTHER
042	42	SECTION 39000 - OTHER
043	43	SECTION 40000 - OTHER
044	44	SECTION 41000 - OTHER
045	45	SECTION 42000 - OTHER
046	46	SECTION 43000 - OTHER
047	47	SECTION 44000 - OTHER
048	48	SECTION 45000 - OTHER
049	49	SECTION 46000 - OTHER
050	50	SECTION 47000 - OTHER
051	51	SECTION 48000 - OTHER
052	52	SECTION 49000 - OTHER
053	53	SECTION 50000 - OTHER
054	54	SECTION 51000 - OTHER
055	55	SECTION 52000 - OTHER
056	56	SECTION 53000 - OTHER
057	57	SECTION 54000 - OTHER
058	58	SECTION 55000 - OTHER
059	59	SECTION 56000 - OTHER
060	60	SECTION 57000 - OTHER
061	61	SECTION 58000 - OTHER
062	62	SECTION 59000 - OTHER
063	63	SECTION 60000 - OTHER
064	64	SECTION 61000 - OTHER
065	65	SECTION 62000 - OTHER
066	66	SECTION 63000 - OTHER
067	67	SECTION 64000 - OTHER
068	68	SECTION 65000 - OTHER
069	69	SECTION 66000 - OTHER
070	70	SECTION 67000 - OTHER
071	71	SECTION 68000 - OTHER
072	72	SECTION 69000 - OTHER
073	73	SECTION 70000 - OTHER
074	74	SECTION 71000 - OTHER
075	75	SECTION 72000 - OTHER
076	76	SECTION 73000 - OTHER
077	77	SECTION 74000 - OTHER
078	78	SECTION 75000 - OTHER
079	79	SECTION 76000 - OTHER
080	80	SECTION 77000 - OTHER
081	81	SECTION 78000 - OTHER
082	82	SECTION 79000 - OTHER
083	83	SECTION 80000 - OTHER
084	84	SECTION 81000 - OTHER
085	85	SECTION 82000 - OTHER
086	86	SECTION 83000 - OTHER
087	87	SECTION 84000 - OTHER
088	88	SECTION 85000 - OTHER
089	89	SECTION 86000 - OTHER
090	90	SECTION 87000 - OTHER
091	91	SECTION 88000 - OTHER
092	92	SECTION 89000 - OTHER
093	93	SECTION 90000 - OTHER
094	94	SECTION 91000 - OTHER
095	95	SECTION 92000 - OTHER
096	96	SECTION 93000 - OTHER
097	97	SECTION 94000 - OTHER
098	98	SECTION 95000 - OTHER
099	99	SECTION 96000 - OTHER
100	100	SECTION 97000 - OTHER
101	101	SECTION 98000 - OTHER
102	102	SECTION 99000 - OTHER

GENERAL NOTES

- ```

1. BASE TOPOGRAPHY WAS PROVIDED BY OWNER JULY, 2015. GROUND AREA TOPOGRAPHY WAS
 PROVIDED BY OWNER FEBRUARY, 2015.

2. PROJECT COORDINATES SYSTEM IS
 JUNIPATA STATE
 TRANSFORMED MERCATOR PROJECTION
 FALSE NORTHING 50,000.00
 FALSE EASTING -50,000.00
 ORIGIN LATITUDE -NAD83/USNGS DATUM2011
 ORIGIN LONGITUDE 99.906214102142ECC
 SCALE FACTOR 1.0025689
 SEMI-MAJOR AXIS 6378137.0
 HORIZONTAL DATUM 2282650
 CURV COORDINATES
 PROJECT HEIGHT 630.002
 DATUM TRANSFORMATION THREE PARAMETER
 TRANSFORMATION 1.000207003000

3. NO CHANGES TO THE DYNAMICS OR APPLICATIONS CAN BE MADE WITHOUT PRIOR APPROVAL
 FROM THE COLORADO STATE

4. OWNER PROVIDED THE DATA FOR THE RESOURCES STORAGE CURVE.

```

### LEGEND

|       |                                                   |   |                      |
|-------|---------------------------------------------------|---|----------------------|
| PZ-2  | EXISTING PIZOMETER                                | — | PROPERTY BOUNDARY    |
| RBI   | EXISTING SURFACE MOVEMENT POINT                   | — | APPROXIMATE LOCATION |
| B301  | BORING BY URS, 2014                               | — | SIGN                 |
| SSP-1 | NEW STRUCTURAL SURVEY POINT                       | — | FILL SLOPE           |
| GP-1  | CONTROL POINT                                     | — | CUT SLOPE            |
| MS-1  | NEW STATION MARKER                                | — | WATER SURFACE        |
| MW-1  | NEW MOVEMENT MONUMENT                             | — | MANHOLE              |
| PZ-1  | NEW PIZOMETER                                     | — | ELECTRIC LINE        |
| 10200 | EXISTING ELEVATION CONTOUR WITH ELEVATION IN FEET | — | WATER LINE           |
| —     | CENTERLINE                                        | — |                      |
| —     | ADJACENT AREAS CENTERLINE                         | — |                      |

90% REVIEW  
NOT FOR CONSTRUCTION  
SEO FILE NO. C-0356F

**AECOM**CITY OF GRAND  
JUNCTION,  
COLORADO

HALLENBECK NO. 1  
DOWNSTREAM SLOPE  
REPAIR

| REVISIONS |             |      |
|-----------|-------------|------|
| NO.       | DESCRIPTION | DATE |
| 1         |             |      |
| 2         |             |      |
| 3         |             |      |
| 4         |             |      |
| 5         |             |      |
| 6         |             |      |
| 7         |             |      |
| 8         |             |      |
| 9         |             |      |
| 10        |             |      |
| 11        |             |      |
| 12        |             |      |
| 13        |             |      |
| 14        |             |      |
| 15        |             |      |
| 16        |             |      |
| 17        |             |      |
| 18        |             |      |
| 19        |             |      |
| 20        |             |      |
| 21        |             |      |
| 22        |             |      |
| 23        |             |      |
| 24        |             |      |
| 25        |             |      |
| 26        |             |      |
| 27        |             |      |
| 28        |             |      |
| 29        |             |      |
| 30        |             |      |
| 31        |             |      |
| 32        |             |      |
| 33        |             |      |
| 34        |             |      |
| 35        |             |      |
| 36        |             |      |
| 37        |             |      |
| 38        |             |      |
| 39        |             |      |
| 40        |             |      |
| 41        |             |      |
| 42        |             |      |
| 43        |             |      |
| 44        |             |      |
| 45        |             |      |
| 46        |             |      |
| 47        |             |      |
| 48        |             |      |
| 49        |             |      |
| 50        |             |      |
| 51        |             |      |
| 52        |             |      |
| 53        |             |      |
| 54        |             |      |
| 55        |             |      |
| 56        |             |      |
| 57        |             |      |
| 58        |             |      |
| 59        |             |      |
| 60        |             |      |
| 61        |             |      |
| 62        |             |      |
| 63        |             |      |
| 64        |             |      |
| 65        |             |      |
| 66        |             |      |
| 67        |             |      |
| 68        |             |      |
| 69        |             |      |
| 70        |             |      |
| 71        |             |      |
| 72        |             |      |
| 73        |             |      |
| 74        |             |      |
| 75        |             |      |
| 76        |             |      |
| 77        |             |      |
| 78        |             |      |
| 79        |             |      |
| 80        |             |      |
| 81        |             |      |
| 82        |             |      |
| 83        |             |      |
| 84        |             |      |
| 85        |             |      |
| 86        |             |      |
| 87        |             |      |
| 88        |             |      |
| 89        |             |      |
| 90        |             |      |
| 91        |             |      |
| 92        |             |      |
| 93        |             |      |
| 94        |             |      |
| 95        |             |      |
| 96        |             |      |
| 97        |             |      |
| 98        |             |      |
| 99        |             |      |
| 100       |             |      |

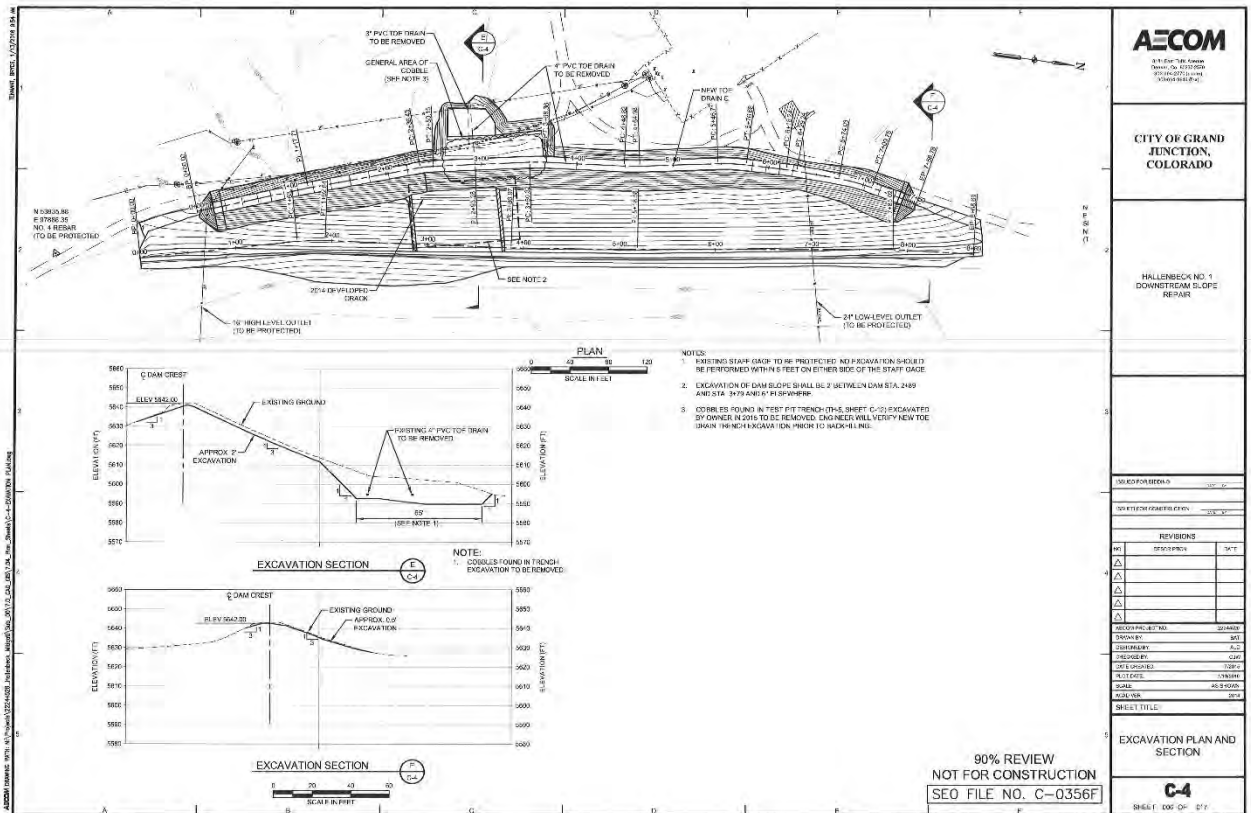
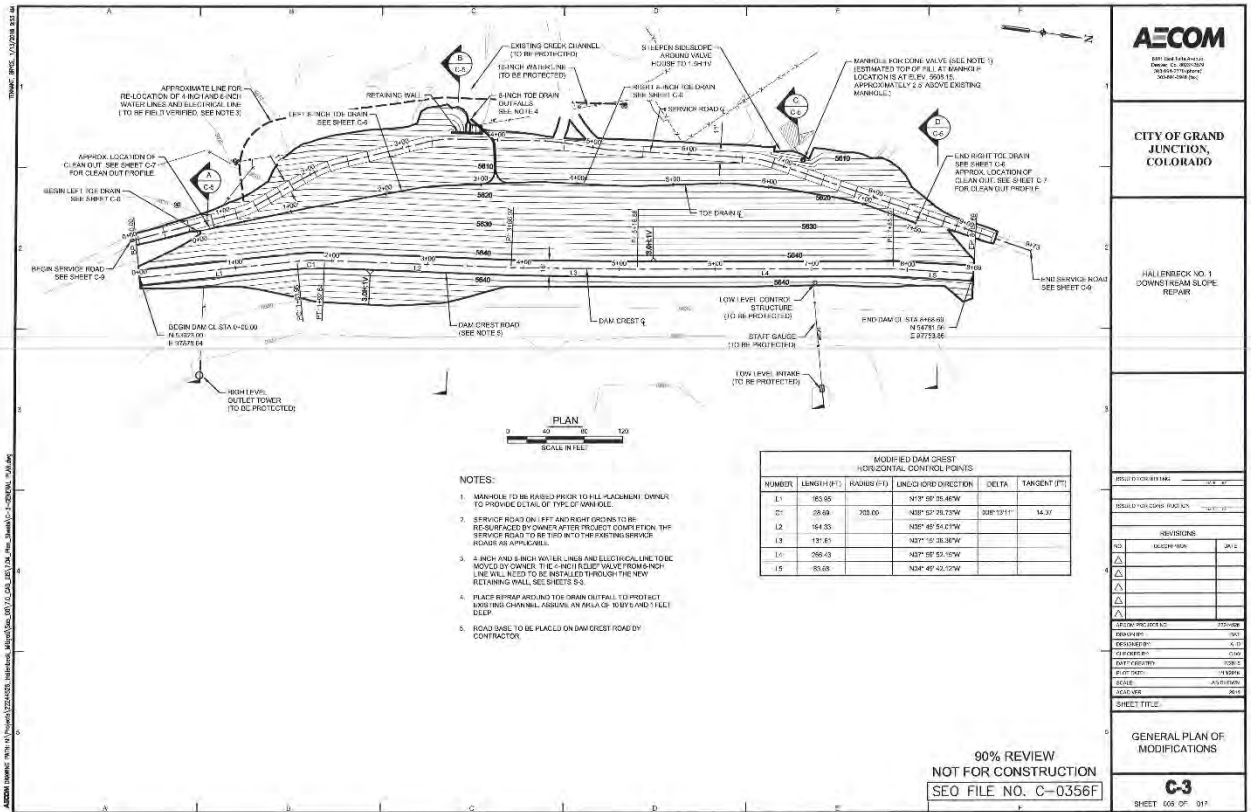
GENERAL NOTES,  
LEGEND, AND  
ABBREVIATIONS

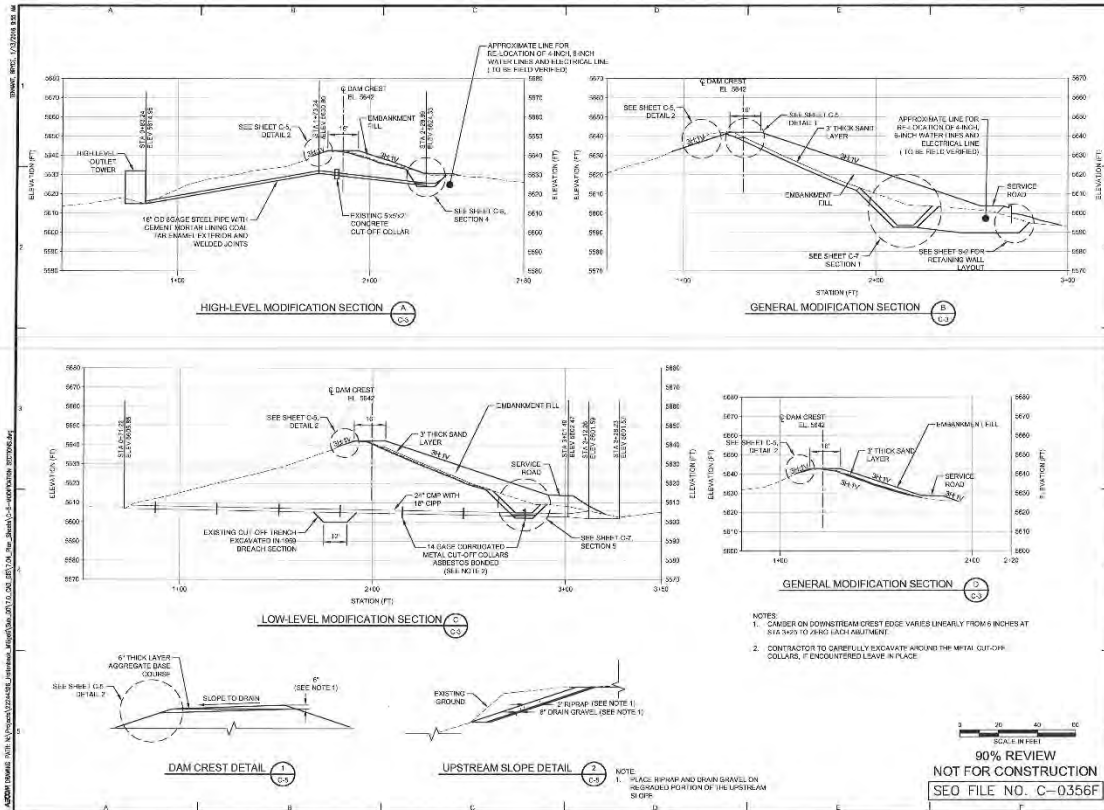
**G.2**

00001 072 DE 413









**AECOM**  
 4415 S. Valley View  
 Suite 200, West 200  
 Colorado Springs, CO 80904  
 (719) 594-1000

**CITY OF GRAND JUNCTION, COLORADO**

**HALLENBECK NO. 1  
DOWNSTREAM SLOPE REPAIR**

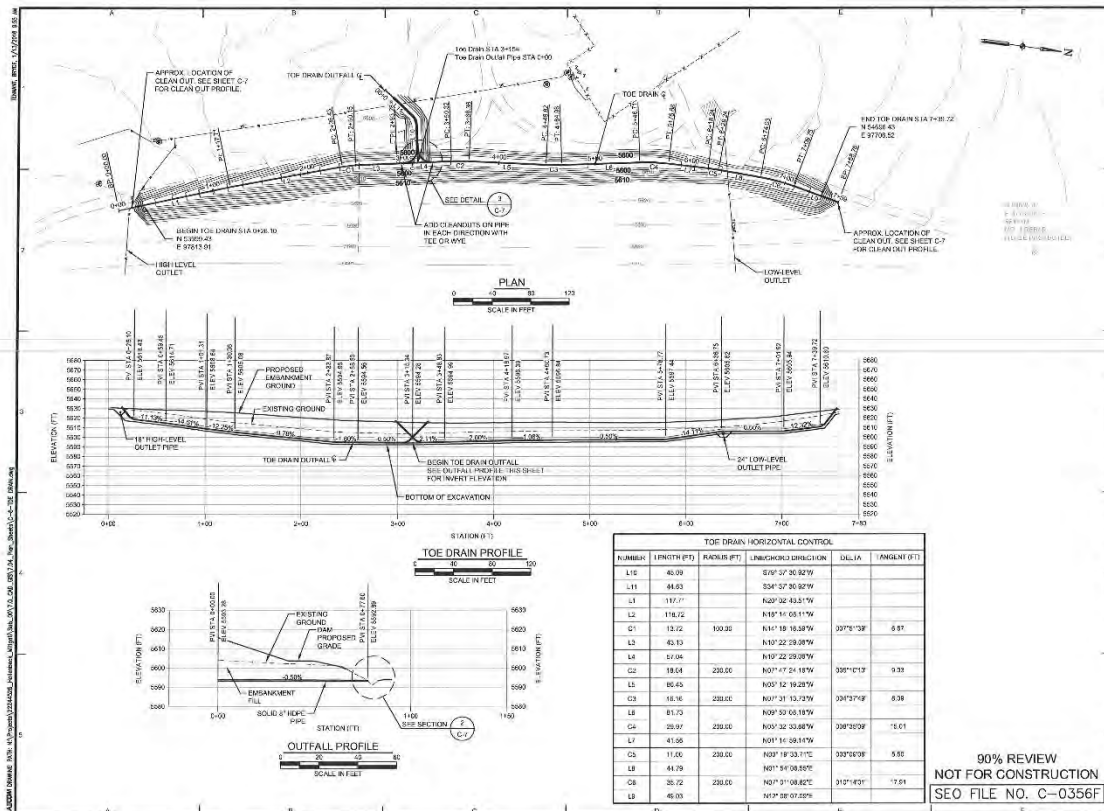
**REVISIONS**

| NO. | DESCRIPTION             | DATE    |
|-----|-------------------------|---------|
| 1   | ISSUED FOR BIDDING      | 10/1/14 |
| 2   | ISSUED FOR CONSTRUCTION | 10/1/14 |

**MODIFICATION SECTIONS**

**C-5**

SHEET 001 OF 011



**AECOM**  
 4415 S. Valley View  
 Suite 200, West 200  
 Colorado Springs, CO 80904  
 (719) 594-1000

**CITY OF GRAND JUNCTION, COLORADO**

**HALLENBECK NO. 1  
DOWNSTREAM SLOPE REPAIR**

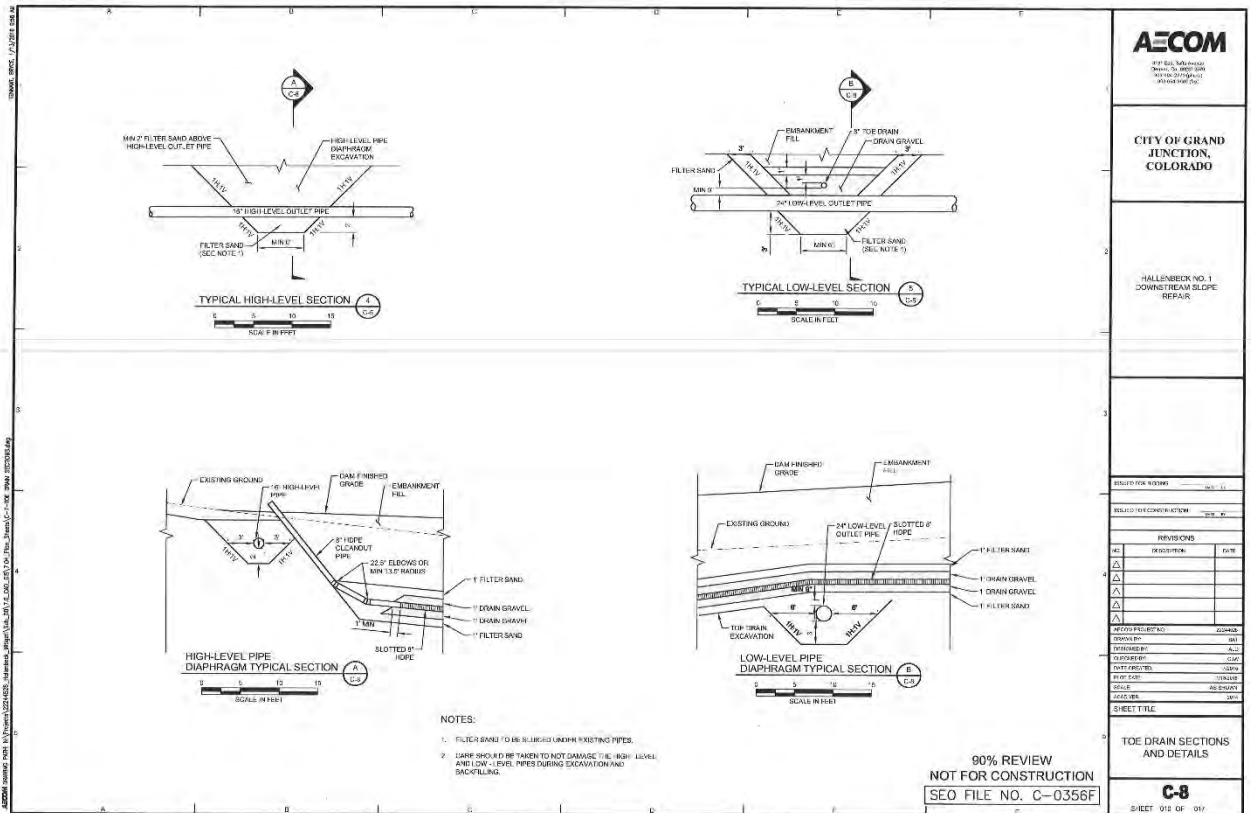
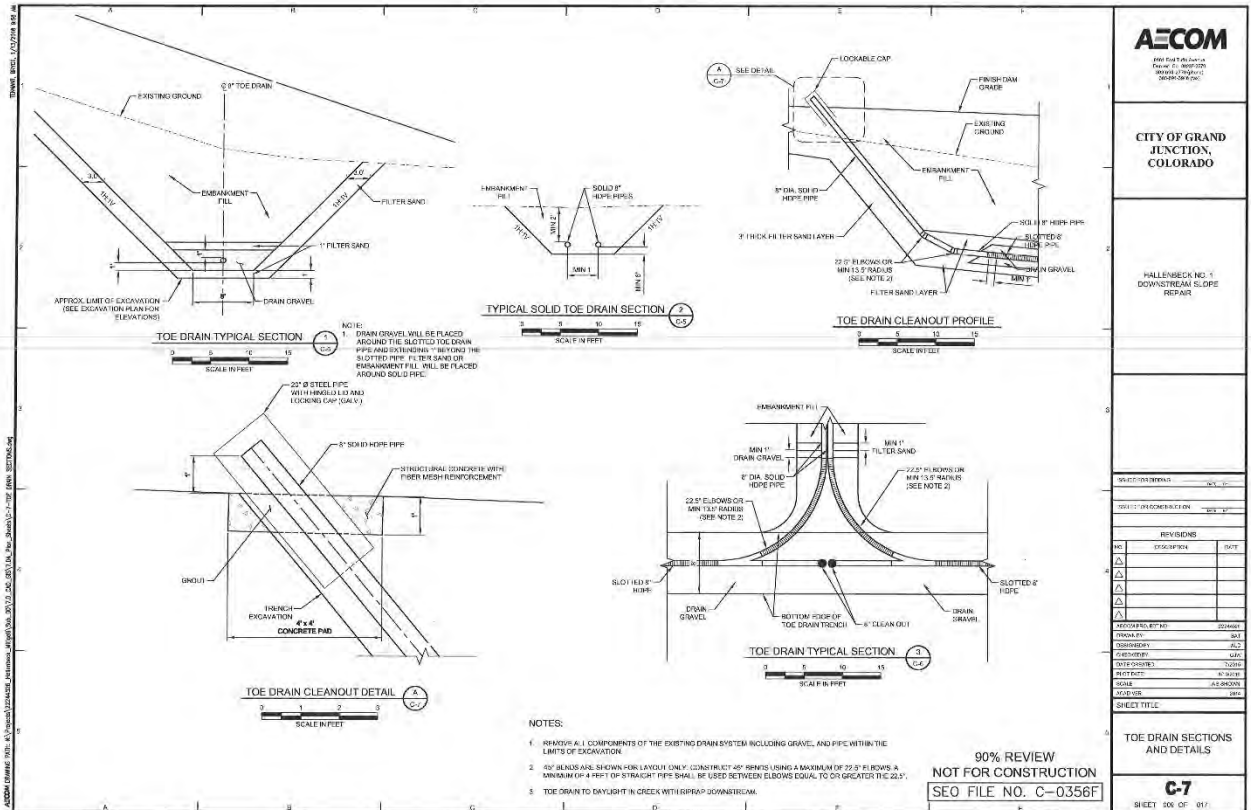
**REVISIONS**

| NO. | DESCRIPTION             | DATE    |
|-----|-------------------------|---------|
| 1   | ISSUED FOR BIDDING      | 10/1/14 |
| 2   | ISSUED FOR CONSTRUCTION | 10/1/14 |

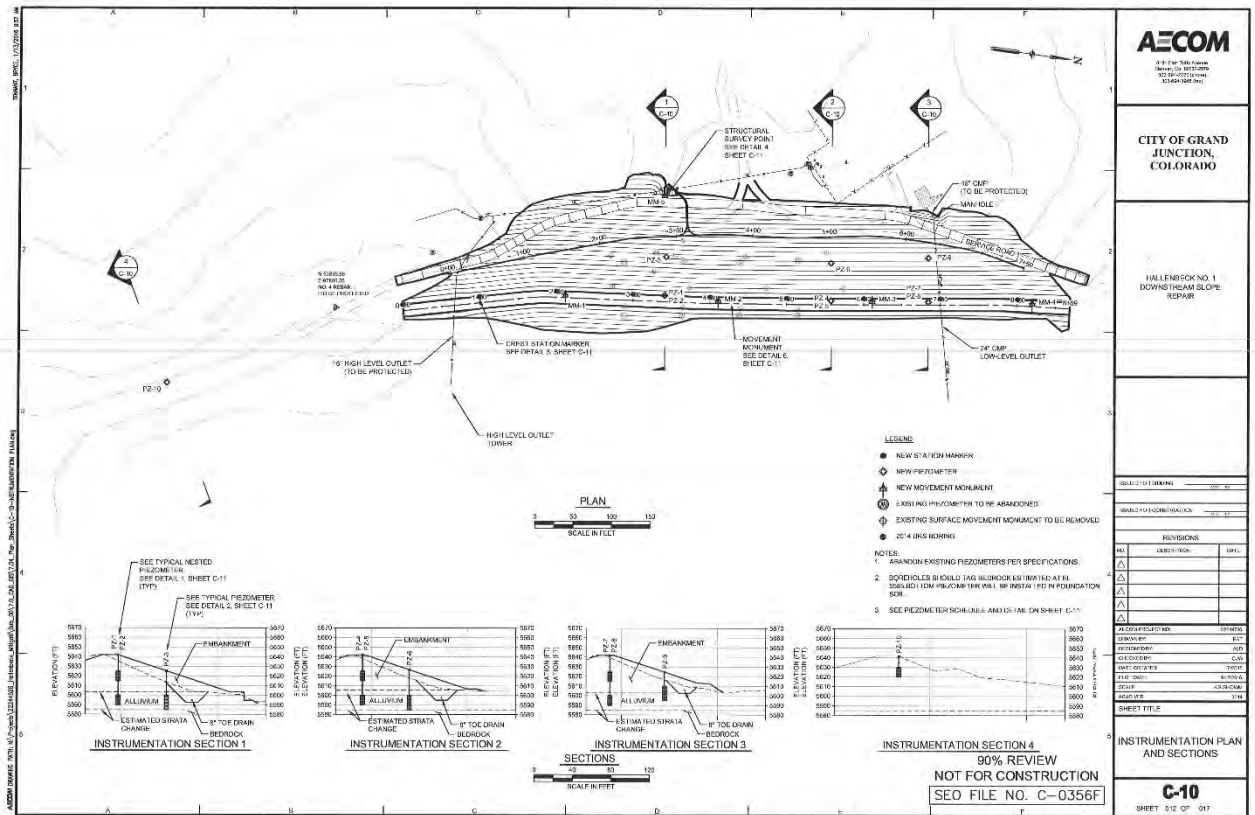
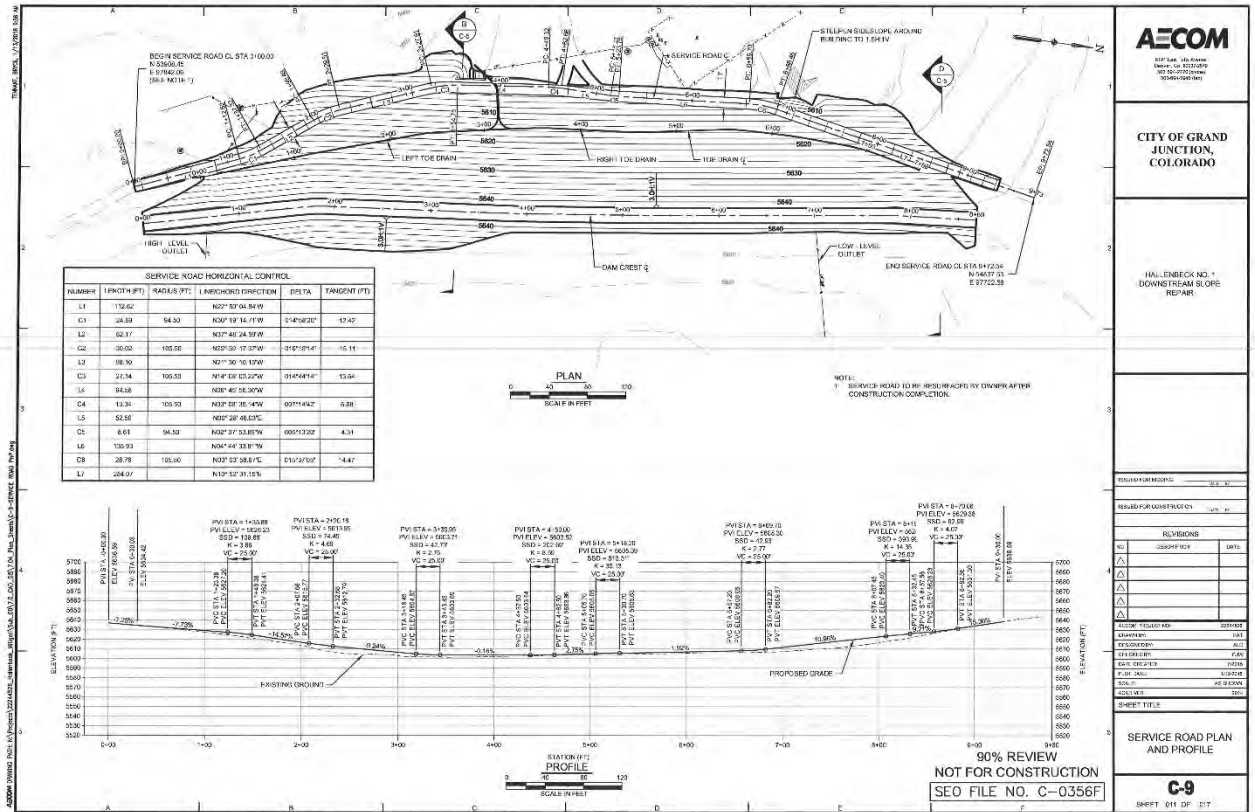
**MODIFICATION SECTIONS**

**C-6**

SHEET 002 OF 011













HALLENBECK NO. 1  
DOWNSTREAM SLOPE  
REPAIR

ISSUED FOR R 02142

ISSUED FOR CONSTRUCTION 11-20-08

| REVISIONS |             |      |
|-----------|-------------|------|
| NO.       | DESCRIPTION | DATE |
| 1         |             |      |
| 2         |             |      |
| 3         |             |      |
| 4         |             |      |
| 5         |             |      |

|                   |     |
|-------------------|-----|
| 4802M PROJECT NO. | 212 |
|-------------------|-----|

|        |
|--------|
| INCOME |
| DEBIT  |

|                |
|----------------|
| CHECKED BY:    |
| DATE PREPARED: |

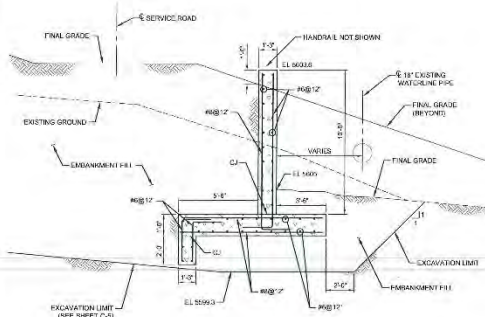
|         |         |
|---------|---------|
| NOTE    | 1/1     |
| 1000000 | 1000000 |

|          |      |
|----------|------|
| 9.2002   | 2001 |
| AGROTYPE |      |

RETAINING WALL  
SECTIONS

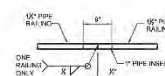
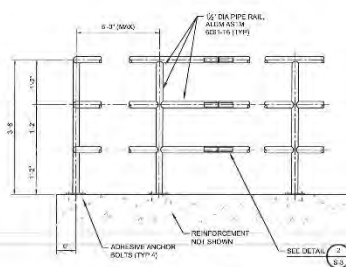
**S-3**

SECRET 017 DE 017



SECTION \_\_\_\_\_

0 1 2 4 6



DETAIL

2  
5

0 5 1 2

SCALE IN FEET

NOTES:  
1. FOR GENERAL NOTES AND MINIMUM REQUIREMENTS FOR REINFORCEMENT, SEE DWG 5-1.

90% REVIEW  
NOT FOR CONSTRUCTION  
SEO FILE NO. C-0356F

## Appendix C

WSRA Grant Application





# COLORADO WATER CONSERVATION BOARD

## WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM



Today's Date: December 30, 2015

Purdy Mesa Dam Rehabilitation

### Name of Water Activity/Project

City of Grand Junction Water Enterprise Fund

### Name of Applicant

Gunnison

Amount from Statewide Account:

75,000

Amount from Basin Account(s):

25,000

Total WSRA Funds Requested:

100,000

### Approving Basin Roundtable(s)

*(If multiple basins specify amounts in parentheses.)*

FEIN:

### Application Content

|                                                |         |
|------------------------------------------------|---------|
| Application Instructions                       | page 2  |
| Part I – Description of the Applicant          | page 3  |
| Part II – Description of the Water Activity    | page 5  |
| Part III – Threshold and Evaluation Criteria   | page 7  |
| Part IV – Required Supporting Material         |         |
| Water Rights, Availability, and Sustainability | page 10 |
| Related Studies                                | page 10 |
| Signature Page                                 | page 12 |

### Required Exhibits

- Statement of Work, Budget, and Schedule
- Project Map
- As Needed (i.e. letters of support, photos, maps, etc.)

### Appendices – Reference Material

- Program Information
- Insurance Requirements
- WSRA Standard Contract Information (Required for Projects Over \$100,000)
- W-9 Form (Required for All Projects Prior to Contracting)



## Water Supply Reserve Account – Application Form

Revised October 2013

### **Instructions**

To receive funding from the Water Supply Reserve Account (WSRA), a proposed water activity must be approved by the local Basin Roundtable **AND** the Colorado Water Conservation Board (CWCB). The process for Basin Roundtable consideration and approval is outlined in materials in Appendix 1.

Once approved by the local Basin Roundtable, the applicant should submit this application **with a detailed statement of work including budget and schedule as Exhibit A** to CWCB staff by the application deadline.

WSRA applications are due with the roundtable letter of support 60 calendar days prior to the bi-monthly Board meeting at which it will be considered. Board meetings are held in January, March, May, July, September, and November. Meeting details, including scheduled dates, agendas, etc. are posted on the CWCB website at: <http://cwcb.state.co.us> Applications to the WSRA Basin Account are considered at every board meeting, while applications to the WSRA Statewide Account are only considered at the March and September board meetings.

When completing this application, the applicant should refer to the WSRA Criteria and Guidelines available at: <http://cwcb.state.co.us/LoansGrants/water-supply-reserve-account-grants/Documents/WSRACriteriaGuidelines.pdf>. In addition, the applicant should also refer to the [Supplemental Scoring Matrix](#) applied to Evaluation Criteria Tiers 1-3 for Statewide Account requests.

The application, statement of work, budget, and schedule **must be submitted in electronic format** (Microsoft Word or text-enabled PDF are preferred) and can be emailed or mailed on a disk to:

Craig Godbout - WSRA Application  
Colorado Water Conservation Board  
1313 Sherman St., Room 721  
Denver, CO 80203  
[Craig.godbout@state.co.us](mailto:Craig.godbout@state.co.us)

If you have questions or need additional assistance, please contact Craig Godbout at: 303-866-3441 x3210 or [craig.godbout@state.co.us](mailto:craig.godbout@state.co.us).

**Water Supply Reserve Account – Application Form**  
Revised October 2013

**Part I. - Description of the Applicant (Project Sponsor or Owner);**

|    |                    |                                                              |                 |                  |
|----|--------------------|--------------------------------------------------------------|-----------------|------------------|
| 1. | Applicant Name(s): | City of Grand Junction Water Enterprise Fund                 |                 |                  |
|    | Mailing address:   | 250 North 5 <sup>th</sup> Street<br>Grand Junction, CO 81501 |                 |                  |
|    | FEIN #:            |                                                              |                 |                  |
|    | Primary Contact:   | Bret Guillory                                                | Position/Title: | Utility Engineer |
|    | Email:             | bretg@gjcity.org                                             |                 |                  |
|    | Phone Numbers:     | Cell: 970-201-1341                                           | Office:         | 970-244-1590     |
|    | Alternate Contact: | Rick Brinkman                                                | Position/Title: | Water Manager    |
|    | Email:             | rickbr@gjcity.org                                            |                 |                  |
|    | Phone Numbers:     | Cell: 970-640-8419                                           | Office:         | 970-244-1429     |

2. Eligible entities for WSRA funds include the following. What type of entity is the Applicant?

- ☒ Public (Government) – municipalities, enterprises, counties, and State of Colorado agencies. Federal agencies are encouraged to work with local entities and the local entity should be the grant recipient. Federal agencies are eligible, but only if they can make a compelling case for why a local partner cannot be the grant recipient.
- ☐ Public (Districts) – authorities, Title 32/special districts, (conservancy, conservation, and irrigation districts), and water activity enterprises.
- ☐ Private Incorporated – mutual ditch companies, homeowners associations, corporations.
- ☐ Private individuals, partnerships, and sole proprietors are eligible for funding from the Basin Accounts but not for funding from the Statewide Account.
- ☐ Non-governmental organizations – broadly defined as any organization that is not part of the government.

## **Water Supply Reserve Account – Application Form**

Revised October 2013

---

3. Provide a brief description of your organization

The City of Grand Junction is a municipal corporation created under the authority of Article XX of the Colorado State Constitution with our Charter being adopted September 14, 1909. It is a council/manager form of government.

The City of Grand Junction, under Tabor guidelines, created a Water Enterprise Fund to manage and operate the water system.

The Water Enterprise Fund is managed under direction of the Water Services Manager who reports to the Public Works Director, who reports to the City Manager.

Rick Brinkman, Water Services Manager, 333 West Avenue BLDG E, Grand Junction, Colorado, 81501

The water system has a service area of approximately 8.5 square miles and currently serves 27,100 customers through 9,500 taps. The service area and growth potential for new customers is non-existent due to being entirely surrounded by another water utility. Actual average growth rate for last five years has been 0.10%. The Water Enterprise Fund is wholly supported by water user fees.

The City owns and maintains a water treatment facility with a capacity of 16.0 million gallons per day with an average daily rate of 6.0 million gallons per day and a peak flow of 11.5 million gallons per day.

The City also owns and operates a vast raw water supply system that consists of 14 reservoirs, with twelve of these on top of Grand Mesa. These 12 reservoirs hold approximately 5,100 acre feet of water when full. The other two reservoirs are in the lower Kannah Creek drainage and are off channel reservoirs and have a capacity of 7,900 acre feet. The two lower terminal reservoirs will supply the City's municipal needs for approximately one year.

The reservoirs on top of the Grand Mesa are generally used for irrigation purposes on City owned land and other agricultural land within the basins. The City maintains in reserve a portion of the water in these reservoirs each year for use the following year in case of drought. This allots what is needed for City properties and if any excess water is available, it is then leased out to other ranchers in the basins.

4. If the Contracting Entity is different then the Applicant (Project Sponsor or Owner) please describe the Contracting Entity here.

Contracting entity is the applicant.

**Water Supply Reserve Account – Application Form**  
Revised October 2013

---

5. Successful applicants will have to execute a contract with the CWCB prior to beginning work on the portion of the project funded by the WSRA grant. In order to expedite the contracting process the CWCB has established a standard contract with provisions the applicant must adhere to. A link to this standard contract is included in Appendix 3. Please review this contract and check the appropriate box.

☒ The Applicant will be able to contract with the CWCB using the Standard Contract

☐ The Applicant has reviewed the standard contract and has some questions/issues/concerns. Please be aware that any deviation from the standard contract could result in a significant delay between grant approval and the funds being available.

6. The Tax Payer Bill of Rights (TABOR) may limit the amount of grant money an entity can receive. Please describe any relevant TABOR issues that may affect the applicant.
- 

None

**Water Supply Reserve Account – Application Form**  
Revised October 2013

**Part II. - Description of the Water Activity/Project**

1. What is the primary purpose of this grant application? (Please check only one)

☐

Nonconsumptive (Environmental or Recreational)

☐

Agricultural

☒

Municipal/Industrial

☐

Needs Assessment

☐

Education

☐

Other

Explain:

2. If you feel this project addresses multiple purposes please explain.

Purdy Mesa reservoir is primarily a municipal water supply, which provides drought protection to the City of Grand Junction.

In non-drought years the water is leased to area ranches for irrigation use.

The reservoir also provides for recreational use in the form of fishing. There is an ongoing fish management plan with Colorado Parks and Wildlife.

3. Is this project primarily a study or implementation of a water activity/project? (Please check only one)

☐

Study

☒

Implementation

4. To catalog measurable results achieved with WSRA funds can you provide any of the following numbers?

New Storage Created (acre-feet)

New Annual Water Supplies Developed, Consumptive or Nonconsumptive (acre-feet)

Existing Storage Preserved or Enhanced (acre-feet)

Length of Stream Restored or Protected (linear feet)

Length of Pipe/Canal Built or Improved (linear feet)

Efficiency Savings (acre-feet/year OR dollars/year – **circle one**)

Area of Restored or Preserved Habitat (acres)

Other -- Explain:



**Water Supply Reserve Account – Application Form**  
Revised October 2013

4 To help us map WSRA projects please include a map (Exhibit B) and provide the general coordinates below:

Latitude: 38.968702

Longitude: -108.294573

5. Please provide an overview/summary of the proposed water activity (no more than one page). Include a description of the overall water activity and specifically what the WSRA funding will be used for. A full **Statement of Work** with a detailed budget and schedule is required as **Exhibit A** of this application.

Hallenbeck No. 1, State Engineers Office Dam ID 420125, is a high hazard dam. The structure is 1,000 feet long, 40.5 feet high, with a dam crest width of 16 feet. The dam crest is at elevation 5,642 NAVD 88. Normal reservoir storage is 699.4 acre feet.

This project is being completed to mitigate a structural failure on the downstream slope of the Hallenbeck No. 1 Dam that occurred during fill of the reservoir on June 10, 2014. URS (AECOM) was hired in 2014 to complete a forensics evaluation of the dam to determine what may have caused a crack to appear on the downstream face of the dam, and make suggestions for mitigation of the failure. It was determined that the crack was the result of slip plane failure of previous fill material that had been placed on the downstream face.

The City of Grand Junction Water Department then contracted with AECOM in 2015 to design a mitigation project to correct the failure condition. The project will include installation of a blanket filter, new toe drain system, and buttress along the downstream slope of the dam. AECOM is currently completing final design for the mitigation project that is planned for summer of 2016, pending review and approval from the State Engineers Office.

WSRA Grant funding will be used for construction of the project. The City of Grand Junction Water department will be pursuing a loan through CWCW and the Water Project Loan Program for the balance of the project cost.

## Water Supply Reserve Account – Application Form

Revised October 2013

---

### Part III. – Threshold and Evaluation Criteria

1. Describe how the water activity meets these **Threshold Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines.)

- a) The water activity is consistent with Section 37-75-102 Colorado Revised Statutes.<sup>1</sup>

This project does not supersede, abrogate or otherwise impair the current water allocation system within Colorado because there is already an existing conditional storage decree for this reservoir.

- b) The water activity underwent an evaluation and approval process and was approved by the Basin Roundtable (BRT) and the application includes a description of the results of the BRT's evaluation and approval of the activity. At a minimum, the description must include the level of agreement reached by the roundtable, including any minority opinion(s) if there was not general agreement for the activity. The description must also include reasons why general agreement was not reached (if it was not), including who opposed the activity and why they opposed it. Note- If this information is included in the letter from the roundtable chair simply reference that letter.

The project will reviewed by the Selection Committee of the Gunnison Basin Roundtable and then by the full Roundtable at their February 2016 meeting.

---

<sup>1</sup> 37-75-102. Water rights - protections. (1) It is the policy of the General Assembly that the current system of allocating water within Colorado shall not be superseded, abrogated, or otherwise impaired by this article. Nothing in this article shall be interpreted to repeal or in any manner amend the existing water rights adjudication system. The General Assembly affirms the state constitution's recognition of water rights as a private usufructuary property right, and this article is not intended to restrict the ability of the holder of a water right to use or to dispose of that water right in any manner permitted under Colorado law. (2) The General Assembly affirms the protections for contractual and property rights recognized by the contract and takings protections under the state constitution and related statutes. This article shall not be implemented in any way that would diminish, impair, or cause injury to any property or contractual right created by intergovernmental agreements, contracts, stipulations among parties to water cases, terms and conditions in water decrees, or any other similar document related to the allocation or use of water. This article shall not be construed to supersede, abrogate, or cause injury to vested water rights or decreed conditional water rights. The General Assembly affirms that this article does not impair, limit, or otherwise affect the rights of persons or entities to enter into agreements, contracts, or memoranda of understanding with other persons or entities relating to the appropriation, movement, or use of water under other provisions of law.

## Water Supply Reserve Account – Application Form

Revised October 2013

- c) The water activity meets the provisions of Section 37-75-104(2), Colorado Revised Statutes.<sup>2</sup> The Basin Roundtable Chairs shall include in their approval letters for particular WSR grant applications a description of how the water activity will assist in meeting the water supply needs identified in the basin roundtable's consumptive and/or non-consumptive needs assessments.

The Gunnison River Basin has completed a needs assessment for both non-consumptive and consumptive water supply needs. This project will help meet some of the current and future rural water needs in the Kannah Creek drainage along with reducing the vulnerability to drought for the Grand Junction municipal water supply.

- d) Matching Requirement: For requests from the **Statewide Fund**, the applicants will be required to demonstrate a **25 percent** (or greater) match of the total grant request from the other sources, including by not limited to Basin Funds. A minimum match of 5% of the total grant amount shall be from Basin funds. A minimum match of 5% of the total grant amount must come from the applicant or 3rd party sources. Sources of matching funds include but are not limited to Basin Funds, in-kind services, funding from other sources, and/or direct cash match. Past expenditures directly related to the project may be considered as matching funds if the expenditures occurred within 9 months of the date the contract or purchase order between the applicant and the State of Colorado is executed. Please describe the source(s) of matching funds. (NOTE: These matching funds should also be reflected in your Detailed Budget in **Exhibit A** of this application)

The City of Grand Junction Water Department has already completed a forensics evaluation of the dam to determine what caused the structural failure. Cost of this investigation was \$55,212. The engineering design report and construction plans and specifications are currently at 95% and are expected to be complete by January 2016. Cost incurred by the Water Department for design is \$71,258 (estimated).

This grant application of \$100,000 will have matching funds of \$927,312 included to meet anticipated construction costs for this mitigation project. The City will be providing matching funds through a loan from CWCB via the Water Project Loan Program.

---

<sup>2</sup> 37-75-104 (2)(c). Using data and information from the Statewide Water Supply Initiative and other appropriate sources and in cooperation with the on-going Statewide Water Supply Initiative, develop a basin-wide consumptive and nonconsumptive water supply needs assessment, conduct an analysis of available unappropriated waters within the basin, and propose projects or methods, both structural and nonstructural, for meeting those needs and utilizing those unappropriated waters where appropriate. Basin Roundtables shall actively seek the input and advice of affected local governments, water providers, and other interested stakeholders and persons in establishing its needs assessment, and shall propose projects or methods for meeting those needs. Recommendations from this assessment shall be forwarded to the Interbasin Compact Committee and other basin roundtables for analysis and consideration after the General Assembly has approved the Interbasin Compact Charter.

**Water Supply Reserve Account – Application Form**  
Revised October 2013

---

## Water Supply Reserve Account – Application Form

Revised October 2013

2. For Applications that include a request for funds from the **Statewide Account**, describe how the water activity/project meets all applicable **Evaluation Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines and repeated below.) Projects will be assessed on how well they meet the Evaluation Criteria. **Please attach additional pages as necessary.**

**Evaluation Criteria** – the following criteria will be utilized to further evaluate the merits of the water activity proposed for funding from the Statewide Account. In evaluation of proposed water activities, preference will be given to projects that meet one or more criteria from each of the three “tiers” or categories. Each “tier” is grouped in level of importance. For instance, projects that meet Tier 1 criteria will outweigh projects that only meet Tier 3 criteria. The applicant should also refer to the Supplemental Scoring Matrix applied to Evaluation Criteria Tiers 1-3 for Statewide Account requests. WSRA grant requests for projects that may qualify for loans through the CWCBC loan program will receive preference in the Statewide Evaluation Criteria if the grant request is part of a CWCBC loan/WSRA grant package. For these CWCBC loan/WSRA grant packages, the applicant must have a CWCBC loan/WSRA grant ratio of 1:1 or higher. Preference will be given to those with a higher loan/grant ratio.

### Tier 1: Promoting Collaboration/Cooperation and Meeting Water Management Goals and Identified Water Needs

- a. The water activity addresses multiple needs or issues, including consumptive and/or non-consumptive needs, or the needs and issues of multiple interests or multiple basins. This can be demonstrated by obtaining letters of support from other basin roundtables (in addition to an approval letter from the sponsoring basin).
- b. The number and types of entities represented in the application and the degree to which the activity will promote cooperation and collaboration among traditional consumptive water interests and/or non-consumptive interests, and if applicable, the degree to which the water activity is effective in addressing intrabasin or interbasin needs or issues.
- c. The water activity helps implement projects and processes identified as helping meet Colorado’s future water needs, and/or addresses the gap areas between available water supply and future need as identified in SWSI or a roundtable’s basin-wide water needs assessment.

### Tier 2: Facilitating Water Activity Implementation

- d. Funding from this Account will reduce the uncertainty that the water activity will be implemented. For this criterion the applicant should discuss how receiving funding from the Account will make a significant difference in the implementation of the water activity (i.e., how will receiving funding enable the water activity to move forward or the inability obtaining funding elsewhere).
- e. The amount of matching funds provided by the applicant via direct contributions, demonstrable in-kind contributions, and/or other sources demonstrates a significant & appropriate commitment to the project.

### Tier 3: The Water Activity Addresses Other Issues of Statewide Value and Maximizes Benefits

- f. The water activity helps sustain agriculture & open space, or meets environmental or recreational needs.
- g. The water activity assists in the administration of compact-entitled waters or addresses problems related to compact entitled waters and compact compliance and the degree to which the activity promotes maximum utilization of state waters.
- h. The water activity assists in the recovery of threatened and endangered wildlife species or Colorado State species of concern.



**Water Supply Reserve Account – Application Form**  
Revised October 2013

---

- i. The water activity provides a high level of benefit to Colorado in relationship to the amount of funds requested.
- j. The water activity is complimentary to or assists in the implementation of other CWCB programs.

Continued: Explanation of how the water activity/project meets all applicable **Evaluation Criteria**.

**Please attach additional pages as necessary.**

**Water Supply Reserve Account – Application Form**  
Revised October 2013

**Part IV. – Required Supporting Material**

1. **Water Rights, Availability, and Sustainability** – This information is needed to assess the viability of the water project or activity. Please provide a description of the water supply source to be utilized, or the water body to be affected by, the water activity. This should include a description of applicable water rights, and water rights issues, and the name/location of water bodies affected by the water activity.

**Reservoir Storage Decrees**

| Structure                              | Decree Amount | Units | Use | Status      | Adjudication Date | Appropriation Date |
|----------------------------------------|---------------|-------|-----|-------------|-------------------|--------------------|
| Hallenbeck Reservoir #1 aka Purdy Mesa | 863.1         | af    | I   | Absolute    | 07/25/1941        | 09/01/1939         |
|                                        | 659           | af    | M   | Conditional | 12/31/1993        | 12/15/1993         |
|                                        |               |       |     |             |                   |                    |
|                                        |               |       |     |             |                   |                    |
|                                        |               |       |     |             |                   |                    |
|                                        |               |       |     |             |                   |                    |
|                                        |               |       |     |             |                   |                    |
|                                        |               |       |     |             |                   |                    |

Purdy Mesa Reservoir is fed by Juniata Reservoir and is used primarily as a supplemental feed reservoir for irrigation water for downstream lessees of irrigation water and also provides critical drought supply water for the City of Grand Junction municipal uses. Normal operating procedures for Purdy Mesa Reservoir are to fill the reservoir during the winter months with the goal of having it full by April 1<sup>st</sup>. During average to above average water years the water is leased out to downstream ranchers for irrigation use. In cooperation with Colorado Parks and Wildlife the City tries to maintain a minimum pool of 200 acre feet in the reservoir year round to provide habitat and warm water public fishing opportunities.



**Water Supply Reserve Account – Application Form**  
Revised October 2013

---

2. Please provide a brief narrative of any related studies or permitting issues.  
None

3. Statement of Work, Detailed Budget, and Project Schedule

---

The statement of work will form the basis for the contract between the Applicant and the State of Colorado. In short, the Applicant is agreeing to undertake the work for the compensation outlined in the statement of work and budget, and in return, the State of Colorado is receiving the deliverables/products specified. **Please note that costs incurred prior to execution of a contract or purchase order are not subject to reimbursement.** All WSRA funds are disbursed on a reimbursement basis after review invoices and appropriate backup material.

**Please provide a detailed statement of work using the template in Exhibit A.** Additional sections or modifications may be included as necessary. Please define all acronyms and include page numbers.

**Water Supply Reserve Account – Application Form**  
Revised October 2013

---

**REPORTING AND FINAL DELIVERABLE**

**Reporting:** The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of the executed contract. The progress report shall describe the completion or partial completion of the tasks identified in the statement of work including a description of any major issues that have occurred and any corrective action taken to address these issues.

**Final Deliverable:** At completion of the project, the applicant shall provide the CWCB a final report that summarizes the project and documents how the project was completed. This report may contain photographs, summaries of meetings and engineering reports/designs.

**PAYMENT**

Payment will be made based on actual expenditures and invoicing by the applicant. Invoices from any other entity (i.e. subcontractors) cannot be processed by the State. The request for payment must include a description of the work accomplished by major task, and estimate of the percent completion for individual tasks and the entire water activity in relation to the percentage of budget spent, identification of any major issues and proposed or implemented corrective actions. The last 10 percent of the entire water activity budget will be withheld until final project/water activity documentation is completed. All products, data and information developed as a result of this grant must be provided to the CWCB in hard copy and electronic format as part of the project documentation. This information will in turn be made widely available to Basin Roundtables and the general public and help promote the development of a common technical platform.

**Water Supply Reserve Account – Application Form**  
Revised October 2013

---

The above statements are true to the best of my knowledge:

**Signature of Applicant:**

**Print Applicant's Name:**

**Project Title:**

**Date:**

**Return an electronic version (hardcopy may also be submitted) of this application to:**

Craig Godbout – WSRA Application  
Colorado Water Conservation Board  
1313 Sherman St., Room 721  
Denver, CO 80203  
303-866-3441, ext. 3210 (office)  
303-547-8061 (cell)  
[craig.godbout@state.co.us](mailto:craig.godbout@state.co.us)



## Appendix D

### CWCB Loan Application



# COLORADO

Colorado Water  
Conservation Board

Department of Natural Resources

## Water Project Loan Program

|                                                                                                                                                                                                           |                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Application Type</b>                                                                                                                                                                                   |                                                                                                                                               |
| <input type="checkbox"/> Prequalification (Attach 3 years of financial statements) <input checked="" type="checkbox"/> Loan Approval (Attach Loan Feasibility Study)                                      |                                                                                                                                               |
| <b>Agency/Company Information</b>                                                                                                                                                                         |                                                                                                                                               |
| Company / Borrower Name: City of Grand Junction                                                                                                                                                           |                                                                                                                                               |
| Authorized Agent & Title: Rick Brinkman, Water System Manager                                                                                                                                             |                                                                                                                                               |
| Address: 333 West Avenue, Building E, Grand Junction, CO 81501                                                                                                                                            |                                                                                                                                               |
| Phone: (970) 244-1429                                                                                                                                                                                     | Email: rickbr@gjcity.org                                                                                                                      |
| Organization Type: <input type="checkbox"/> Ditch Co, <input type="checkbox"/> District, <input checked="" type="checkbox"/> Municipality<br><input type="checkbox"/> other: _____                        | Incorporated? <input checked="" type="checkbox"/> YES<br><input type="checkbox"/> NO                                                          |
| County: Mesa                                                                                                                                                                                              | Number of Shares/Taps: 9,500                                                                                                                  |
| Water District: 42                                                                                                                                                                                        | Avg. Water Diverted/Yr <u>5,218</u> acre-feet                                                                                                 |
| Number of Shareholders/Customers Served: 27,100                                                                                                                                                           | Current Assessment per Share \$ <u>n/a</u> (Ditch Co)                                                                                         |
|                                                                                                                                                                                                           | Average monthly water bill \$ <u>16.50</u><br>(Municipality)                                                                                  |
| <b>Contact Information</b>                                                                                                                                                                                |                                                                                                                                               |
| Project Representative: Bret Guillory, P.E. - Utility Engineer                                                                                                                                            |                                                                                                                                               |
| Phone: (970) 244-1590                                                                                                                                                                                     | Email: Bretg@gjcity.org                                                                                                                       |
| Engineer: see above                                                                                                                                                                                       |                                                                                                                                               |
| Phone: ( )                                                                                                                                                                                                | Email:                                                                                                                                        |
| Attorney: John Shaver, City Attorney                                                                                                                                                                      |                                                                                                                                               |
| Phone: (970) 244-1506                                                                                                                                                                                     | Email: johns@gjcity.org                                                                                                                       |
| <b>Project Information</b>                                                                                                                                                                                |                                                                                                                                               |
| Project Name: Hallenbeck No. 1 Downstream Slope Repair                                                                                                                                                    |                                                                                                                                               |
| Brief Description of Project: (Attach separate sheets if needed)                                                                                                                                          |                                                                                                                                               |
| This project involves repair of a dam that has experienced a structural failure of the downstream slope of the dam. This project will mitigate seepage through the dam, which contributed to the failure. |                                                                                                                                               |
| A forensics study was completed prior to design in an effort to understand what caused the failure and provide direction for design of the mitigation project. Cost of the study was \$55,212             |                                                                                                                                               |
| General Location: (Attach Map of Area)                                                                                                                                                                    |                                                                                                                                               |
| Please see map included with the attached Loan Feasibility Study                                                                                                                                          |                                                                                                                                               |
| Estimated Engineering Costs: \$71,258                                                                                                                                                                     | Estimated Construction Costs: \$1,012,312                                                                                                     |
| Other Costs (Describe Above): \$55,212                                                                                                                                                                    | Estimated Total Project Costs: \$1,153,782                                                                                                    |
| Requested Loan Amount: \$1,000,000<br>(Limit 90% of Total Project Costs)                                                                                                                                  | Project Start Date(s)<br>Design: <u>June 2015</u> Construction: <u>June 2016</u>                                                              |
| <b>Signature</b>                                                                                                                                                                                          |                                                                                                                                               |
| <br><u>UTILITY ENGINEER 1/21/16</u><br>Signature / Title Date                                                          | Return to: Finance Section Attn: Anna Mauss<br>1313 Sherman St #718<br>Denver, CO 80203<br>Ph. 303/866.3449<br>e-mail: anna.mauss@state.co.us |



2012

COMPREHENSIVE ANNUAL

# FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2012

About our cover...

Public safety is a top priority for the City of Grand Junction. In 2006, after many years of public safety services being provided out of cramped and inadequate facilities, the City of Grand Junction set out to specifically address the need. We embarked on a journey that would include years of public input, design consideration, funding strategies and construction.

In 2012, the need was fulfilled, at least in part. At the urging of community members, we approached the public safety facilities in phases and found ways to fund them within existing resources. Phase one of the Public Safety Facilities project included the building of a 63,863 square foot combined Police and 911 Communication Center. Fire Station #1, the City's original fire facility, was also renovated to update housing, technology and training areas. Phase two of the project included demolition of the older portion of the former police building to allow for renovations and additions to create a new Fire Administration building. Finally, our busiest fire station, Fire Station #2, is being expanded and is the third phase of the project which will conclude in the summer of 2013.

The Public Safety Facilities project is a great source of pride for Grand Junction and involved the community in every aspect. This project is representative of a community that worked together to address a need. The improvements to these facilities and to our ability to provide top notch public safety services help us continue toward our mission "To Be the Most Livable Community West of the Rockies".





# Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2012

Prepared by:

Financial Operations Department

Jodi Romero, Financial Operations Director



# *Mt. Garfield*



# TABLE OF CONTENTS

|                                                                                                                                                     | <u>Page</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>INTRODUCTORY SECTION</b>                                                                                                                         |             |
| Letter of Transmittal .....                                                                                                                         | 3           |
| Certificate of Achievement for Excellence in Financial Reporting.....                                                                               | 11          |
| City Organization Chart .....                                                                                                                       | 12          |
| City Map, Election District Boundaries .....                                                                                                        | 13          |
| List of City Officials .....                                                                                                                        | 13          |
| <b>FINANCIAL SECTION</b>                                                                                                                            |             |
| <b>Report of Independent Certified Public Accountants .....</b>                                                                                     | <b>17</b>   |
| <b>Management’s Discussion and Analysis.....</b>                                                                                                    | <b>19</b>   |
| <b>Basic Financial Statements.....</b>                                                                                                              | <b>29</b>   |
| Government-wide Financial Statements:                                                                                                               |             |
| Statement of Net Position.....                                                                                                                      | 31          |
| Statement of Activities .....                                                                                                                       | 32          |
| Fund Financial Statements:                                                                                                                          |             |
| Balance Sheet – Governmental Funds .....                                                                                                            | 34          |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net<br>Position .....                                                 | 35          |
| Statement of Revenues, Expenditures and Changes in Fund Balances –<br>Governmental Funds.....                                                       | 36          |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund<br>Balances of Governmental Funds to the Statement of Activities..... | 37          |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and<br>Actual (Non-GAAP Budgetary Basis) – General Fund.....              | 38          |
| Statement of Net Position – Proprietary Funds.....                                                                                                  | 39          |
| Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary<br>Funds.....                                                        | 40          |
| Statement of Cash Flows – Proprietary Funds.....                                                                                                    | 41          |
| Statement of Fiduciary Net Position – Fiduciary Funds .....                                                                                         | 42          |
| Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....                                                                              | 43          |
| Notes To Financial Statements .....                                                                                                                 | 45          |
| <b>Required Supplementary Information</b>                                                                                                           |             |
| Schedule of Funding Progress for Police Old Hire Pension Plan.....                                                                                  | 79          |
| Schedule of Funding Progress for Fire Old Hire Pension Plan .....                                                                                   | 79          |
| Schedule of Funding Progress for Other Post Employment Healthcare Plan .....                                                                        | 79          |
| <b>Combining and Individual Fund Statements and Schedules:</b>                                                                                      |             |
| Non-Major Governmental Funds .....                                                                                                                  | 81          |
| Combining Balance Sheet – Non-Major Governmental Funds .....                                                                                        | 84          |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-<br>Major Governmental Funds .....                                 | 86          |
| Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and<br>Actual:                                                            |             |
| Visitors and Convention Bureau.....                                                                                                                 | 88          |
| Enhanced 911 Special Revenue Fund.....                                                                                                              | 89          |
| Parkland Expansion Special Revenue Fund .....                                                                                                       | 90          |
| Conservation Trust Special Revenue Fund .....                                                                                                       | 91          |

# TABLE OF CONTENTS

## Page

### FINANCIAL SECTION (continued)

|                                                                                                          |     |
|----------------------------------------------------------------------------------------------------------|-----|
| Community Development Special Revenue Fund .....                                                         | 92  |
| Ridges Debt Service Fund.....                                                                            | 93  |
| Grand Junction Public Finance Corporation Debt Service Fund.....                                         | 94  |
| General Debt Service Fund .....                                                                          | 95  |
| Parkway Debt Retirement Debt Service Fund .....                                                          | 96  |
| Sales Tax Capital Improvements Capital Projects Fund .....                                               | 97  |
| Major Capital Projects Improvement Fund.....                                                             | 98  |
| Storm Drainage Development Capital Projects Fund .....                                                   | 99  |
| Street Assessments Capital Projects Fund .....                                                           | 100 |
| Facilities Capital Projects Fund .....                                                                   | 101 |
| Cemetery Perpetual Care Permanent Trust Fund.....                                                        | 102 |
| Non-Major Proprietary Funds .....                                                                        | 103 |
| Combining Statement of Net Position – Non-Major Proprietary Funds.....                                   | 105 |
| Combining Statement of Revenues, Expenses and Changes in Net Position – Non-Major Proprietary Funds..... | 106 |
| Combining Statement of Cash Flows – Non-Major Proprietary Funds .....                                    | 107 |
| Combining Statement of Net Position – Internal Service Funds .....                                       | 108 |
| Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds.....      | 109 |
| Combining Statement of Cash Flows – Internal Service Funds.....                                          | 110 |
| Fiduciary Funds.....                                                                                     | 111 |
| Combining Statement of Fiduciary Net Position – Pension Trust Funds .....                                | 112 |
| Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds .....                     | 113 |
| Combining Statement of Fiduciary Net Position – Private-Purpose Trust Funds.....                         | 114 |
| Combining Statement of Changes in Fiduciary Net Position – Private-Purpose Trust Funds.....              | 115 |
| Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds.....                   | 116 |
| Downtown Development Authority – A Component Unit.....                                                   | 117 |
| Balance Sheet – Governmental Funds .....                                                                 | 118 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....               | 119 |
| Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual:                     |     |
| DDA Tax Increment Special Revenue Fund.....                                                              | 120 |
| Downtown Development Authority Special Revenue Fund .....                                                | 121 |
| DDA Debt Service Fund .....                                                                              | 122 |
| DDA Capital Improvements Capital Projects .....                                                          | 123 |

### STATISTICAL SECTION

|                                                              |     |
|--------------------------------------------------------------|-----|
| Table 1 - Net Position .....                                 | 127 |
| Table 2 - Changes in Net Position.....                       | 128 |
| Table 3 - Fund Balances, Governmental Funds.....             | 130 |
| Table 4 - Changes in Fund Balances, Governmental Funds ..... | 131 |
| Table 5 - Sales Tax Revenue by Type of Industry .....        | 132 |
| Table 6 - Direct and Overlapping Sales Tax Rates .....       | 133 |
| Table 7 - Principal Sales Tax Payers .....                   | 134 |
| Table 8 - Sales & Use Tax Collections .....                  | 135 |

## TABLE OF CONTENTS

---

|                                                             | <u>Page</u> |
|-------------------------------------------------------------|-------------|
| Table 9 - Ratio of Outstanding Debt by Type .....           | 136         |
| Table 10 - Ratio of Net General Bonded Debt .....           | 137         |
| Table 11 - Computation of Legal Debt Margin .....           | 138         |
| Table 12 - Computation of Direct and Overlapping Debt ..... | 139         |
| Table 13 - Revenue Bond Coverage .....                      | 140         |
| Table 14 - Demographic and Economic Statistics.....         | 141         |
| Table 15 - Top 10 Principal Employers.....                  | 142         |
| Table 16 - Miscellaneous Statistics .....                   | 143         |
| Table 17 - Capital Asset Statistics by Function.....        | 144         |

### **SINGLE AUDIT**

---

|                                                                                                                                                                                                |            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Independent Auditor's Report on Schedule of Expenditures of Federal Awards .....</b>                                                                                                        | <b>147</b> |
| Schedule of Expenditures of Federal Awards .....                                                                                                                                               | 149        |
| <b>Report On Compliance and On Internal Control Over Financial Reporting Based On<br/>An Audit of Financial Statements Performed In Accordance With Government<br/>Auditing Standards.....</b> | <b>151</b> |
| <b>Report On Compliance With Requirements Applicable To Each Major Program and<br/>Internal Control Over Compliance In Accordance With OMB Circular A-133.....</b>                             | <b>153</b> |
| Schedule of Findings and Questioned Costs .....                                                                                                                                                | 155        |
| Summary Schedule of Prior Audit Findings.....                                                                                                                                                  | 157        |

### **OTHER SUPPLEMENTAL INFORMATION**

---

|                                                                                                       |            |
|-------------------------------------------------------------------------------------------------------|------------|
| <b>Report of Independent Certified Public Accountants On Other Supplemental<br/>Information .....</b> | <b>161</b> |
| Schedule of Revenues and Expenditures for Roads, Bridges and Streets .....                            | 163        |



(This page intentionally left blank)





# **INTRODUCTORY SECTION**



(This page intentionally left blank)



## Financial Operations Department

---

250 North 5<sup>th</sup> Street ♦ Grand Junction, Colorado 81501-2668 ♦ (970) 244-1515 ♦ fax (970) 256-4078

June 28, 2013

To the Honorable Mayor, Members of the City Council,  
City Manager and Citizens of the City of Grand Junction:

It is with great pleasure that the Comprehensive Annual Financial Report (CAFR) for the City of Grand Junction for the year ended December 31, 2012, is presented. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed public accountants. This Comprehensive Annual Financial Report is hereby issued and submitted to you for the fiscal year ended December 31, 2012, in accordance with these requirements.

This report consists of management's representations concerning the finances of the City of Grand Junction. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control framework that is designed to both protect the assets of the City from loss, theft, or misuse and to allow for the compiling of sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control procedures have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Grand Junction's financial statements have been audited by Chadwick, Steinkirchner, Davis & Co., P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Grand Junction for the fiscal year ended December 31, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Grand Junction's financial statements for the fiscal year ended December 31, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

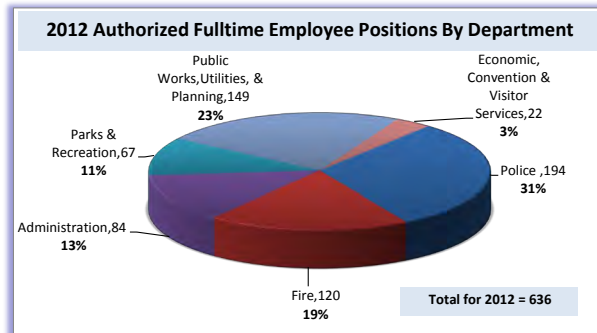
The independent audit of the financial statements of the City of Grand Junction was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Grand Junction's MD&A can be found immediately following the report of the independent auditors.

## PROFILE OF THE GOVERNMENT

The City was first settled in 1881 and was incorporated in 1882. It became a home rule city in 1909 by adopting its own charter pursuant to Article XX of the Constitution of the State of Colorado. The City operates using the Council-Manager form of government.

The City provides a full range of services including public safety (police, fire, emergency medical services and ambulance transport), public works (highways, streets, sanitation and water), culture-recreation (parks, cemeteries, swimming pools, golf courses, and general recreation), planning, visitor and convention, and general administrative services. The relative department sizes are depicted in the chart in terms of personnel.



Blended component units, although legally separate entities, are in substance part of the primary government's operations and are included as part of the primary government. Accordingly, the Ridges Metropolitan District and Grand Junction Public Finance Corporation are reported as debt service funds of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Downtown Development Authority is reported as a discretely presented component unit.

The City of Grand Junction currently occupies a land area of 39.2 square miles and serves an estimated population of 60,200. The City of Grand Junction is granted the authority to levy a property tax on both real and personal business properties located within its boundaries and to establish and collect its own sales and use tax. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

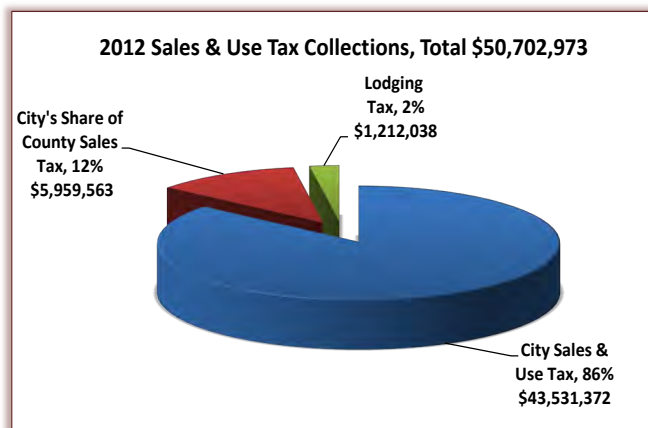
Policy-making and legislative authority are vested in a City Council consisting of seven members, one of which is elected mayor each year. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing boards and commissions, and hiring the City Manager, City Attorney, and Municipal Court Judge. The City's manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three or four council members elected every two years. Five of the council members must live in one of the five districts but are elected city-wide. The two remaining council members are elected at large.

As a supplement to internal controls, the City maintains comprehensive budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, and internal service funds are included in the annual appropriated budget ordinance. Appropriations for all funds lapse at year-end. Even though the budget enacted by the City Council is at the fund level, the City prepares a line item budget by department for control at the line item level. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Department heads have the authority to reallocate the distribution of budget amounts within the major category of operating expenditures within their department. Budget reallocations between major expenditure categories or within the major categories of personnel and capital require City Manager approval. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are not an actual use of appropriations. Therefore, open encumbrances at year-end for which the expenditure has not yet occurred either become expenditures against the new year's appropriation or are canceled.

Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 38 as part of the basic financial statements for the governmental funds. For other major governmental funds (and non-major) this comparison is presented in the governmental fund subsection of this report, which starts on page 81.

## FACTORS AFFECTING FINANCIAL CONDITION

The City of Grand Junction is located on the I-70 corridor, about 250 miles west of Denver and 27 miles east of the Utah border. The City lies in a valley formed at the junction of the Gunnison and Colorado Rivers, surrounded by majestic mesas. As the largest city in western Colorado, Grand Junction is the major service center for western Colorado and eastern Utah. Correspondingly Grand Junction is the regional hub for retail, banking and financial services, health care, social services, and public safety for a large and diverse population. Established by years of community economic development and private enterprise marketing, the area is home to manufacturing, agricultural, recreational, service and energy exploration industries which provide for a stable and diverse economic base.



The mild climate and close proximity to a great variety of outdoor activities year-round have made Grand Junction both a vacation destination and a retirement community. A 3% lodging tax passed by the voters and implemented in 1990 is funding promotion of the Grand Valley as a tourism destination.

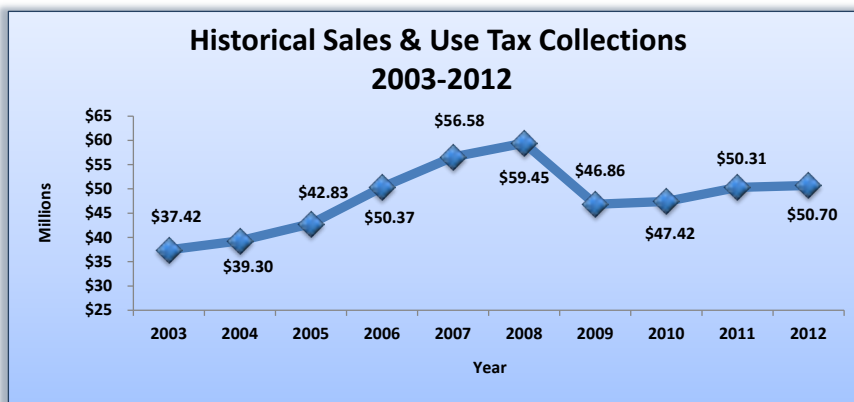
As in the past, city management and leadership continue to finance current operations with current operating revenues, while debt has been kept to a minimum. The three-quarter cent increase in city sales and use taxes, effective January 1, 1988, provides funds for capital investment. The sales and use tax revenues allocated to the General Fund account for 56% of its revenues and fund general government operations such as police, fire, streets, and parks, as well as economic development and

community partnerships. The Sales and Use Tax Collections graph shows the elements of sales and use taxes and their proportionate size while the Historical Sales and Use Tax graph below shows the historical collections and growth since 2003. As shown, these tax revenues increased by less than 1% from 2011 to 2012. After falling significantly in 2009, tax revenues are still only at 2006 levels.

The Grand Junction Metropolitan Statistical Area (MSA), which is the greater metro area inside Mesa County, has experienced a population growth averaging nearly 3% since its inception in 1995. In 2008, the Grand Junction MSA was growing in population, jobs, personal income, and gross metropolitan product. However, as a result of the national recession, a significant reduction of oil and gas exploration in the area, and a substantial decline in development

and construction, Grand Junction experienced a 14 percent job loss by the end of 2010 since its peak levels in October 2008, and by the end of 2012 had only recovered 17% of those jobs with an average unemployment rate during 2012 of 9.2%. This job loss dramatically restricted consumer spending resulting in significant declines in retail activity and sales and use tax revenues during 2009 and 2010 with some improvement in 2011 and 2012.

The City has continued to work toward diversifying its economic base and business climate. The excellent quality of life offered in Grand Junction, which is critical to the attraction, motivation and retention of skilled and talented workers, is appealing to businesses, individuals and tourists alike. Spectacular scenery and recreational opportunities, excellent climate and air quality, low crime rates, higher education opportunities, and quality medical services make the Grand Junction area a good choice for relocation. The City continues to attract major regional stores and in the last three years Cabela's, American Furniture Warehouse, T.J. Maxx, and Sprouts Farmers Market have located in Grand Junction.





The City leveraged public and private partnerships as well as grant dollars to make significant capital investments in the community in 2012:

- The City completed the construction of a \$25 million combined Police and 911 Communication Center and the \$3 million renovation of the City's main Fire Station #1. In 2013 the City will remodel an existing facility for the Fire Administration operations and expand the City's busiest Fire Station #2 for \$5 million resulting in a total investment over a three year period of \$33 million.
- The City invested over \$1 million in the improvements to parks and playground systems including the beginning of a major renovation to one of the City's largest and most established parks in the center of the City which will be completed in 2013.
- In partnership with Grand Junction Baseball Committee Inc., the City completed a nearly \$10 million renovation of the Stocker Stadium/Suplizio Field sports complex. The facility is used by the local and regional community for football, baseball, track, and special events and has been recognized nationally as an outstanding turf sports facility. The National Junior College World Series has been hosted at Suplizio Field for over 50 years and with the new renovations has agreed to a 25-year extension. This tournament has a major annual economic impact. In 2012 the Colorado Rockies minor league baseball team had their inaugural season in Grand Junction and play at the stadium as well.
- The City continued to make strides in energy and conservations efforts and in partnership with Grand Valley Transit completed construction of a compressed natural gas (CNG) maintenance facility.
- The City's water and sewer enterprises invested \$4.6 million in replacements of pipelines and improvements to the water and sewer plants.

## **FUTURE OUTLOOK**

---

The City remains committed to the maintenance and improvement of the quality of life in the Grand Valley. Through various communications with the community, the City has determined that providing a high level of public safety services, improving infrastructure, enhancing parks and recreation opportunities, planning, and policy development remain key issues for making this area the most livable community west of the Rockies. The City's goal is to serve its citizenry in the long-term while maintaining a sound financial position.

During 2009 and 2010, the City experienced the most significant decline in resources in the last 25 years forcing major reductions in spending and personnel. Low levels of activity in the energy exploration and construction development industries continue to impact the discretionary spending in the local economy. During 2011 and the first part of 2012, revenues from sales and use taxes began to recover slightly; however during the latter part of 2012 and into 2013, they have declined again. Despite the recession the City continues to see overall sustained population numbers, and in the long-term population is estimated to continue to grow and double over the next 25 years. The City's challenge is to continue to provide essential services within existing resources.

Priorities shaping future planning include continued adherence to the Comprehensive Plan; energy efficiency endeavors; continued investment in economic development; capital infrastructure; parks development; and maintenance and preservation of infrastructure.

The Comprehensive Plan was formally adopted in 2010 after a three-year staff and community effort. This plan plays a critical role in guiding the future growth and development of the City of Grand Junction and the larger Mesa County area. In addition, the Comprehensive Plan serves as a compass for City Council in decision making and policy planning. One specific goal of the Comprehensive Plan is consistency in implementation between the City, Mesa County, and other service providers. Another is to support the continued development of the downtown area of the City Center as a vibrant and growing area with jobs, housing and tourist attractions. To that purpose the City will continue to review the Comprehensive Plan, the adopted Downtown Plan and South Downtown Plan to remove barriers to development opportunities which will allow for consistent implementation of the vision as established by the City and County in the Comprehensive Plan.

The City continues to take a lead role in promoting and funding economic development in the area. Incentives and area promotion have brought numerous businesses to the valley. The City plans to continue the support of these efforts to maintain and stabilize growth. The City works closely with the Grand Junction Economic Partnership, Mesa County, Colorado Mesa University, the Business Incubator Center and other local entities to further this economic development goal. The City recently established a division that focuses on economic development by working with businesses, property owners, and developers to support economic growth for existing and new businesses that adds to the vitality of

our community. Furthermore the City has a department dedicated to economic, convention, and visitor services. The 3% lodging tax is utilized for advertising the community, promoting tourism, and attracting conferences and conventions. Promoting economic development is an important component of ensuring that Grand Junction protects and continues to enjoy the benefit of its regional position.

The higher educational opportunities provided by Colorado Mesa University (CMU) is pivotal to the economic diversity and quality of life enjoyed by the residents of Grand Junction and the surrounding community. Over the last decade, CMU has embarked on a multi-year, multi-million dollar campus expansion and renovation project. The City of Grand Junction has supported this project through economic development contributions of \$4 million through 2012. As CMU begins the next phase of this long-term expansion, the City intends to integrate the Comprehensive Plan with CMU's vision in order to plan for the impacts and provide a means for thoughtful transitions as the University campus develops.

The City has a long standing record of collaborative management and resource sharing with other agencies in the community, and is committed to continuing and growing those relationships in the future. There are numerous examples of these alliances that result in added value to services as well as the highest and best use of resources. Public Safety: the City is the manager and a major partner agency in the E911 Regional Communication Center which serves more than twenty-two law enforcement, fire and emergency medical service responder agencies; the City of Grand Junction Police Department joins forces with the Mesa County Sheriff's Office and the Federal Drug Enforcement Agency on the Western Colorado Drug Task Force, a partnership designed to fight the battles of drugs and drug related crimes on the frontlines; the City, Mesa County, the City of Fruita and School District #51 provide a School Resource Officer Program to the schools in the valley. Public Utility: the City and Mesa County have a jointly owned and managed sewer system that provides wastewater services to the larger urban area. Public Parks: the City, Mesa County, School District #51, and Colorado Mesa University make use of and contribute towards improvements of the sports complex and stadium in the heart of Grand Junction. Public Transportation: the City assists Mesa County in the support of the Grand Valley Transit system, a limited fixed route "circulator" which began servicing the core areas of the valley and the outlying municipalities in 2000; currently this transit system has over 1 million passenger trips per year. Recently the City has contracted to provide maintenance and repair services for the CNG transit busses. Animal Control, Building Services: Mesa County is contracted by the City to provide professional services in animal control services as well as contractor licensing, building permitting and inspection services. Procurement: The City contracted with Mesa County to provide professional procurement services beginning in 2012.

One of the City's ongoing and major priorities is the preservation and improvement of the transportation infrastructure. The City's continuing infrastructure improvements are funded to a great extent by the three-quarter percent increase in the sales tax rate in 1988. This dedicated revenue stream is used for long-range capital planning efforts; however, because the City is still growing and the related infrastructure is not complete, the capital needs far outweigh the capital resources.

The most significant capital project in the history of the City is the Riverside Parkway. The project entailed building a loop around the City that extends from 24 Road/Redlands Parkway to the intersection of 29 Road and D Road. The lower section of the Parkway extends from 4<sup>th</sup> Avenue to the intersection of 27½ and D Road. The most recently completed section extends from Highway 50 on Orchard Mesa over the I-70 Business Loop with the 29 Road viaduct. The final connection will extend to a new interchange at I-70. This loop is designed to provide interconnectivity to and around the City, as well as between different demographical areas of the valley, effectively connecting residential areas with jobs and services. In addition to this major transportation loop, the City has over 1,100 lane miles to maintain in streets infrastructure. The City has a sophisticated pavement management program that evaluates the condition of the roadways and designs an overlay schedule that calls for re-paving high volume streets every 15 to 20 years. During the recession, street overlays were deferred due to severe declines in revenues; however, this year and looking forward the City intends to re-dedicate resources towards the overlay program, in order to protect the integrity of the street system.

As indicated by surveys and through dialogue with the Grand Junction community, public safety is recognized as one of the key foundations to a livable community and one of the primary responsibilities of local government. Public Safety facility needs are being addressed through the construction of the Public Safety Complex and reconstruction of Fire Station #1. In the fall of 2012, construction began on a Fire Administration building and the remodel and expansion of Fire Station #2 will take place in 2013. The City Council remains committed towards addressing future public safety needs and in particular the need for neighborhood fire stations.

The City continues the commitment to parks and trails development. A riverfront park area and trail system along the Colorado River is backed by the City through resources of personnel time, direct funding and facilitating grants from federal, state and private sources. The City has purchased land for this park and the riverfront trail system. Much of this

property was the site of wrecking yards, which have now been removed. The park objectives are to provide additional recreational facilities, beautify the entrance to the City and improve flood control for the area. Several trails have been completed and are open to the public. In addition, the City Council has committed funding for major maintenance and improvement projects for the City's existing 30 developed parks.

The purchase and development of the 103-acre regional Canyon View Park began in 1996 with major softball and soccer facilities. Development continued with the construction of a baseball field in 1998, new tennis courts in 2008 and new restroom facilities in 2009. This park serves as the main venue for team sporting events for school and community leagues of all ages; with over 320 days of use a year and an average of 10 events per day. With nearly 1 million visits to the park facility each year, it is clearly a significant asset to the regional community and the City's park system. In 2013 Council approved funding for master planning of two more regional parks; with community involvement, input, and partnerships the City will update and formulate master plans for the future development of the 207-acre Matchett Park in the northeast area of the City and the 101-acre Las Colonias area in south downtown along the Colorado River.

The City in partnership with the Downtown Development Authority and the Avalon Theatre Foundation Board are proceeding in a nearly \$8 million renovation to revitalize the 90 year old historic Avalon Theatre. The theatre is owned and operated by the City and is one of the "book ends" of Main Street in the heart of downtown Grand Junction. In addition to the approved renovation moving forward in 2013 that addresses safety and accessibility issues as well as improvements to the entertainment value of the venue, there is a future build out phase contemplated which significantly expands the size and scope of the facility and its uses for performing arts.

The City of Grand Junction is actively committed to energy efficiency and water conservation efforts and continually strives to implement strategies that preserve resources and increase efficiencies. One area of particular focus is the City's Compressed Natural Gas (CNG) Program. The City's CNG Program is threefold: transitioning the City's fleet into natural gas vehicles, constructing a CNG fueling station, and the Persigo Wastewater Treatment Plant component which began in 2006 and is the concept of converting methane into CNG. As a byproduct of treating the wastewater, excess digester gas (methane) is generated daily and currently being flared into the atmosphere. After conducting extensive studies, it has been determined that this excess gas can be captured and converted into compressed natural gas (CNG) that can be used as a vehicle fuel. The program is well underway with the continued purchase of City CNG vehicles, the completion of the fueling station, and the partnership with Grand Valley Transit to maintain and repair their new CNG public transportation buses. The Persigo component and partnership with Xcel Energy is progressing and the City hopes to move forward with this project in the next few years.

---

## **FINANCIAL POLICIES**

---

The City Council provides policy direction to the City Manager who guides the financial decisions of the organization. For the last several years and continuing into the future, City Council's policy direction is to provide economic activity and local stimulus through capital projects; participate in partnerships to further economic development; continue to provide the essential services of public safety; operate within existing revenues; and preserve at least \$18.5 million in General Fund reserves. City management has been successful in following City Council's policy direction through responsive, conservative, and sound financial decisions. The City has financial policies and practices that guide budget, investments, debt, revenue, purchasing, risk management and reserves.

The City Council has formally established an investment policy which includes steps to properly manage the risk, safety, and life of investments. Investment income decreased in 2012 due to lower yields. The net average yield on investments was .60%, down from .75% in 2011.

The City has had a comprehensive loss control program since 1982. Beginning in 1988, the City initiated a self-funded program for Worker's Compensation coverage. As part of a comprehensive plan, resources are being accumulated in the Self-Insurance Internal Service fund to meet potential losses, including reserves for case development and Incurred But Not Reported (IBNR) claims. Various risk control techniques, including safety and accident prevention training, and outside contract services for industrial hygiene, have been utilized to minimize accident related losses. Third party coverage is maintained for excess coverage of both Worker's Compensation and Property/Liability claims.

---

## **COMPLIANCE WITH THE TAXPAYER BILL OF RIGHTS**

---

The Colorado Constitutional Amendment passed in November 1992 (known as the TABOR – Taxpayer Bill of Rights amendment), restricts growth in governmental revenues and property tax revenues to amounts adjusted for inflation and

a local growth factor. In 2012, the City did not exceed the overall revenue limitation, but did exceed the property tax revenue limitation. However, in April 2007, City of Grand Junction voters approved the retention by the City of all revenues exceeding the spending limit for 2006 and subsequent years until the bonded debt for the Riverside Parkway is paid in full. Therefore, the excess will be transferred to a debt service fund designated for payment of the Riverside Parkway bonds. The City also is subject to other TABOR requirements. For example, TABOR requires that no real estate transfer tax or income tax be imposed and that the City reserve 3% of its spending as an emergency reserve. The City is in compliance with these provisions. Finally, TABOR requires that the City have elections if it wishes to change its tax policy or issue general government debt.

## **AWARDS**

---

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2011. This was the twenty-eighth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

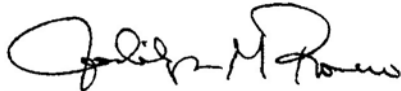
## **ACKNOWLEDGEMENTS**

---

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Financial Operations Department. I would like to express my appreciation of all members of the Department who assisted in and contributed to its preparation. It should be noted that staff from other departments provide great assistance in the preparation of the report and their work is also appreciated. I thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

The City's external auditors, Chadwick, Steinkirchner, Davis & Co., P.C., are also commended for their comprehensive and efficient examination of the various funds of the City for the fiscal year ended December 31, 2012.

Respectfully submitted,



Jodi Romero  
Financial Operations Director



# *Independence Monument*





# **Certificate of Achievement for Excellence in Financial Reporting**

Presented to

**City of Grand Junction  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

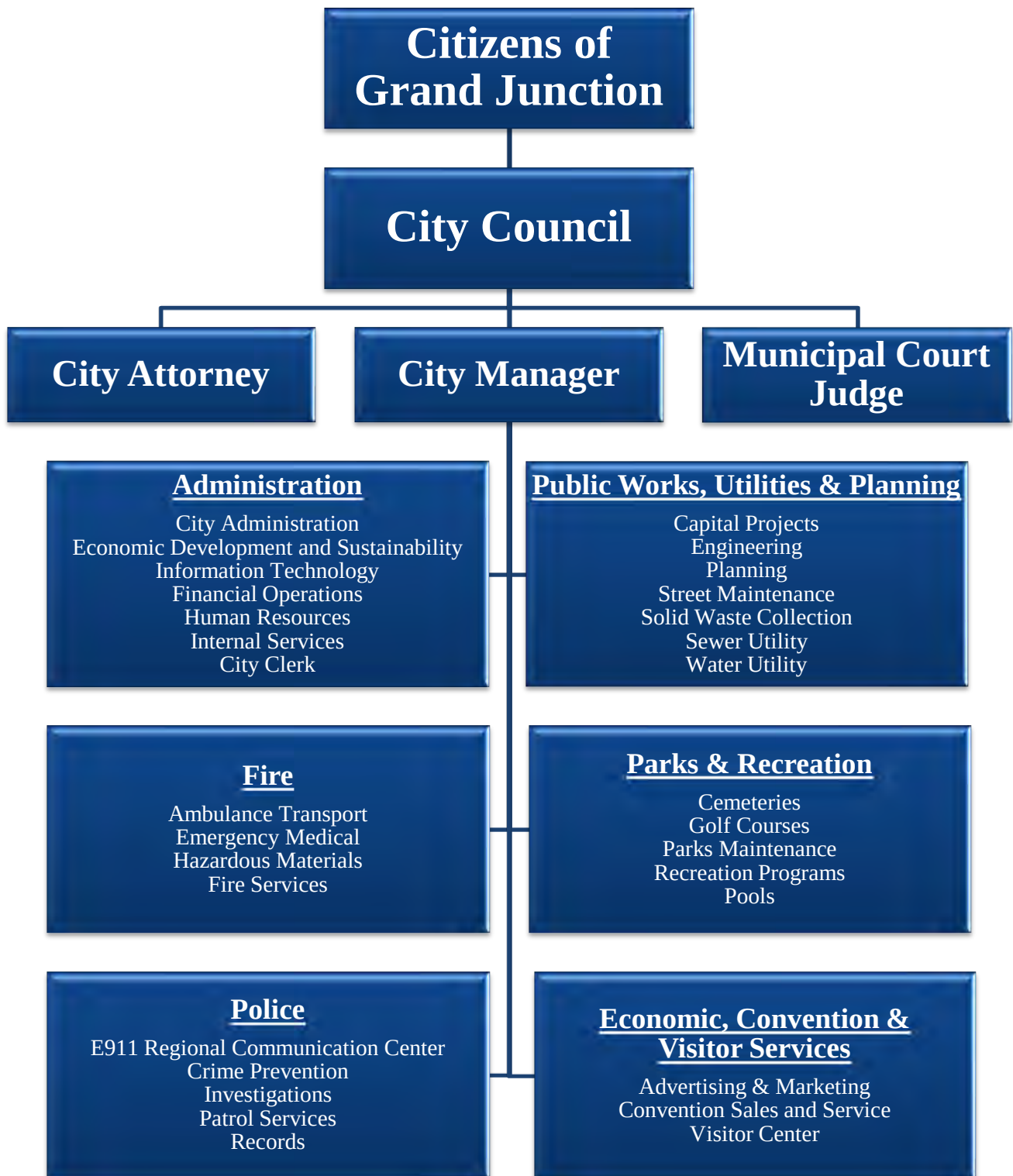


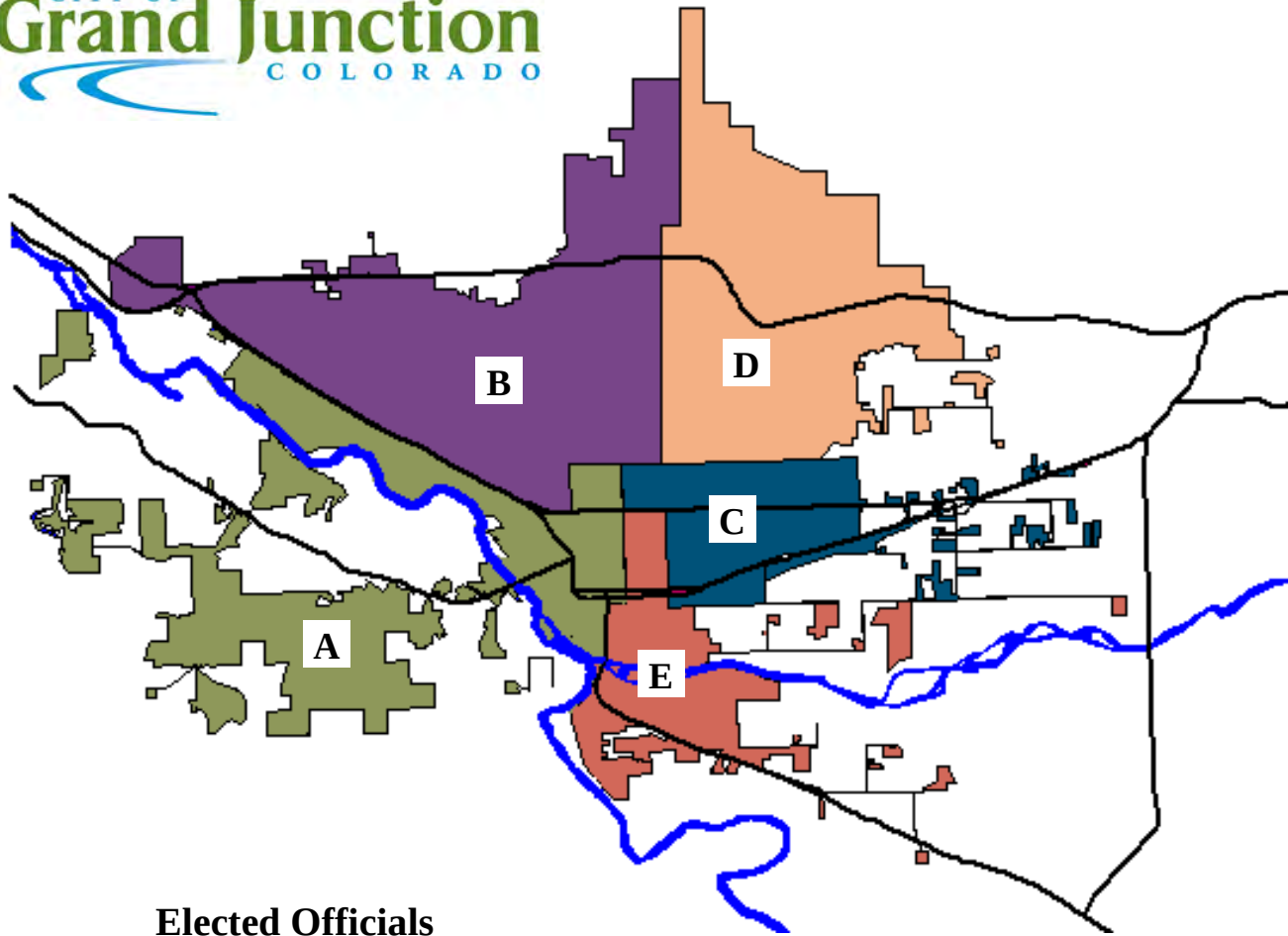
*Christopher P. Morrell*

President

*Jeffrey R. Enen*

Executive Director





### Elected Officials

| <u>City Council</u>                           | <u>Expires</u> |
|-----------------------------------------------|----------------|
| Sam Susuras, Mayor – District B.....          | May 2015       |
| Marty Chazen, Mayor Pro Tem – District D..... | May 2017       |
| Phyllis Norris – District A.....              | May 2017       |
| Vacant - District E .....                     | May 2017       |
| Rick Brainard – District at Large .....       | May 2017       |
| Bennett Boeschenstein – District C.....       | May 2015       |
| Jim Doody – District at Large .....           | May 2015       |

### **Election District Boundaries**

### Appointed Officials

|                |                 |
|----------------|-----------------|
| Rich Englehart | City Manager    |
| John P. Shaver | City Attorney   |
| Caré McInnis   | Municipal Judge |

### Department Directors

Tim Moore, Deputy City Manager – Administration  
 Jodi Romero – Financial Operations  
 Claudia Hazelhurst – Human Resources  
 Debbie Kovalik – Economic, Convention & Visitor Services  
 Ken Watkins – Fire Chief  
 Rob Schoeber – Parks & Recreation  
 John Camper – Police Chief  
 Greg Trainor – Public Works, Utilities, & Planning



(This page intentionally left blank)



**FINANCIAL SECTION**





(This page intentionally left blank)

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

June 20, 2013

To the City Council  
City of Grand Junction, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of and for the year ended December 31, 2012, 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.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress 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.

To the City Council  
June 20, 2013

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grand Junction, Colorado's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, component unit financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, and component unit financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, and component unit financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the City's internal control over financial reporting and compliance.

*Chodwick, Steinhilber, Davis & Co., P.C.*

## MANAGEMENT'S DISCUSSION & ANALYSIS

Our discussion and analysis of the City of Grand Junction's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2012. Please read it in conjunction with the transmittal letter on page 3 and the City's financial statements, which begin on page 31.

### FINANCIAL HIGHLIGHTS

---

- The assets and deferred outflows of resources of the City of Grand Junction exceeded its liabilities and deferred inflows of resources at the close of 2012 by \$690 million (net position) primarily due to annexations. Of this amount, \$22 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City of Grand Junction General Fund revenues, on a budgetary basis, increased by 3.4% in 2012 after increases in some revenues (sales and use taxes, severance taxes, intergovernmental, charges for service, and fines and forfeitures) and decreases in others (property and other taxes). In total, General Fund revenues were \$66.9 million, still significantly below 2008 but showing recovery since 2009. Due to fiscally conservative budgeting and planning, overall the City remains in good financial condition.
- At the end of 2012, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$17.9 million, or 29.1% of the total General Fund expenditures. This is up \$2.9 million from 2011 which was 27.1% of General Fund expenditures. The overall General Fund balance increased in part due to better than expected sales and use tax revenues and higher than expected budget savings which is attributable to prudent spending by departments during 2012.
- The City invested over \$34.5 million in capital projects in 2012. These projects included street construction, machinery, buildings, park development, and communications systems.
- At the close of 2012, the City had \$4.1 million accumulated for the early retirement of the Riverside Parkway Revenue Bonds. In March 2012, \$19 million from the fund together with proceeds from the 2012 Revenue Refunding Bonds issuance were used to advance refund \$43.9 million of the 2004 Riverside Parkway Revenue Bonds.

### OVERVIEW OF FINANCIAL STATEMENTS

---

This discussion and analysis are intended to serve as an introduction to the City of Grand Junction's basic financial statements. The City of Grand Junction's basic financial statements comprise three components: 1) the 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 themselves.

#### Government-Wide Financial Statements

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

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

**The statement of activities** presents information showing how the City of Grand Junction'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 reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid time off).

Both of the government-wide financial statements distinguish functions of the City of Grand Junction that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The *Governmental Activities* of the City of Grand Junction include general government, public safety (police and fire), public works, parks and recreation, and urban development and housing. The *Business-type Activities* of the City of Grand Junction include Water, Convention Center, Solid Waste, Golf Courses, Parking, and Irrigation.

The government-wide financial statements include not only the City of Grand Junction but also a legally separate Grand Junction Downtown Development Authority, for which the City is financially accountable. Financial information for this component is reported separately from the financial information presented for the City itself.

The government-wide financial statements can be found on pages 31 through 33 of this report.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

---

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 of Grand Junction also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

1. **Governmental Funds** – These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

The City of Grand Junction maintains 16 governmental funds, of which (as determined by generally accepted accounting principles) the only major funds are the General Fund, Sales Tax Capital Improvement Fund, Major Capital Improvements Fund, General Debt Service Fund, and Parkway Debt Retirement Fund. The balances of the other 11 governmental funds are determined to be non-major and are included in the combining statements within this report.

The City of Grand Junction adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget. The General Fund budgetary comparison is presented as part of the basic governmental fund financial statements which can be found on pages 34 through 38 of this report. All other required budgetary comparisons, including the Sales Tax Capital Improvement Fund, Major Capital Improvements Fund, General Debt Service Fund, and Parkway Debt Retirement Fund, can be found on pages 88 through 102 of this report.

2. **Proprietary Funds** – The City of Grand Junction maintains two different types of proprietary funds. The first type is enterprise funds which are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Grand Junction uses enterprise funds to account for its Water Utility, Convention Center, Solid Waste, Golf Courses, Parking, and Irrigation.

As determined by generally accepted accounting principles, the Water, Two Rivers Convention Center, Golf Courses and Parking enterprise funds meet the criteria of major fund classification. All other funds are classified as non-major and are included in the combining statements within this report.

The second type is internal service funds which are an accounting device used to accumulate and allocate costs internally among the City of Grand Junction's various functions. The City uses internal service funds for data processing, equipment maintenance, self insurance and the communication center operations. Because these services primarily benefit governmental activities, they have been included with governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 39 through 41.

3. **Fiduciary Funds** – These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for these funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 42 through 43.



**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 47 through 75 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 of Grand Junction's Police Old Hire Pension Plan, Fire Old Hire Pension Plan, and Other Post Employment Healthcare Plan found on page 79 of this report. It also presents other supplemental information concerning the City's Local Highway Finance Report. This supplemental information can be found on pages 163-164 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major proprietary funds, internal service funds and fiduciary funds are presented immediately following the required notes to financial statements. Combining and individual fund statements and schedules can be found beginning on page 84 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the City of Grand Junction, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$690 million at the close of fiscal year 2012.

By far, the largest portion (94.8%) of the City of Grand Junction's total net position reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that 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.

### **STATEMENT OF NET POSITION (in Thousands)**

|                                      | Governmental<br>Activities |           | Business-type<br>Activities |           | Total Primary<br>Government |           |
|--------------------------------------|----------------------------|-----------|-----------------------------|-----------|-----------------------------|-----------|
|                                      | 2012                       | 2011      | 2012                        | 2011      | 2012                        | 2011      |
| Current and other assets             | \$67,516                   | \$106,764 | \$(3,039)                   | \$(3,222) | \$64,477                    | \$103,542 |
| Capital assets                       | 684,780                    | 663,135   | 51,414                      | 51,406    | 736,194                     | 714,541   |
| Total assets                         | 752,296                    | 769,899   | 48,375                      | 48,184    | 800,671                     | 818,083   |
| Total deferred outflows of resources | 2,553                      | -         | -                           | -         | 2,553                       | -         |
| Long-term debt outstanding           | 93,227                     | 112,578   | 6,088                       | 6,443     | 99,315                      | 119,021   |
| Other liabilities                    | 5,376                      | 9,328     | 952                         | 477       | 6,328                       | 9,805     |
| Total liabilities                    | 98,603                     | 121,906   | 7,040                       | 6,920     | 105,643                     | 128,826   |
| Total deferred inflows of resources  | 8,072                      | 8,249     | -                           | -         | 8,072                       | 8,249     |
| Net position:                        |                            |           |                             |           |                             |           |
| Net investment in capital assets     | 607,987                    | 581,855   | 45,880                      | 45,542    | 653,867                     | 627,397   |
| Restricted                           | 13,619                     | 30,952    | -                           | -         | 13,619                      | 30,952    |
| Unrestricted                         | 26,568                     | 26,937    | (4,545)                     | (4,278)   | 22,023                      | 22,659    |
| Total net position                   | \$648,174                  | \$639,744 | \$41,335                    | \$41,264  | \$689,509                   | \$681,008 |

An additional portion of the City of Grand Junction's net position, 2.0%, represents resources that are subject to external restrictions on how they may be used.

## Changes in Net Position

The City's total revenues of \$112.2 million exceeded program expenses of \$103.7 million for an increase in net position of \$8.5 million.

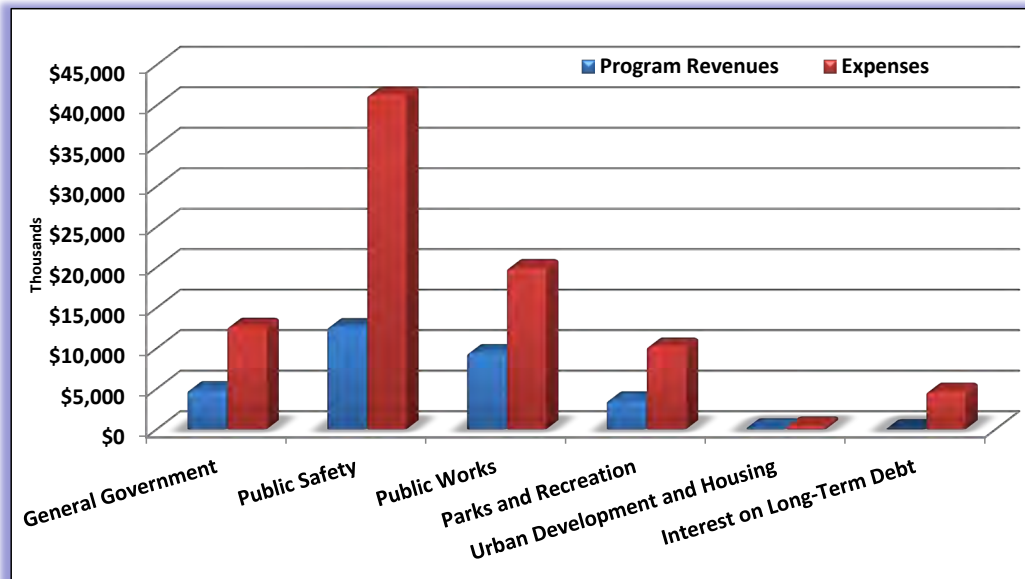
### CHANGES IN NET POSITION (in Thousands)

|                               | Governmental Activities |                  | Business-type Activities |                 | Total Primary Government |                  |
|-------------------------------|-------------------------|------------------|--------------------------|-----------------|--------------------------|------------------|
|                               | <u>2012</u>             | <u>2011</u>      | <u>2012</u>              | <u>2011</u>     | <u>2012</u>              | <u>2011</u>      |
| <b>Revenues:</b>              |                         |                  |                          |                 |                          |                  |
| Program revenues:             |                         |                  |                          |                 |                          |                  |
| Charges for services          | \$ 17,742               | \$ 14,648        | \$ 13,657                | \$ 15,824       | \$ 31,399                | \$ 30,472        |
| Operating grants              | 3,204                   | 3,608            | 85                       | 148             | 3,289                    | 3,756            |
| Capital grants                | 9,937                   | 12,817           | 221                      | 212             | 10,158                   | 13,029           |
| General revenues:             |                         |                  |                          |                 |                          |                  |
| Property taxes                | 8,976                   | 10,609           | -                        | -               | 8,976                    | 10,609           |
| Sales and use taxes           | 50,703                  | 50,313           | -                        | -               | 50,703                   | 50,313           |
| Other taxes                   | 7,364                   | 7,238            | -                        | -               | 7,364                    | 7,238            |
| Other general revenues        | 329                     | 436              | 20                       | 18              | 349                      | 454              |
| Total revenues                | <u>98,255</u>           | <u>99,669</u>    | <u>13,983</u>            | <u>16,202</u>   | <u>112,238</u>           | <u>115,871</u>   |
| <b>Expenses:</b>              |                         |                  |                          |                 |                          |                  |
| General government            | 12,736                  | 12,584           | -                        | -               | 12,736                   | 12,584           |
| Public safety                 | 41,301                  | 33,105           | -                        | -               | 41,301                   | 33,105           |
| Public works                  | 19,981                  | 6,512            | -                        | -               | 19,981                   | 6,512            |
| Parks and recreation          | 10,281                  | 8,426            | -                        | -               | 10,281                   | 8,426            |
| Urban development and housing | 478                     | 646              | -                        | -               | 478                      | 646              |
| Interest on long-term debt    | 4,713                   | 5,502            | -                        | -               | 4,713                    | 5,502            |
| Water                         | -                       | -                | 5,406                    | 4,881           | 5,406                    | 4,881            |
| Convention Center             | -                       | -                | 2,881                    | 2,601           | 2,881                    | 2,601            |
| Solid Waste Removal           | -                       | -                | 3,179                    | 3,114           | 3,179                    | 3,114            |
| Swimming pools                | -                       | -                | -                        | 983             | -                        | 983              |
| Golf                          | -                       | -                | 2,073                    | 2,181           | 2,073                    | 2,181            |
| Parking                       | -                       | -                | 406                      | 415             | 406                      | 415              |
| Irrigation systems            | -                       | -                | 302                      | 299             | 302                      | 299              |
| Ambulance transport           | -                       | -                | -                        | 1,962           | -                        | 1,962            |
| Total expenses                | <u>89,490</u>           | <u>66,775</u>    | <u>14,247</u>            | <u>16,436</u>   | <u>103,737</u>           | <u>83,211</u>    |
| Excess before transfers       | 8,765                   | 32,894           | (264)                    | (234)           | 8,501                    | 32,660           |
| Transfers                     | (335)                   | 1,323            | 335                      | (1,323)         | -                        | -                |
| Increase in net position      | <u>8,430</u>            | <u>34,217</u>    | <u>71</u>                | <u>(1,557)</u>  | <u>8,501</u>             | <u>32,660</u>    |
| <b>Net position 1/1/12</b>    | <b>639,744</b>          | <b>605,527</b>   | <b>41,264</b>            | <b>42,821</b>   | <b>681,008</b>           | <b>648,348</b>   |
| <b>Net position 12/31/12</b>  | <b>\$648,174</b>        | <b>\$639,744</b> | <b>\$41,335</b>          | <b>\$41,264</b> | <b>\$689,509</b>         | <b>\$681,008</b> |

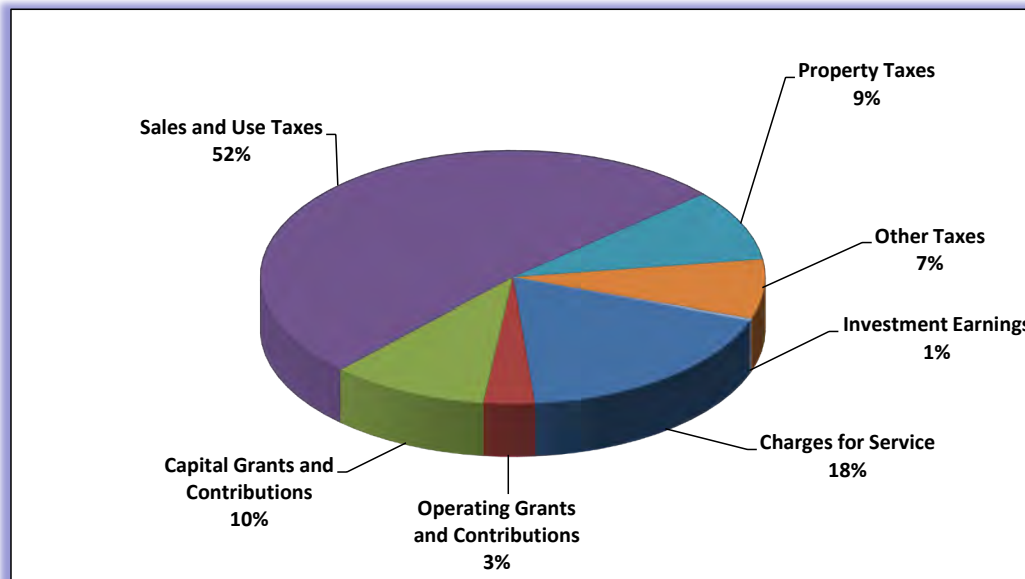
## Governmental Activities

Governmental Activities increased the City of Grand Junction's net position by \$8.4 million. Following are illustrative summaries of Governmental Activities breaking out revenues and expenses.

### EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES



### REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Sales and use tax revenue increased slightly, \$390 thousand, compared to 2011, reflecting stabilization of our local economy following the 2009 recession. However, sales and use tax revenues are only at 2006 levels.

Property tax revenue decreased by \$1.6 million, or 15.3%, during the year. This decrease was attributed to decreasing valuations of existing properties and minimal new construction. The mill levy has remained constant since 1992.

Charges for services revenue increased by \$3.1 million compared to 2011. This increase was a result of closing the pools and ambulance transport funds into the general fund at the end of 2011.

Capital grants and contributions decreased by \$2.9 million, or 22.5%, compared to 2011. This is a result of continued reductions in local development and infrastructure annexations.

### Business-type Activities

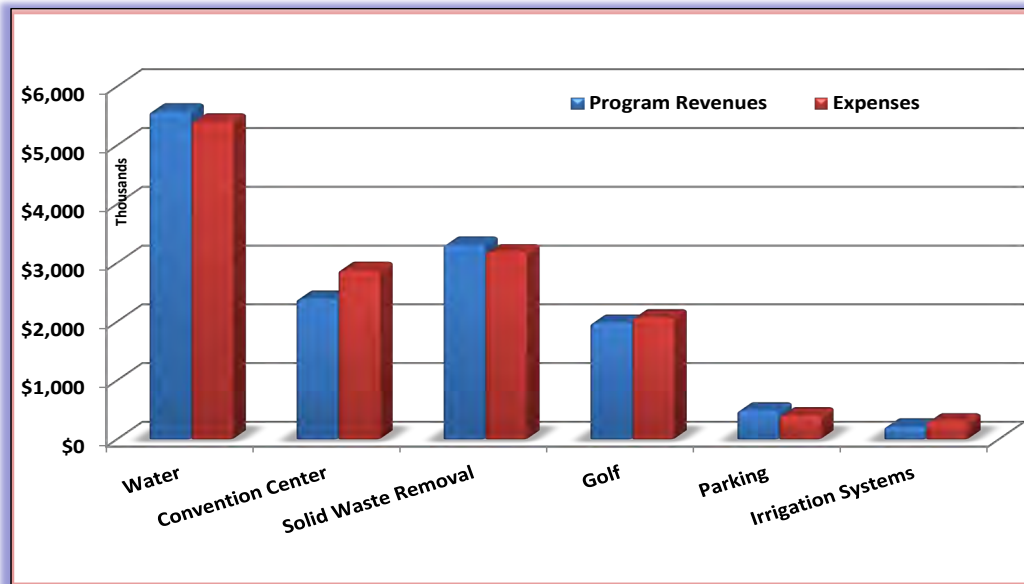
Net position in the Business-type activities increased slightly by \$71 thousand because fees to customers have remained flat in 2012 and were set at levels needed to cover the costs of operation, including depreciation. Business-type activities include Water, Convention Center, Solid Waste, Golf Courses, Parking, and Irrigation.

The Two Rivers Convention Center and Golf Fund received transfers from the Visitors and Convention Bureau Fund and General Fund to subsidize operations and fund capital improvements.

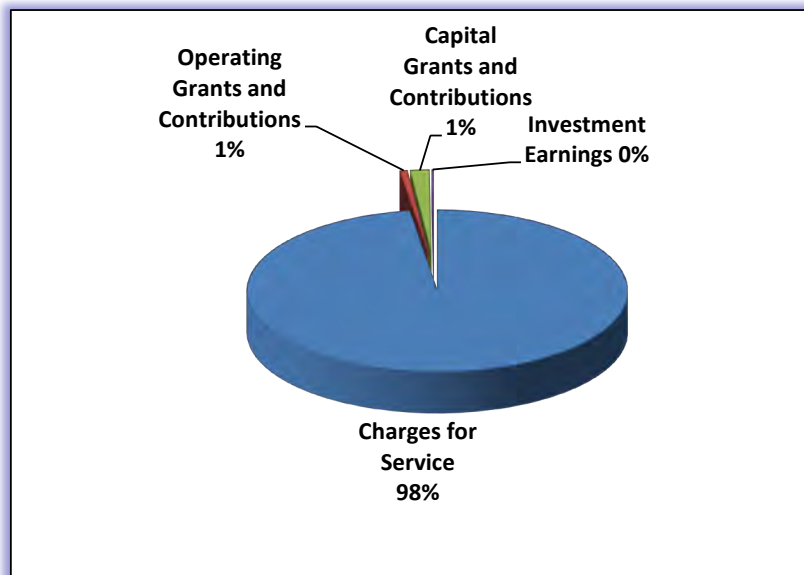
Unrestricted net position at the end of the year for business-type activities amounted to (\$4.5) million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Grand Junction business-type activities.

The following chart demonstrates the current level of recovery for the City's business-type activities:

**EXPENSE AND PROGRAM REVENUES – BUSINESS-TYPE ACTIVITIES**



**REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES**



## **FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS**

---

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

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.

As of December 31, 2012, the City's governmental funds (general, special revenue, debt service, capital projects and permanent) reported combined fund balances of \$45.3 million. This represents a decrease of \$35.3 million under last year's ending balances. The reasons for significant changes in fund balances are described below.

Revenues, on a budgetary basis, in the General Fund increased 3.4% over 2011 while expenditures increased 11.1%. The majority of these increases are related to closing the Pools and Ambulance Transport funds into the General Fund at the end of 2011. The General Fund's total fund balance, on a budgetary basis, increased \$581 thousand from last year. The General Fund expenditures (including transfers) of \$66.5 million were 99.1% of General Fund revenues. The City of Grand Junction has continued to manage its expenditures to operate within its current financial resources.

The total fund balance in the Major Capital Improvements Fund, consisting of proceeds from certificates of participation issued in 2010, decreased \$20.2 million during the year ended December 31, 2012. The proceeds were used for the construction and renovation of Suplizio Field and Public Safety Buildings. The remainder of this construction will be completed in 2013.

The fund balance in the Parkway Debt Retirement Fund decreased by nearly \$15 million because the City used \$19 million of these funds, together with proceeds from the 2012 Revenue Refunding Bonds issuance, to advance refund \$43.9 million of the 2004 Riverside Parkway Revenue Bonds. The General Fund transfer of TABOR revenue excess to be set aside for the payment of the outstanding Riverside Parkway bonded debt, as approved by the voters in April 2007 partially offset this reduction to the fund balance.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

---

During the year, the General Fund budget was reduced from an original appropriation total of \$69.6 million. All recommended revisions for budget changes came through the Financial Operations Department and City Manager to City Council as required. Any budget revisions that require supplemental appropriations at the fund level are presented to City Council via Ordinance and enactment requiring a public hearing and the opportunity for public discussion. The City does allow small intra-departmental budget changes that modify line items within departments within the same fund.

The original General Fund 2012 appropriation was reduced to a final spending budget of \$67.9, and thus, did not require a formal supplemental appropriation ordinance. Therefore, the original (adopted) budget presented on page 38 is also the final (adopted) budget.

For the General Fund, the original budget for revenues was \$64.9 million while the final actual revenues, on a budgetary basis, for 2012 came in nearly \$2 million more at \$66.9 million. This was primarily due to various tax revenues performing better than expected, additional capital contributions, and increased ambulance transport collections.

Actual General Fund expenditures (including transfers) totaled \$66.5 million. General Fund expenditures (including transfers) were approximately \$3.1 million, 4.5%, less than the final budget. This was due to achieving higher than expected budget savings in the department operating budgets from unfilled positions and continued prudent spending as well as significant savings in transfers out for debt service expenditures for the 2004 Riverside Parkway Revenue Bonds advanced refunded in 2012.

The year-end budgetary basis fund balance of \$30.5 million was \$5.3 million above the final budgeted amount. This was due to a stronger than anticipated growth of revenues as well as continued labor and operating cost savings.

The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds, either by state or local ordinance or by a desire to maintain a matching of revenues and expenses, are accounted for in this fund. Revenues exceeded expenditures in the General Fund by \$5.5 million during the year. The General Fund's total fund balance increased \$581 thousand from last year. An analysis for this fund balance shows that it represents over 46.9% of projected revenues for the new fiscal year which ends December 31, 2013.

Taxes continue to be the largest source of revenue in the General Fund and represent 80.3% of total general fund revenues. The largest element of taxes is sales taxes, as it has been for many years. It represents 69.8% of total tax revenues and represents 56.1% of total general fund revenues.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2012, the City had invested in a broad range of capital assets, including police and fire equipment, roads, parks, water, storm drainage and other infrastructure.

The following table provides a summary of total capital assets at December 31, 2012.

### **CAPITAL ASSETS AT YEAR-END (Net of Depreciation, in Thousands)**

|                                      | Governmental<br>Activities |             | Business-type<br>Activities |             | Total       |             |
|--------------------------------------|----------------------------|-------------|-----------------------------|-------------|-------------|-------------|
|                                      | <u>2012</u>                | <u>2011</u> | <u>2012</u>                 | <u>2011</u> | <u>2012</u> | <u>2011</u> |
| Land                                 | \$300,420                  | \$296,702   | \$ 4,902                    | \$ 4,902    | \$305,322   | \$301,604   |
| Buildings and systems                | 74,783                     | 40,994      | 38,719                      | 39,422      | 113,502     | 80,416      |
| Improvements other than<br>buildings | 14,819                     | 15,191      | 4,825                       | 4,975       | 19,644      | 20,166      |
| Vehicles, machinery &<br>equipment   | 20,542                     | 14,132      | 1,396                       | 1,496       | 21,938      | 15,628      |
| Infrastructure                       | 269,756                    | 272,606     | -                           | -           | 269,756     | 272,606     |
| Construction in progress             | 3,170                      | 22,236      | 1,381                       | 459         | 4,551       | 22,695      |
| Intangible assets                    | 1,290                      | 1,274       | 191                         | 152         | 1,481       | 1,426       |
| Total                                | \$684,780                  | \$663,135   | \$51,414                    | \$51,406    | \$736,194   | \$714,541   |

Major capital additions during 2012 include:

|                                             | <u>2012</u>  |
|---------------------------------------------|--------------|
| Public Safety Building                      | \$12,030,936 |
| Lincoln Park Stadium Improvements           | 4,343,785    |
| Fire Station 1 Building                     | 2,743,609    |
| Equipment Replacement Program               | 1,949,286    |
| Street Overlay Program                      | 1,736,893    |
| Fire Administration Building                | 1,537,278    |
| Communication Center Radio Console Upgrades | 1,470,000    |
| Waterline Replacements                      | 846,956      |
| 23 Road & G Road Intersection Improvements  | 787,287      |
| Avalon Theatre Renovation                   | 722,270      |

The City remains committed to the upkeep and maintenance of the City's largest assets. More detailed information about the City's capital assets is presented in Note 5 on pages 57 through 59.

### **Debt Administration**

The City has traditionally adhered to a conservative debt management policy that carefully controls the amount of outstanding debt. Because of our strong capital improvement budgeting process, the City of Grand Junction has been able to maintain and improve its infrastructure while avoiding unreasonable debt burdens. To take advantage of favorable rates, the City did issue \$30.6 million in General Fund Revenue Refunding Bonds in 2012 to advance refund



part of the outstanding 2004 General Fund Revenue Bonds issued to finance the construction of the Riverside Parkway project. Standard and Poor's Rating Group gave the City the rating of AA on the revenue bond issue while the City's general obligation bond ratings are A+.

As of December 31, 2012, the City of Grand Junction had \$90.9 million in outstanding debt. Of this amount, \$85.4 million represents General Government debt. The largest portion, \$43.9 million, is the liability from the Riverside Parkway revenue bonds issued in 2004 and 2007 and the Refunding revenue bonds issued in 2012. \$41.3 million is the liability from the issuance of certificates of participation for the Stadium Improvements Project and the Public Safety Buildings Project. Special taxing districts have a combined total of \$210 thousand in debt. The remaining \$5.5 million of outstanding debt is bonds, notes and loans to be repaid by fee revenue and appropriated funds. Total debt service payments of approximately \$6.5 million in 2013 represents 6.8% of total budgeted operating expenditures. Additional information on the City's long-term debt can be found in Note 7 on pages 61 through 64.

The table below provides a summary of total debt at December 31, 2012.

**OUTSTANDING DEBT, AT YEAR-END**  
(in Thousands)

|                                                                     | Governmental<br>Activities |                  | Business-type<br>Activities |                | Total           |                  |
|---------------------------------------------------------------------|----------------------------|------------------|-----------------------------|----------------|-----------------|------------------|
|                                                                     | <u>2012</u>                | <u>2011</u>      | <u>2012</u>                 | <u>2011</u>    | <u>2012</u>     | <u>2011</u>      |
| General obligation (backed by<br>by special tax revenue)            | \$ 210                     | \$ 410           | \$ -                        | \$ -           | \$ 210          | \$ 410           |
| Revenue bonds and notes<br>(backed by tax and fee revenue)          | 43,921                     | 63,459           | -                           | -              | 43,921          | 63,459           |
| Certificates of participation<br>(backed by the constructed assets) | 41,266                     | 42,077           | -                           | -              | 41,266          | 42,077           |
| Lease purchase agreement                                            | -                          | 21               | -                           | -              | -               | 21               |
| Loans (backed by fee revenue)                                       | -                          | -                | 5,534                       | 5,864          | 5,534           | 5,864            |
| Total                                                               | <u>\$85,397</u>            | <u>\$105,967</u> | <u>\$5,534</u>              | <u>\$5,864</u> | <u>\$90,931</u> | <u>\$111,831</u> |

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

City-wide reserves are at levels currently directed by City Council. The local economy weakened as a result of the national recession, significant reductions in the energy industry, and a downward trend in development and construction. Sales and Use Taxes originally showed signs of recovery during the first part of 2012, however declined again in the last quarter of the year and so far in 2013. Grand Junction continues to be the educational, retail, and medical center for most of Western Colorado and Eastern Utah. Those factors, coupled with tourism, the abundance of outdoor recreational opportunities, the expansion of Colorado Mesa University, and the ability to attract new businesses and retirees, all contribute to our local economy.

General Fund balances are above amounts recommended per the City Council's budget policy direction. The City's investment in capital; transportation infrastructure, public safety, utility systems, parks, and economic development continues to be a significant portion (over 21%) of the budget.

Rates in the Utility Funds will be set to cover operating and future capital investment. In 2013, utility revenues will be increased by a 2% rate increase in water fees, a 13.5% increase in sewer fees, and a 2% increase in Solid Waste rates.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact the City's Financial Operations Department at City of Grand Junction, 250 N. 5<sup>th</sup> Street, Grand Junction, CO 81501.

# *Grand Mesa*





**BASIC FINANCIAL STATEMENTS**



(This page intentionally left blank)

City of Grand Junction  
**STATEMENT OF NET POSITION**  
December 31, 2012

|                                                        | Primary Government      |                          |                       | Component Unit                 |
|--------------------------------------------------------|-------------------------|--------------------------|-----------------------|--------------------------------|
|                                                        | Governmental Activities | Business-type Activities | Total                 | Downtown Development Authority |
| <b>ASSETS</b>                                          |                         |                          |                       |                                |
| Cash and investments                                   | \$ 37,131,802           | \$ 3,631,988             | \$ 40,763,790         | \$ 3,782,856                   |
| Other receivables, net of allowance for uncollectibles | 16,376,811              | 1,060,219                | 17,437,030            | 1,403,896                      |
| Internal balances                                      | 7,767,471               | (7,767,471)              | -                     | -                              |
| Prepays                                                | 145,868                 | -                        | 145,868               | 30,000                         |
| Inventories                                            | 193,964                 | 35,526                   | 229,490               | -                              |
| Restricted cash and investments                        | 5,694,230               | -                        | 5,694,230             | -                              |
| Net pension asset                                      | 205,576                 | -                        | 205,576               | -                              |
| Capital assets (net of accumulated depreciation):      |                         |                          |                       |                                |
| Land                                                   | 300,420,223             | 4,901,443                | 305,321,666           | 1,042,146                      |
| Buildings and systems                                  | 74,783,126              | 38,719,408               | 113,502,534           | 2,598,019                      |
| Improvements other than buildings                      | 14,818,957              | 4,825,390                | 19,644,347            | -                              |
| Equipment                                              | 20,542,592              | 1,396,362                | 21,938,954            | 761,630                        |
| Infrastructure                                         | 269,755,949             | -                        | 269,755,949           | -                              |
| Construction in progress                               | 3,169,737               | 1,381,270                | 4,551,007             | 993                            |
| Intangible assets                                      | 1,290,092               | 190,464                  | 1,480,556             | -                              |
| Total assets                                           | <u>752,296,398</u>      | <u>48,374,599</u>        | <u>800,670,997</u>    | <u>9,619,540</u>               |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |                         |                          |                       |                                |
| Deferred charge on refunding                           | 2,553,302               | -                        | 2,553,302             | -                              |
| Total deferred outflows of resources                   | <u>2,553,302</u>        | <u>-</u>                 | <u>2,553,302</u>      | <u>-</u>                       |
| <b>LIABILITIES</b>                                     |                         |                          |                       |                                |
| Accounts payable and other current liabilities         | 4,424,268               | 897,950                  | 5,322,218             | 9,224                          |
| Accrued interest payable                               | 848,709                 | 53,841                   | 902,550               | 13,120                         |
| Unearned revenue                                       | 103,389                 | -                        | 103,389               | -                              |
| Noncurrent liabilities:                                |                         |                          |                       |                                |
| Due within one year                                    | 7,420,611               | 370,425                  | 7,791,036             | 595,375                        |
| Due in more than one year                              | 85,806,224              | 5,717,300                | 91,523,524            | 6,536,261                      |
| Total liabilities                                      | <u>98,603,201</u>       | <u>7,039,516</u>         | <u>105,642,717</u>    | <u>7,153,980</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                   |                         |                          |                       |                                |
| Unavailable revenue-property taxes                     | 8,015,288               | -                        | 8,015,288             | 1,403,376                      |
| Unavailable revenue-special assessments                | 56,890                  | -                        | 56,890                | -                              |
| Total deferred inflows of resources                    | <u>8,072,178</u>        | <u>-</u>                 | <u>8,072,178</u>      | <u>1,403,376</u>               |
| <b>NET POSITION</b>                                    |                         |                          |                       |                                |
| Net investment in capital assets                       | 607,986,872             | 45,880,136               | 653,867,008           | 4,295,348                      |
| Restricted for :                                       |                         |                          |                       |                                |
| Perpetual care:                                        |                         |                          |                       |                                |
| Nonexpendable                                          | 1,309,993               | -                        | 1,309,993             | -                              |
| Avalon Theatre building improvements                   | 20,625                  | -                        | 20,625                | -                              |
| Debt service                                           | 6,588,940               | -                        | 6,588,940             | 126,534                        |
| General capital improvements                           | 263,350                 | -                        | 263,350               | -                              |
| Emergency reserves                                     | 2,000,000               | -                        | 2,000,000             | -                              |
| Legends historical sculptures project                  | -                       | -                        | -                     | 165,640                        |
| Parks and recreation                                   | 812,435                 | -                        | 812,435               | -                              |
| Public safety                                          | 2,596,584               | -                        | 2,596,584             | -                              |
| Retiree health benefits                                | 26,974                  | -                        | 26,974                | -                              |
| Urban development and housing                          | -                       | -                        | -                     | 663,671                        |
| Unrestricted                                           | 26,568,548              | (4,545,053)              | 22,023,495            | (4,189,009)                    |
| Total net position                                     | <u>\$ 648,174,321</u>   | <u>\$ 41,335,083</u>     | <u>\$ 689,509,404</u> | <u>\$ 1,062,184</u>            |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2012

| FUNCTIONS/PROGRAMS             | Expenses       | Program Revenues     |                                    |                                  |
|--------------------------------|----------------|----------------------|------------------------------------|----------------------------------|
|                                |                | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government:            |                |                      |                                    |                                  |
| Governmental activities:       |                |                      |                                    |                                  |
| General government             | \$ 12,735,595  | \$ 3,002,193         | \$ 1,202,378                       | \$ 697,992                       |
| Public safety                  | 41,301,254     | 10,741,763           | 1,089,506                          | 851,430                          |
| Public works                   | 19,980,846     | 1,927,747            | 14,654                             | 7,544,761                        |
| Parks and recreation           | 10,281,037     | 2,069,864            | 725,813                            | 842,723                          |
| Urban development and housing  | 477,886        | -                    | 171,858                            | -                                |
| Interest on long-term debt     | 4,713,532      | -                    | -                                  | -                                |
| Total governmental activities  | 89,490,150     | 17,741,567           | 3,204,209                          | 9,936,906                        |
| Business-type Activities:      |                |                      |                                    |                                  |
| Water                          | 5,405,744      | 5,271,849            | 81,963                             | 220,631                          |
| Convention Center              | 2,881,584      | 2,385,684            | 3,227                              | -                                |
| Solid Waste Removal            | 3,179,267      | 3,311,362            | -                                  | -                                |
| Golf                           | 2,072,890      | 1,980,120            | -                                  | -                                |
| Parking                        | 405,744        | 491,203              | -                                  | -                                |
| Irrigation Systems             | 302,106        | 216,915              | -                                  | 520                              |
| Total business-type activities | 14,247,335     | 13,657,133           | 85,190                             | 221,151                          |
| Total primary government       | \$ 103,737,485 | \$ 31,398,700        | \$ 3,289,399                       | \$ 10,158,057                    |
| Component unit:                |                |                      |                                    |                                  |
| Downtown Development Authority | \$ 1,511,186   | \$ 35,317            | \$ 85,122                          | \$ 442,767                       |

General revenues:

- Sales & use taxes
- Property taxes
- Franchise taxes
- Highway users tax
- Other shared taxes
- Investment earnings

Transfers

- Total general revenues
- Change in net position
- Net position - beginning
- Prior period adjustment
- Net position - beginning as restated
- Net position - ending

The notes to the financial statements are an integral part of this statement.



**Net (Expense) Revenue and Changes in Net Assets**

| Primary Government            |                             |                               | Component Unit                 |
|-------------------------------|-----------------------------|-------------------------------|--------------------------------|
| Governmental Activities       | Business-type Activities    | Total                         | Downtown Development Authority |
| \$ (7,833,032)                | \$ -                        | \$ (7,833,032)                | \$ -                           |
| (28,618,555)                  | -                           | (28,618,555)                  | -                              |
| (10,493,684)                  | -                           | (10,493,684)                  | -                              |
| (6,642,637)                   | -                           | (6,642,637)                   | -                              |
| (306,028)                     | -                           | (306,028)                     | -                              |
| (4,713,532)                   | -                           | (4,713,532)                   | -                              |
| <u>(58,607,468)</u>           | <u>-</u>                    | <u>(58,607,468)</u>           | <u>-</u>                       |
| -                             | 168,699                     | 168,699                       | -                              |
| -                             | (492,673)                   | (492,673)                     | -                              |
| -                             | 132,095                     | 132,095                       | -                              |
| -                             | (92,770)                    | (92,770)                      | -                              |
| -                             | 85,459                      | 85,459                        | -                              |
| -                             | (84,671)                    | (84,671)                      | -                              |
| <u>-</u>                      | <u>(283,861)</u>            | <u>(283,861)</u>              | <u>-</u>                       |
| \$ <u><u>(58,607,468)</u></u> | \$ <u><u>(283,861)</u></u>  | \$ <u><u>(58,891,329)</u></u> | \$ <u><u>-</u></u>             |
| -                             | -                           | -                             | (947,980)                      |
| 50,702,973                    | -                           | 50,702,973                    | -                              |
| 8,976,292                     | -                           | 8,976,292                     | 1,984,461                      |
| 2,528,419                     | -                           | 2,528,419                     | -                              |
| 2,186,732                     | -                           | 2,186,732                     | -                              |
| 2,648,647                     | -                           | 2,648,647                     | -                              |
| 329,469                       | 20,129                      | 349,598                       | 21,427                         |
| <u>(334,688)</u>              | <u>334,688</u>              | <u>-</u>                      | <u>-</u>                       |
| <u>67,037,844</u>             | <u>354,817</u>              | <u>67,392,661</u>             | <u>2,005,888</u>               |
| 8,430,376                     | 70,956                      | 8,501,332                     | 1,057,908                      |
| 640,300,661                   | 41,264,127                  | 681,564,788                   | 33,194                         |
| <u>(556,716)</u>              | <u>-</u>                    | <u>(556,716)</u>              | <u>(28,918)</u>                |
| <u>639,743,945</u>            | <u>41,264,127</u>           | <u>681,008,072</u>            | <u>4,276</u>                   |
| \$ <u><u>648,174,321</u></u>  | \$ <u><u>41,335,083</u></u> | \$ <u><u>689,509,404</u></u>  | \$ <u><u>1,062,184</u></u>     |

City of Grand Junction  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2012

|                                                                     | General Fund         | Sales Tax Capital Improvements Capital Projects Fund | Major Capital Improvements Capital Projects Fund | General Debt Service Fund | Parkway Debt Retirement Fund | Other Governmental Funds | Total Governmental Funds |
|---------------------------------------------------------------------|----------------------|------------------------------------------------------|--------------------------------------------------|---------------------------|------------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                                                       |                      |                                                      |                                                  |                           |                              |                          |                          |
| Cash and investments                                                | \$ 17,713,484        | \$ -                                                 | \$ -                                             | \$ 122                    | \$ 4,117,083                 | \$ 7,026,864             | \$ 28,857,553            |
| Interest receivable                                                 | 29,497               | -                                                    | -                                                | -                         | -                            | -                        | 29,497                   |
| Accounts receivable, net of allowances                              |                      |                                                      |                                                  |                           |                              |                          |                          |
| for uncollectibles                                                  | 1,468,182            | -                                                    | 152,775                                          | -                         | -                            | 517,974                  | 2,138,931                |
| Taxes receivable                                                    | 11,013,635           | 1,165,041                                            | -                                                | -                         | -                            | 226,894                  | 12,405,570               |
| Special assessments receivable                                      | -                    | 70,325                                               | -                                                | -                         | -                            | -                        | 70,325                   |
| Intergovernmental receivables                                       | 1,213,498            | 91,371                                               | -                                                | -                         | -                            | 31,087                   | 1,335,956                |
| Due from other funds                                                | 1,294,750            | -                                                    | -                                                | -                         | -                            | -                        | 1,294,750                |
| Prepaid Items                                                       | 2,192                | -                                                    | 91,149                                           | -                         | -                            | 9,276                    | 102,617                  |
| Inventories                                                         | 193,964              | -                                                    | -                                                | -                         | -                            | -                        | 193,964                  |
| Restricted cash and investments                                     | -                    | -                                                    | 4,390,975                                        | -                         | -                            | -                        | 4,390,975                |
| Advances to other funds                                             | 7,302,261            | -                                                    | -                                                | -                         | -                            | -                        | 7,302,261                |
| Total assets                                                        | <u>\$ 40,231,463</u> | <u>\$ 1,326,737</u>                                  | <u>\$ 4,634,899</u>                              | <u>\$ 122</u>             | <u>\$ 4,117,083</u>          | <u>\$ 7,812,095</u>      | <u>\$ 58,122,399</u>     |
| <b>LIABILITIES</b>                                                  |                      |                                                      |                                                  |                           |                              |                          |                          |
| Accounts payable                                                    | 1,030,378            | 190,470                                              | 1,360,038                                        | -                         | -                            | 483,020                  | 3,063,906                |
| Accrued liabilities                                                 | 917,221              | -                                                    | -                                                | -                         | -                            | 17,802                   | 935,023                  |
| Due to other funds                                                  | -                    | 616,990                                              | 34,299                                           | -                         | -                            | 25,293                   | 676,582                  |
| Unearned revenue                                                    | 33,016               | -                                                    | -                                                | -                         | -                            | 70,373                   | 103,389                  |
| Total liabilities                                                   | <u>1,980,615</u>     | <u>807,460</u>                                       | <u>1,394,337</u>                                 | <u>-</u>                  | <u>-</u>                     | <u>596,488</u>           | <u>4,778,900</u>         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                |                      |                                                      |                                                  |                           |                              |                          |                          |
| Unavailable revenue-property taxes                                  | 7,909,206            | -                                                    | -                                                | -                         | -                            | 106,082                  | 8,015,288                |
| Unavailable revenue-special assessments                             | -                    | 70,325                                               | -                                                | -                         | -                            | -                        | 70,325                   |
| Total deferred inflows of resources                                 | <u>7,909,206</u>     | <u>70,325</u>                                        | <u>-</u>                                         | <u>-</u>                  | <u>-</u>                     | <u>106,082</u>           | <u>8,085,613</u>         |
| <b>FUND BALANCES</b>                                                |                      |                                                      |                                                  |                           |                              |                          |                          |
| Nonspendable:                                                       |                      |                                                      |                                                  |                           |                              |                          |                          |
| Advances                                                            | \$ 7,302,261         | \$ -                                                 | \$ -                                             | \$ -                      | \$ -                         | \$ -                     | \$ 7,302,261             |
| Inventories and prepaids                                            | 196,156              | -                                                    | 91,149                                           | -                         | -                            | 9,276                    | 296,581                  |
| Permanent fund principal                                            | -                    | -                                                    | -                                                | -                         | -                            | 1,309,993                | 1,309,993                |
| Restricted for:                                                     |                      |                                                      |                                                  |                           |                              |                          |                          |
| Avalon Theatre building improvements                                | -                    | -                                                    | 20,625                                           | -                         | -                            | -                        | 20,625                   |
| Debt service                                                        | 2,883,611            | -                                                    | -                                                | 122                       | 4,117,083                    | 121,624                  | 7,122,440                |
| Emergency reserves                                                  | 2,000,000            | -                                                    | -                                                | -                         | -                            | -                        | 2,000,000                |
| General capital improvements                                        | -                    | 448,952                                              | -                                                | -                         | -                            | -                        | 448,952                  |
| Parks and recreation                                                | 34,893               | -                                                    | -                                                | -                         | -                            | 777,542                  | 812,435                  |
| Public safety                                                       | -                    | -                                                    | -                                                | -                         | -                            | 2,414,799                | 2,414,799                |
| Public safety building improvements                                 | -                    | -                                                    | 3,128,788                                        | -                         | -                            | -                        | 3,128,788                |
| Retiree health benefits                                             | 26,974               | -                                                    | -                                                | -                         | -                            | -                        | 26,974                   |
| Committed to:                                                       |                      |                                                      |                                                  |                           |                              |                          |                          |
| Open space                                                          | -                    | -                                                    | -                                                | -                         | -                            | 803,209                  | 803,209                  |
| Street capacity expansion                                           | -                    | -                                                    | -                                                | -                         | -                            | 924,099                  | 924,099                  |
| Tourism and convention                                              | -                    | -                                                    | -                                                | -                         | -                            | 495,956                  | 495,956                  |
| Assigned to:                                                        |                      |                                                      |                                                  |                           |                              |                          |                          |
| Cultural arts                                                       | 91,512               | -                                                    | -                                                | -                         | -                            | -                        | 91,512                   |
| Facility improvements                                               | -                    | -                                                    | -                                                | -                         | -                            | 253,027                  | 253,027                  |
| Retiree health benefits                                             | 1,192,466            | -                                                    | -                                                | -                         | -                            | -                        | 1,192,466                |
| Subsequent year's expenditures                                      | 6,078,038            | -                                                    | -                                                | -                         | -                            | -                        | 6,078,038                |
| Unassigned:                                                         | 10,535,731           | -                                                    | -                                                | -                         | -                            | -                        | 10,535,731               |
| Total fund balances                                                 | <u>30,341,642</u>    | <u>448,952</u>                                       | <u>3,240,562</u>                                 | <u>122</u>                | <u>4,117,083</u>             | <u>7,109,525</u>         | <u>45,257,886</u>        |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 40,231,463</u> | <u>\$ 1,326,737</u>                                  | <u>\$ 4,634,899</u>                              | <u>\$ 122</u>             | <u>\$ 4,117,083</u>          | <u>\$ 7,812,095</u>      | <u>\$ 58,122,399</u>     |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
December 31, 2012

Amounts reported for governmental activities on the statement of net position (page 31)  
are different because:

|                                                                                                                                                                                                                                                                                                                                                                                      |                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Total fund balance - governmental funds (page 34)                                                                                                                                                                                                                                                                                                                                    | \$ 45,257,886                |
| Capital assets used in governmental activities are not financial resources and, therefore,<br>are not reported in the funds.                                                                                                                                                                                                                                                         | 668,537,546                  |
| The net pension asset is not an available resource and , therefore, is not reported in the funds                                                                                                                                                                                                                                                                                     | 205,576                      |
| Other long-term assets are not available to pay current expenditures, and therefore,<br>are reported as unavailable revenue in the funds.                                                                                                                                                                                                                                            | 77,718                       |
| Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation & maintenance,<br>self-insurance activities, and communication services to individual funds. The assets \$26,196,134 and liabilities (\$3,406,541) of the<br>internal service funds are included in governmental activities in the statement of net position. | 22,789,593                   |
| Interfund for internal service fund allocated to business-type activities.                                                                                                                                                                                                                                                                                                           | (152,958)                    |
| Long-term liabilities including bonds and notes payable, capital leases, compensated absences and accrued<br>interest are not due and payable in the current period and therefore are not reported in the funds.                                                                                                                                                                     |                              |
| General obligation bonds                                                                                                                                                                                                                                                                                                                                                             | \$ (210,000)                 |
| Revenue bonds                                                                                                                                                                                                                                                                                                                                                                        | (38,695,000)                 |
| Bond premium (to be amortized over life of debt)                                                                                                                                                                                                                                                                                                                                     | (5,225,951)                  |
| Deferred charge on refunding (to be amortized<br>over life of debt)                                                                                                                                                                                                                                                                                                                  | 2,553,302                    |
| Certificates of participation                                                                                                                                                                                                                                                                                                                                                        | (41,660,000)                 |
| Discount on certificates of participation (to be amortized over life of lease)                                                                                                                                                                                                                                                                                                       | 393,730                      |
| Net pension obligation                                                                                                                                                                                                                                                                                                                                                               | (156,796)                    |
| Accrued interest payable                                                                                                                                                                                                                                                                                                                                                             | (848,709)                    |
| Pollution remediation                                                                                                                                                                                                                                                                                                                                                                | (185,602)                    |
| Compensated absences                                                                                                                                                                                                                                                                                                                                                                 | (3,209,616)                  |
| Other Post Employment Benefit Obligation                                                                                                                                                                                                                                                                                                                                             | (1,296,398)                  |
|                                                                                                                                                                                                                                                                                                                                                                                      | (88,541,040)                 |
| Total net position - governmental activities (page 31)                                                                                                                                                                                                                                                                                                                               | \$ <u><u>648,174,321</u></u> |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2012

|                                                           | General Fund         | Sales Tax Capital Improvements Capital Projects Fund | Major Capital Improvements Capital Projects Fund | General Debt Service Fund | Parkway Debt Retirement Fund | Other Governmental Funds | Total Governmental Funds |
|-----------------------------------------------------------|----------------------|------------------------------------------------------|--------------------------------------------------|---------------------------|------------------------------|--------------------------|--------------------------|
| <b>REVENUES</b>                                           |                      |                                                      |                                                  |                           |                              |                          |                          |
| <b>Taxes:</b>                                             |                      |                                                      |                                                  |                           |                              |                          |                          |
| Property                                                  | \$ 8,795,457         | \$ -                                                 | \$ -                                             | \$ -                      | \$ -                         | \$ 180,835               | \$ 8,976,292             |
| Sales and use                                             | 37,149,557           | 11,700,875                                           | -                                                | -                         | -                            | 1,852,541                | 50,702,973               |
| Franchise                                                 | 2,528,419            | -                                                    | -                                                | -                         | -                            | -                        | 2,528,419                |
| Severance                                                 | 1,837,831            | -                                                    | -                                                | -                         | -                            | -                        | 1,837,831                |
| Other                                                     | 2,997,548            | -                                                    | -                                                | -                         | -                            | -                        | 2,997,548                |
| Licenses and permits                                      | 110,618              | -                                                    | -                                                | -                         | -                            | -                        | 110,618                  |
| Intergovernmental revenues                                | 2,266,236            | 848,462                                              | 451,486                                          | 771,395                   | -                            | 759,241                  | 5,096,820                |
| Charges for services                                      | 9,028,112            | 59,384                                               | -                                                | -                         | -                            | 3,375,107                | 12,462,603               |
| Fines and forfeitures                                     | 1,517,505            | -                                                    | -                                                | -                         | -                            | 16,070                   | 1,533,575                |
| Special assessments                                       | -                    | 15,814                                               | -                                                | -                         | -                            | -                        | 15,814                   |
| Investment earnings (loss)                                | 276,209              | 7,035                                                | 22,989                                           | 227                       | (52,700)                     | 35,675                   | 289,435                  |
| Other income                                              | 28,735               | -                                                    | -                                                | -                         | -                            | 16,948                   | 45,683                   |
| Other contributions                                       | 51,243               | 13,420                                               | 881,333                                          | -                         | -                            | 327,525                  | 1,273,521                |
| Total revenues                                            | <u>66,587,470</u>    | <u>12,644,990</u>                                    | <u>1,355,808</u>                                 | <u>771,622</u>            | <u>(52,700)</u>              | <u>6,563,942</u>         | <u>87,871,132</u>        |
| <b>EXPENDITURES</b>                                       |                      |                                                      |                                                  |                           |                              |                          |                          |
| <b>Current:</b>                                           |                      |                                                      |                                                  |                           |                              |                          |                          |
| General government                                        | 9,185,163            | -                                                    | -                                                | 2,800                     | -                            | 1,734,339                | 10,922,302               |
| Public safety                                             | 33,791,689           | -                                                    | -                                                | -                         | -                            | -                        | 33,791,689               |
| Public works                                              | 9,752,185            | -                                                    | -                                                | -                         | -                            | -                        | 9,752,185                |
| Parks and recreation                                      | 8,421,297            | -                                                    | -                                                | -                         | -                            | -                        | 8,421,297                |
| Urban development and housing                             | 322,012              | -                                                    | -                                                | -                         | -                            | 155,874                  | 477,886                  |
| <b>Debt service:</b>                                      |                      |                                                      |                                                  |                           |                              |                          |                          |
| Advance refunding escrow                                  | -                    | -                                                    | -                                                | -                         | 17,812,681                   | -                        | 17,812,681               |
| Principal retirement                                      | -                    | -                                                    | -                                                | 4,725,000                 | -                            | 405,000                  | 5,130,000                |
| Interest and fiscal charges                               | -                    | -                                                    | -                                                | 3,729,715                 | 1,187,319                    | 351,760                  | 5,268,794                |
| Bond issuance costs                                       | -                    | -                                                    | -                                                | 146,923                   | -                            | -                        | 146,923                  |
| <b>Capital outlay:</b>                                    |                      |                                                      |                                                  |                           |                              |                          |                          |
| Construction                                              | -                    | 4,954,449                                            | 22,605,426                                       | -                         | -                            | 816,675                  | 28,376,550               |
| Total expenditures                                        | <u>61,472,346</u>    | <u>4,954,449</u>                                     | <u>22,605,426</u>                                | <u>8,604,438</u>          | <u>19,000,000</u>            | <u>3,463,648</u>         | <u>120,100,307</u>       |
| Excess (deficiency) of revenues over (under) expenditures | 5,115,124            | 7,690,541                                            | (21,249,618)                                     | (7,832,816)               | (19,052,700)                 | 3,100,294                | (32,229,175)             |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                      |                                                      |                                                  |                           |                              |                          |                          |
| Transfers in                                              | 194,027              | -                                                    | 1,108,822                                        | 7,682,473                 | 4,090,729                    | 415,358                  | 13,491,409               |
| Transfers out                                             | (5,119,779)          | (7,262,318)                                          | (76,098)                                         | -                         | -                            | (4,333,922)              | (16,792,117)             |
| Refunding bonds issued                                    | -                    | -                                                    | -                                                | 30,645,000                | -                            | -                        | 30,645,000               |
| Refunding bond premium                                    | -                    | -                                                    | -                                                | 5,512,594                 | -                            | -                        | 5,512,594                |
| Payment to refunded bond escrow agent                     | -                    | -                                                    | -                                                | (36,007,129)              | -                            | -                        | (36,007,129)             |
| Total other financing sources and uses                    | <u>(4,925,752)</u>   | <u>(7,262,318)</u>                                   | <u>1,032,724</u>                                 | <u>7,832,938</u>          | <u>4,090,729</u>             | <u>(3,918,564)</u>       | <u>(3,150,243)</u>       |
| Net change in fund balances                               | 189,372              | 428,223                                              | (20,216,894)                                     | 122                       | (14,961,971)                 | (818,270)                | (35,379,418)             |
| Fund balances -- beginning                                | 30,152,270           | 20,729                                               | 23,457,456                                       | -                         | 19,079,054                   | 7,927,795                | 80,637,304               |
| Fund balances -- ending                                   | <u>\$ 30,341,642</u> | <u>\$ 448,952</u>                                    | <u>\$ 3,240,562</u>                              | <u>\$ 122</u>             | <u>\$ 4,117,083</u>          | <u>\$ 7,109,525</u>      | <u>\$ 45,257,886</u>     |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
 For the Year Ended December 31, 2012

Amounts reported for governmental activities in the statement of activities (page 33)  
 are different because:

|                                                                  |    |              |
|------------------------------------------------------------------|----|--------------|
| Net change in fund balances - total governmental funds (page 36) | \$ | (35,379,418) |
|------------------------------------------------------------------|----|--------------|

|                                                                                                                                                                                                                                                                                                                                          |  |            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------|
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$28,042,196 exceeded depreciation (\$12,870,874) in the current period. |  | 15,171,322 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------|

|                                                                                                                                                                                                               |  |           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trades, and disposals) is to decrease net position. \$415,000 in land was acquired in the trade of capital assets. |  | (942,761) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|

|                                                                               |  |           |
|-------------------------------------------------------------------------------|--|-----------|
| The net effect of the donation of capital assets is to increase net position. |  | 6,708,396 |
|-------------------------------------------------------------------------------|--|-----------|

|                                                                                                                                    |  |         |
|------------------------------------------------------------------------------------------------------------------------------------|--|---------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. |  | (1,133) |
|------------------------------------------------------------------------------------------------------------------------------------|--|---------|

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, this transaction has no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

|                                                                                |                 |  |  |
|--------------------------------------------------------------------------------|-----------------|--|--|
| Refunding bonds issued                                                         | \$ (30,645,000) |  |  |
| Premium on refunding bonds (net of current amortization)                       | (5,121,546)     |  |  |
| Debt principal payments                                                        | 5,130,000       |  |  |
| Payment to escrow agent for refunding                                          | 53,819,810      |  |  |
| Bond premium (to be amortized over the life of debt)                           | 128,454         |  |  |
| Certificates of participation discount (to be amortized over the life of debt) | (14,238)        |  |  |
| Deferred charge on refunding (to be amortized over the life of debt)           | (194,954)       |  |  |
| Decrease in accrued interest                                                   | 391,875         |  |  |
| Decrease in net pension obligation                                             | 45,299          |  |  |
| Increase in net pension asset                                                  | 205,576         |  |  |
| Increase in pollution remediation                                              | (185,602)       |  |  |
| Increase in compensated absences                                               | (91,426)        |  |  |
| Increase in other post employment benefit obligation                           | (398,221)       |  |  |
|                                                                                | 23,070,027      |  |  |

Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation & maintenance, central stores and printing, self-insurance activities, and communication services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

|                                        |              |  |           |
|----------------------------------------|--------------|--|-----------|
| Revenues from external customers       | \$ 2,917,327 |  |           |
| Expenses due to external customers     | (3,882,021)  |  |           |
| Grants and contributions               | 712,412      |  |           |
| Gain (Loss) on disposition of property | (1,603,294)  |  |           |
| Investment income                      | 47,080       |  |           |
| Operating income from operations       | 1,612,439    |  | (196,057) |

|                                                             |    |           |
|-------------------------------------------------------------|----|-----------|
| Change in net position of governmental activities (page 33) | \$ | 8,430,376 |
|-------------------------------------------------------------|----|-----------|

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Year Ended December 31, 2012

|                                                              | Original and<br>Final Budgeted<br>Amounts | Actual<br>GAAP<br>Basis<br>Amounts | Adjustment<br>to<br>Budgetary<br>Basis | Actual<br>on<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------------------------------|-------------------------------------------|------------------------------------|----------------------------------------|------------------------------------|-----------------------------------------------------------|
| <b>REVENUES</b>                                              |                                           |                                    |                                        |                                    |                                                           |
| <b>Taxes:</b>                                                |                                           |                                    |                                        |                                    |                                                           |
| Property                                                     | \$ 8,813,752                              | \$ 8,795,457                       | \$ -                                   | \$ 8,795,457                       | \$ (18,295)                                               |
| Sales and use                                                | 36,607,733                                | 37,149,557                         | 380,635                                | 37,530,192                         | 922,459                                                   |
| Franchise                                                    | 2,415,477                                 | 2,528,419                          | -                                      | 2,528,419                          | 112,942                                                   |
| Severance                                                    | 1,711,510                                 | 1,837,831                          | -                                      | 1,837,831                          | 126,321                                                   |
| Other                                                        | 3,125,501                                 | 2,997,548                          | 35,076                                 | 3,032,624                          | (92,877)                                                  |
| Licenses and permits                                         | 109,050                                   | 110,618                            | -                                      | 110,618                            | 1,568                                                     |
| Intergovernmental revenues                                   | 1,696,128                                 | 2,266,236                          | (87,581)                               | 2,178,655                          | 482,527                                                   |
| Charges for services                                         | 8,700,244                                 | 9,028,112                          | -                                      | 9,028,112                          | 327,868                                                   |
| Fines and forfeitures                                        | 1,454,834                                 | 1,517,505                          | -                                      | 1,517,505                          | 62,671                                                    |
| Investment earnings                                          | 240,271                                   | 276,209                            | (24,223)                               | 251,986                            | 11,715                                                    |
| Other income                                                 | 21,000                                    | 28,735                             | -                                      | 28,735                             | 7,735                                                     |
| Other contributions                                          | 27,200                                    | 51,243                             | -                                      | 51,243                             | 24,043                                                    |
| Total revenues                                               | <u>64,922,700</u>                         | <u>66,587,470</u>                  | <u>303,907</u>                         | <u>66,891,377</u>                  | <u>1,968,677</u>                                          |
| <b>EXPENDITURES</b>                                          |                                           |                                    |                                        |                                    |                                                           |
| <b>Current:</b>                                              |                                           |                                    |                                        |                                    |                                                           |
| General government:                                          |                                           |                                    |                                        |                                    |                                                           |
| Administration                                               | 7,771,952                                 | 7,199,993                          | -                                      | 7,199,993                          | 571,959                                                   |
| Community development                                        | 1,930,125                                 | 1,985,170                          | -                                      | 1,985,170                          | (55,045)                                                  |
| Total general government                                     | <u>9,702,077</u>                          | <u>9,185,163</u>                   | <u>-</u>                               | <u>9,185,163</u>                   | <u>516,914</u>                                            |
| Public safety:                                               |                                           |                                    |                                        |                                    |                                                           |
| Police protection                                            | 19,608,628                                | 19,453,545                         | (87,581)                               | 19,365,964                         | 242,664                                                   |
| Fire protection                                              | 14,310,839                                | 14,338,144                         | -                                      | 14,338,144                         | (27,305)                                                  |
| Total public safety                                          | <u>33,919,467</u>                         | <u>33,791,689</u>                  | <u>(87,581)</u>                        | <u>33,704,108</u>                  | <u>215,359</u>                                            |
| Public works                                                 | 10,026,864                                | 9,752,185                          | -                                      | 9,752,185                          | 274,679                                                   |
| Parks and recreation                                         | 8,739,903                                 | 8,421,297                          | -                                      | 8,421,297                          | 318,606                                                   |
| Urban development and housing                                | 246,938                                   | 322,012                            | -                                      | 322,012                            | (75,074)                                                  |
| Total expenditures                                           | <u>62,635,249</u>                         | <u>61,472,346</u>                  | <u>(87,581)</u>                        | <u>61,384,765</u>                  | <u>1,250,484</u>                                          |
| Excess (deficiency) of revenues over<br>(under) expenditures | 2,287,451                                 | 5,115,124                          | 391,488                                | 5,506,612                          | 3,219,161                                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                           |                                    |                                        |                                    |                                                           |
| Transfers in                                                 | 39,688                                    | 194,027                            | -                                      | 194,027                            | 154,339                                                   |
| Transfers out                                                | <u>(7,018,174)</u>                        | <u>(5,119,779)</u>                 | <u>-</u>                               | <u>(5,119,779)</u>                 | <u>1,898,395</u>                                          |
| Total other financing sources<br>and uses                    | <u>(6,978,486)</u>                        | <u>(4,925,752)</u>                 | <u>-</u>                               | <u>(4,925,752)</u>                 | <u>2,052,734</u>                                          |
| Net change in fund balances                                  | (4,691,035)                               | 189,372                            | 391,488                                | 580,860                            | 5,271,895                                                 |
| Fund balances -- beginning                                   | 29,940,142                                | 30,152,270                         | (212,128)                              | 29,940,142                         | -                                                         |
| Fund balances -- ending                                      | <u>\$ 25,249,107</u>                      | <u>\$ 30,341,642</u>               | <u>\$ 179,360</u>                      | <u>\$ 30,521,002</u>               | <u>\$ 5,271,895</u>                                       |

The notes to the financial statements are an integral part of this statement.



City of Grand Junction, Colorado  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2012

| Business-Type Activities - Enterprise Funds            |                      |                                   |                     |                     |                        |                        |                                                 |
|--------------------------------------------------------|----------------------|-----------------------------------|---------------------|---------------------|------------------------|------------------------|-------------------------------------------------|
|                                                        | Water Fund           | Two Rivers Convention Center Fund | Golf Courses Fund   | Parking Fund        | Other Enterprise Funds | Total Enterprise Funds | Governmental Activities- Internal Service Funds |
| <b>ASSETS</b>                                          |                      |                                   |                     |                     |                        |                        |                                                 |
| Current assets:                                        |                      |                                   |                     |                     |                        |                        |                                                 |
| Cash and investments                                   | \$ 2,805,229         | \$ -                              | \$ 48,735           | \$ 151,960          | \$ 626,064             | \$ 3,631,988           | \$ 9,577,504                                    |
| Accounts receivable, net of allowance                  | 417,439              | 216,798                           | 311                 | 740                 | 424,931                | 1,060,219              | 5,512                                           |
| Intergovernmental receivable                           | -                    | -                                 | -                   | -                   | -                      | -                      | 326,737                                         |
| Prepaid items                                          | -                    | -                                 | -                   | -                   | -                      | -                      | 43,251                                          |
| Inventory                                              | -                    | -                                 | 35,526              | -                   | -                      | 35,526                 | -                                               |
| Total current assets                                   | <u>3,222,668</u>     | <u>216,798</u>                    | <u>84,572</u>       | <u>152,700</u>      | <u>1,050,995</u>       | <u>4,727,733</u>       | <u>9,953,004</u>                                |
| Noncurrent assets:                                     |                      |                                   |                     |                     |                        |                        |                                                 |
| Capital assets:                                        |                      |                                   |                     |                     |                        |                        |                                                 |
| Land                                                   | 2,506,211            | 153,001                           | 891,356             | 1,350,875           | -                      | 4,901,443              | -                                               |
| Buildings, improvements, plant and system              | 44,408,242           | 9,141,572                         | 7,346,930           | 5,200,888           | 3,544,976              | 69,642,608             | 2,747,494                                       |
| Equipment                                              | 904,414              | 649,740                           | 190,567             | 316,278             | 1,260,436              | 3,321,435              | 31,387,637                                      |
| Construction in progress                               | 1,381,270            | -                                 | -                   | -                   | -                      | 1,381,270              | 100                                             |
| Intangible assets                                      | 190,464              | -                                 | -                   | -                   | -                      | 190,464                | -                                               |
| Less accumulated depreciation                          | (16,920,033)         | (3,277,019)                       | (3,252,875)         | (1,104,067)         | (3,468,889)            | (28,022,883)           | (17,892,101)                                    |
| Total capital assets (net of accumulated depreciation) | <u>32,470,568</u>    | <u>6,667,294</u>                  | <u>5,175,978</u>    | <u>5,763,974</u>    | <u>1,336,523</u>       | <u>51,414,337</u>      | <u>16,243,130</u>                               |
| Total noncurrent assets                                | <u>32,470,568</u>    | <u>6,667,294</u>                  | <u>5,175,978</u>    | <u>5,763,974</u>    | <u>1,336,523</u>       | <u>51,414,337</u>      | <u>16,243,130</u>                               |
| Total assets                                           | <u>35,693,236</u>    | <u>6,884,092</u>                  | <u>5,260,550</u>    | <u>5,916,674</u>    | <u>2,387,518</u>       | <u>56,142,070</u>      | <u>26,196,134</u>                               |
| <b>LIABILITIES</b>                                     |                      |                                   |                     |                     |                        |                        |                                                 |
| Current liabilities:                                   |                      |                                   |                     |                     |                        |                        |                                                 |
| Accounts payable                                       | 501,737              | 137,041                           | 62,105              | 1,592               | 85,683                 | 788,158                | 479,522                                         |
| Accrued liabilities                                    | 51,066               | 19,136                            | 13,972              | 2,778               | 22,840                 | 109,792                | 138,272                                         |
| Accrued interest payable                               | 53,841               | -                                 | -                   | -                   | -                      | 53,841                 | -                                               |
| Compensated absences payable                           | 14,104               | 4,043                             | 5,384               | 513                 | 7,269                  | 31,313                 | 25,449                                          |
| Claims payable                                         | -                    | -                                 | -                   | -                   | -                      | -                      | 897,165                                         |
| Current portion of promissory notes payable            | 339,112              | -                                 | -                   | -                   | -                      | 339,112                | -                                               |
| Due to other funds                                     | -                    | 60,621                            | 284,962             | 192,096             | 80,489                 | 618,168                | -                                               |
| Total current liabilities                              | <u>959,860</u>       | <u>220,841</u>                    | <u>366,423</u>      | <u>196,979</u>      | <u>196,281</u>         | <u>1,940,384</u>       | <u>1,540,408</u>                                |
| Noncurrent liabilities:                                |                      |                                   |                     |                     |                        |                        |                                                 |
| Compensated absences payable                           | 235,209              | 67,428                            | 89,786              | 8,555               | 121,233                | 522,211                | 424,421                                         |
| Claims payable                                         | -                    | -                                 | -                   | -                   | -                      | -                      | 1,441,712                                       |
| Advances from other funds - general fund               | -                    | -                                 | 3,206,705           | 3,252,642           | 842,914                | 7,302,261              | -                                               |
| Promissory notes payable                               | 5,195,089            | -                                 | -                   | -                   | -                      | 5,195,089              | -                                               |
| Total noncurrent liabilities                           | <u>5,430,298</u>     | <u>67,428</u>                     | <u>3,296,491</u>    | <u>3,261,197</u>    | <u>964,147</u>         | <u>13,019,561</u>      | <u>1,866,133</u>                                |
| Total liabilities                                      | <u>6,390,158</u>     | <u>288,269</u>                    | <u>3,662,914</u>    | <u>3,458,176</u>    | <u>1,160,428</u>       | <u>14,959,945</u>      | <u>3,406,541</u>                                |
| <b>NET POSITION</b>                                    |                      |                                   |                     |                     |                        |                        |                                                 |
| Net investment in capital assets                       | 26,936,367           | 6,667,294                         | 5,175,978           | 5,763,974           | 1,336,523              | 45,880,136             | 16,243,130                                      |
| Restricted for:                                        |                      |                                   |                     |                     |                        |                        |                                                 |
| Public safety                                          | -                    | -                                 | -                   | -                   | -                      | -                      | 181,785                                         |
| Unrestricted                                           | 2,366,711            | (71,471)                          | (3,578,342)         | (3,305,476)         | (109,433)              | (4,698,011)            | 6,364,678                                       |
| Total net position                                     | <u>\$ 29,303,078</u> | <u>\$ 6,595,823</u>               | <u>\$ 1,597,636</u> | <u>\$ 2,458,498</u> | <u>\$ 1,227,090</u>    | <u>\$ 41,182,125</u>   | <u>\$ 22,789,593</u>                            |

Amounts reported for business-type activities on the statement of net position (page 31) are different because:

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:

Current year: (37,729)

Prior years: 190,687

Net position - business-type activities (page 31) \$ 41,335,083

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2012

|                                                                       | Business-Type Activities - Enterprise Funds |                                         |                         |                     |                              |                              | Governmental<br>Activities-<br>Internal<br>Service<br>Funds |
|-----------------------------------------------------------------------|---------------------------------------------|-----------------------------------------|-------------------------|---------------------|------------------------------|------------------------------|-------------------------------------------------------------|
|                                                                       | Water<br>Fund                               | Two Rivers<br>Convention<br>Center Fund | Golf<br>Courses<br>Fund | Parking<br>Fund     | Other<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds |                                                             |
| <b>Operating revenues:</b>                                            |                                             |                                         |                         |                     |                              |                              |                                                             |
| Charges for sales and services                                        | \$ 5,271,849                                | \$ 2,385,684                            | \$ 1,980,120            | \$ 491,203          | \$ 3,528,277                 | \$ 13,657,133                | \$ 14,643,733                                               |
| Other income                                                          | -                                           | -                                       | -                       | -                   | -                            | -                            | 12,039                                                      |
| Total operating revenues                                              | <u>5,271,849</u>                            | <u>2,385,684</u>                        | <u>1,980,120</u>        | <u>491,203</u>      | <u>3,528,277</u>             | <u>13,657,133</u>            | <u>14,655,772</u>                                           |
| <b>Operating expenses:</b>                                            |                                             |                                         |                         |                     |                              |                              |                                                             |
| Personnel services                                                    | 2,557,146                                   | 1,423,446                               | 959,212                 | 134,084             | 1,125,489                    | 6,199,377                    | 6,869,541                                                   |
| Costs of sales and services                                           | 1,639,539                                   | 1,210,726                               | 825,908                 | 73,132              | 2,190,091                    | 5,939,396                    | 7,596,999                                                   |
| Depreciation and amortization                                         | 999,793                                     | 244,786                                 | 227,637                 | 143,360             | 149,552                      | 1,765,128                    | 2,582,127                                                   |
| Total operating expenses                                              | <u>5,196,478</u>                            | <u>2,878,958</u>                        | <u>2,012,757</u>        | <u>350,576</u>      | <u>3,465,132</u>             | <u>13,903,901</u>            | <u>17,048,667</u>                                           |
| Operating income (loss)                                               | <u>75,371</u>                               | <u>(493,274)</u>                        | <u>(32,637)</u>         | <u>140,627</u>      | <u>63,145</u>                | <u>(246,768)</u>             | <u>(2,392,895)</u>                                          |
| <b>Nonoperating revenues (expenses):</b>                              |                                             |                                         |                         |                     |                              |                              |                                                             |
| Intergovernmental                                                     | 4,625                                       | -                                       | -                       | -                   | -                            | 4,625                        | 751,465                                                     |
| Miscellaneous                                                         | 159,648                                     | 3,227                                   | -                       | -                   | -                            | 162,875                      | -                                                           |
| Investment income                                                     | 15,077                                      | -                                       | 530                     | 905                 | 3,617                        | 20,129                       | 47,080                                                      |
| Gain (loss) on disposition of property<br>and equipment               | (10,527)                                    | -                                       | -                       | -                   | -                            | (10,527)                     | (1,603,294)                                                 |
| Interest expense                                                      | (186,086)                                   | -                                       | (54,582)                | (54,510)            | -                            | (295,178)                    | (2,162)                                                     |
| Total nonoperating revenues (expenses)                                | <u>(17,263)</u>                             | <u>3,227</u>                            | <u>(54,052)</u>         | <u>(53,605)</u>     | <u>3,617</u>                 | <u>(118,076)</u>             | <u>(806,911)</u>                                            |
| <b>Income (loss) before contributions and<br/>operating transfers</b> | <u>58,108</u>                               | <u>(490,047)</u>                        | <u>(86,689)</u>         | <u>87,022</u>       | <u>66,762</u>                | <u>(364,844)</u>             | <u>(3,199,806)</u>                                          |
| Capital contributions - tap fees                                      | 66,075                                      | -                                       | -                       | -                   | 520                          | 66,595                       | -                                                           |
| Contributed capital                                                   | 72,246                                      | -                                       | -                       | -                   | -                            | 72,246                       | -                                                           |
| Transfers in                                                          | -                                           | 299,650                                 | 35,038                  | -                   | -                            | 334,688                      | 3,161,556                                                   |
| Transfers out                                                         | -                                           | -                                       | -                       | -                   | -                            | -                            | (195,536)                                                   |
| Change in net position                                                | <u>196,429</u>                              | <u>(190,397)</u>                        | <u>(51,651)</u>         | <u>87,022</u>       | <u>67,282</u>                | <u>108,685</u>               | <u>(233,786)</u>                                            |
| Net position - beginning                                              | <u>29,106,649</u>                           | <u>6,786,220</u>                        | <u>1,649,287</u>        | <u>2,371,476</u>    | <u>1,159,808</u>             | <u>41,073,440</u>            | <u>23,023,379</u>                                           |
| Net position - ending                                                 | <u>\$ 29,303,078</u>                        | <u>\$ 6,595,823</u>                     | <u>\$ 1,597,636</u>     | <u>\$ 2,458,498</u> | <u>\$ 1,227,090</u>          | <u>\$ 41,182,125</u>         | <u>\$ 22,789,593</u>                                        |

Amounts reported for business-type activities in the statement of activities (page 33)  
are different because:

|                                                                                                             |                  |
|-------------------------------------------------------------------------------------------------------------|------------------|
| Change in net position-enterprise funds                                                                     | 108,685          |
| Adjustment to reflect the consolidation of internal<br>service fund activities related to enterprise funds: | (37,729)         |
| Change in net position of business-type activities (page 33)                                                | <u>\$ 70,956</u> |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2012

|                                                                                                       | Business-Type Activities - Enterprise Funds |                                         |                      |                 |                              |                              | Governmental<br>Activities-<br>Internal<br>Service<br>Funds |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------|----------------------|-----------------|------------------------------|------------------------------|-------------------------------------------------------------|
|                                                                                                       | Water<br>Fund                               | Two Rivers<br>Convention<br>Center Fund | Golf Courses<br>Fund | Parking<br>Fund | Other<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds |                                                             |
| <b>Cash flows from operating activities:</b>                                                          |                                             |                                         |                      |                 |                              |                              |                                                             |
| Cash received from interfund                                                                          | \$ 552,045                                  | \$ -                                    | \$ -                 | \$ -            | \$ -                         | \$ 552,045                   | \$ 12,899,560                                               |
| Cash received from customers and users                                                                | 4,715,032                                   | 2,423,836                               | 1,980,020            | 493,043         | 3,521,271                    | 13,133,202                   | 1,727,026                                                   |
| Cash paid to interfund                                                                                | (730,753)                                   | (151,683)                               | (320,616)            | (38,007)        | (938,017)                    | (2,179,076)                  | (923,108)                                                   |
| Cash paid to suppliers                                                                                | (862,714)                                   | (1,073,845)                             | (499,019)            | (36,523)        | (1,256,227)                  | (3,728,328)                  | (6,200,297)                                                 |
| Cash paid to employees                                                                                | (2,552,664)                                 | (1,426,546)                             | (962,456)            | (133,490)       | (1,139,460)                  | (6,214,616)                  | (6,823,252)                                                 |
| Miscellaneous receipts                                                                                | 77,338                                      | 3,227                                   | -                    | -               | -                            | 80,565                       | 592,153                                                     |
| Net cash provided (used) by operating activities                                                      | 1,198,284                                   | (225,011)                               | 197,929              | 285,023         | 187,567                      | 1,643,792                    | 1,272,082                                                   |
| <b>Cash flows from noncapital financing activities:</b>                                               |                                             |                                         |                      |                 |                              |                              |                                                             |
| Transfers from other funds                                                                            | -                                           | 299,650                                 | 35,038               | -               | -                            | 334,688                      | 3,161,556                                                   |
| Transfers to other funds                                                                              | -                                           | -                                       | -                    | -               | -                            | -                            | (195,536)                                                   |
| Increase (decrease) in amount due other funds                                                         | -                                           | (32,260)                                | 239,393              | 2,839           | (8,535)                      | 201,437                      | -                                                           |
| Intergovernmental receipts                                                                            | 4,625                                       | -                                       | -                    | -               | -                            | 4,625                        | 39,053                                                      |
| Net cash provided (used) by noncapital financing activities                                           | 4,625                                       | 267,390                                 | 274,431              | 2,839           | (8,535)                      | 540,750                      | 3,005,073                                                   |
| <b>Cash flows from capital and related financing activities:</b>                                      |                                             |                                         |                      |                 |                              |                              |                                                             |
| Tap fees                                                                                              | 66,075                                      | -                                       | -                    | -               | 520                          | 66,595                       | -                                                           |
| Principal payments:                                                                                   |                                             |                                         |                      |                 |                              |                              |                                                             |
| Capital leases                                                                                        | -                                           | -                                       | -                    | -               | -                            | -                            | (20,596)                                                    |
| Promissory notes                                                                                      | (333,309)                                   | -                                       | -                    | -               | -                            | (333,309)                    | -                                                           |
| Repayment of interfund capital loans                                                                  | -                                           | -                                       | (386,493)            | (192,096)       | (80,489)                     | (659,078)                    | -                                                           |
| Interest paid                                                                                         | (188,746)                                   | -                                       | (54,582)             | (54,510)        | -                            | (297,838)                    | (2,162)                                                     |
| Proceeds from disposition of capital assets                                                           | -                                           | -                                       | -                    | -               | -                            | -                            | 137,537                                                     |
| Purchase of capital assets                                                                            | (1,176,002)                                 | (42,379)                                | (22,039)             | -               | (31,367)                     | (1,271,787)                  | (4,994,492)                                                 |
| Intergovernmental receipts                                                                            | -                                           | -                                       | -                    | -               | -                            | -                            | 304,302                                                     |
| Miscellaneous capital receipts                                                                        | 82,310                                      | -                                       | -                    | -               | -                            | 82,310                       | 33,876                                                      |
| Net cash used in capital and related financing activities                                             | (1,549,672)                                 | (42,379)                                | (463,114)            | (246,606)       | (111,336)                    | (2,413,107)                  | (4,541,535)                                                 |
| <b>Cash flows from investing activities:</b>                                                          |                                             |                                         |                      |                 |                              |                              |                                                             |
| Investment income received                                                                            | 15,077                                      | -                                       | 530                  | 905             | 3,617                        | 20,129                       | 47,080                                                      |
| Net cash provided (used) by investing activities                                                      | 15,077                                      | -                                       | 530                  | 905             | 3,617                        | 20,129                       | 47,080                                                      |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                           | <b>(331,686)</b>                            | <b>-</b>                                | <b>9,776</b>         | <b>42,161</b>   | <b>71,313</b>                | <b>(208,436)</b>             | <b>(217,300)</b>                                            |
| Cash and cash equivalents, January 1                                                                  | 3,136,915                                   | -                                       | 38,959               | 109,799         | 554,751                      | 3,840,424                    | 9,794,804                                                   |
| Cash and cash equivalents, December 31                                                                | \$ 2,805,229                                | \$ -                                    | \$ 48,735            | \$ 151,960      | \$ 626,064                   | \$ 3,631,988                 | \$ 9,577,504                                                |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |                                             |                                         |                      |                 |                              |                              |                                                             |
| Operating income (loss)                                                                               | \$ 75,371                                   | \$ (493,274)                            | \$ (32,637)          | \$ 140,627      | \$ 63,145                    | \$ (246,768)                 | \$ (2,392,895)                                              |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                                             |                                         |                      |                 |                              |                              |                                                             |
| Depreciation expense                                                                                  | 999,793                                     | 244,786                                 | 227,637              | 143,360         | 149,552                      | 1,765,128                    | 2,582,127                                                   |
| (Increase) decrease in accounts receivable                                                            | (4,772)                                     | 38,152                                  | (100)                | 1,840           | (7,006)                      | 28,114                       | 562,967                                                     |
| Miscellaneous receipts                                                                                | 77,338                                      | 3,227                                   | -                    | -               | -                            | 80,565                       | -                                                           |
| (Increase) decrease in inventory                                                                      | -                                           | -                                       | 455                  | -               | -                            | 455                          | -                                                           |
| (Increase) decrease in prepaid items                                                                  | -                                           | 465                                     | -                    | -               | -                            | 465                          | 1,378                                                       |
| Increase (decrease) in accounts payable                                                               | 465,798                                     | 1,628                                   | 5,818                | (1,398)         | (4,153)                      | 467,693                      | 161,007                                                     |
| Increase (decrease) in claims payable                                                                 | -                                           | -                                       | -                    | -               | -                            | -                            | 347,941                                                     |
| Increase (decrease) in accrued liabilities and compensated absences payable                           | 4,482                                       | (3,100)                                 | (3,244)              | 594             | (13,971)                     | (15,239)                     | 46,289                                                      |
| (Increase) decrease in accounts payable due to the purchase of capital assets on account              | (419,726)                                   | (16,895)                                | -                    | -               | -                            | (436,621)                    | (36,732)                                                    |
| Total adjustments                                                                                     | 1,122,913                                   | 268,263                                 | 230,566              | 144,396         | 124,422                      | 1,890,560                    | 3,664,977                                                   |
| Net cash provided (used) by operating activities                                                      | \$ 1,198,284                                | \$ (225,011)                            | \$ 197,929           | \$ 285,023      | \$ 187,567                   | \$ 1,643,792                 | \$ 1,272,082                                                |
| <b>Noncash Investing, Capital and Financing Activities</b>                                            |                                             |                                         |                      |                 |                              |                              |                                                             |
| Purchase of capital assets on account                                                                 | \$ 433,137                                  | \$ 16,895                               | \$ -                 | \$ -            | \$ -                         | \$ 450,032                   | \$ 60,327                                                   |
| Capital contributions                                                                                 | 72,246                                      | -                                       | -                    | -               | -                            | 72,246                       | -                                                           |
| Net book value of capital assets traded in on capital assets acquired                                 | -                                           | -                                       | -                    | -               | -                            | -                            | 46,585                                                      |
| Trade in value of disposed assets                                                                     | -                                           | -                                       | -                    | -               | -                            | -                            | 47,000                                                      |
| Intergovernmental receivable from capital financing activities                                        | -                                           | -                                       | -                    | -               | 300,000                      | 300,000                      | -                                                           |
| Unearned revenue from capital financing activities                                                    | -                                           | -                                       | -                    | -               | 108,110                      | 108,110                      | -                                                           |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
December 31, 2012

|                                       | Pension<br>Trust<br>Funds | Private<br>Purpose<br>Trust Funds | Joint Sewer<br>Investment<br>Trust Fund | Agency<br>Funds   |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------------|-------------------|
| <b>ASSETS</b>                         |                           |                                   |                                         |                   |
| Cash and cash equivalents             | \$ 30,892                 | \$ 60,094                         | \$ 9,645,526                            | \$ 707,196        |
| Investments                           |                           |                                   |                                         |                   |
| Short term investments                | 508,622                   | -                                 | -                                       | -                 |
| Fixed income investments              | 2,174,519                 | -                                 | -                                       | -                 |
| Global equity investments             | 5,670,173                 | -                                 | -                                       | -                 |
| Real assets investments               | 478,321                   | -                                 | -                                       | -                 |
| Absolute return investments           | 912,272                   | -                                 | -                                       | -                 |
| Private capital investments           | 1,894,591                 | -                                 | -                                       | -                 |
| Opportunistic investments             | 183,820                   | -                                 | -                                       | -                 |
| Securities lending investment pool    | 474,042                   | -                                 | -                                       | -                 |
| Total assets                          | <u>12,327,252</u>         | <u>60,094</u>                     | <u>9,645,526</u>                        | <u>707,196</u>    |
| <b>LIABILITIES</b>                    |                           |                                   |                                         |                   |
| Accounts payable                      | -                         | -                                 | -                                       | 16,270            |
| Due to other governments              | -                         | -                                 | -                                       | 690,926           |
| Total liabilities                     | <u>-</u>                  | <u>-</u>                          | <u>-</u>                                | <u>\$ 707,196</u> |
| <b>NET POSITION</b>                   |                           |                                   |                                         |                   |
| Held in trust for:                    |                           |                                   |                                         |                   |
| External investment pool participants | -                         | -                                 | 9,645,526                               |                   |
| Pension benefits                      | 12,327,252                | -                                 | -                                       |                   |
| Individuals, organizations and others | -                         | 60,094                            | -                                       |                   |
| Total net position                    | <u>\$ 12,327,252</u>      | <u>\$ 60,094</u>                  | <u>\$ 9,645,526</u>                     |                   |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
For the Year Ended December 31, 2012

|                                                         | Pension<br>Trust<br>Funds | Private<br>Purpose<br>Trust Funds | Joint Sewer<br>Investment<br>Trust Fund |
|---------------------------------------------------------|---------------------------|-----------------------------------|-----------------------------------------|
| <b>ADDITIONS</b>                                        |                           |                                   |                                         |
| Additions by participants                               | \$ -                      | \$ 112,300                        | \$ 9,077,739                            |
| Employer contributions                                  | 674,364                   | -                                 | -                                       |
| Other Contributions                                     | 87,581                    | -                                 | -                                       |
| Total contributions                                     | <u>761,945</u>            | <u>112,300</u>                    | <u>9,077,739</u>                        |
| Investment earnings:                                    |                           |                                   |                                         |
| Interest                                                | 254,670                   | 100                               | 98,859                                  |
| Net increase (decrease) in fair value<br>of investments | <u>1,175,420</u>          | <u>-</u>                          | <u>-</u>                                |
| Net investment earnings                                 | <u>1,430,090</u>          | <u>100</u>                        | <u>98,859</u>                           |
| Total additions                                         | <u>2,192,035</u>          | <u>112,400</u>                    | <u>9,176,598</u>                        |
| <b>DEDUCTIONS</b>                                       |                           |                                   |                                         |
| Distributions to participants                           | -                         | 116,853                           | 10,444,480                              |
| Benefits and refunds                                    | 1,592,190                 | -                                 | -                                       |
| Administrative expenses                                 | 108,562                   | 3,614                             | -                                       |
| Total deductions                                        | <u>1,700,752</u>          | <u>120,467</u>                    | <u>10,444,480</u>                       |
| Change in net position                                  | 491,283                   | (8,067)                           | (1,267,882)                             |
| Net position - beginning                                | 11,835,969                | 68,161                            | 10,913,408                              |
| Net position - ending                                   | <u>\$ 12,327,252</u>      | <u>\$ 60,094</u>                  | <u>\$ 9,645,526</u>                     |

The notes to the financial statements are an integral part of this statement.



(This page intentionally left blank)





# **NOTES TO FINANCIAL STATEMENTS**



(This page intentionally left blank)

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **A. REPORTING ENTITY**

The City of Grand Junction, Colorado was incorporated July 19, 1882, under provision of Article XX of the Constitution of the State of Colorado, as amended (Home Rule City). The City operates under a Council-Manager form of government with seven elected Council members.

The City's financial statements include the accounts and operations of all City functions including, but not limited to, public safety (police and fire protection), street construction and maintenance, water and sanitation, planning and zoning, parks and recreation and general administration as provided by the City charter. The City owns and operates a meeting and convention center, swimming pools, golf courses and parking facilities. The City also provides ambulance transport services for Mesa County, Colorado. The City maintains a data processing facility, a fleet facility, a central stores facility and a communications center. The communications center, fleet facility, and central stores facility provide services to other local governments in Mesa County, Colorado.

The accounting policies of the City of Grand Junction conform to generally accepted accounting principles (GAAP) as applicable to governments and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

As required by generally accepted accounting principles, these financial statements present the City of Grand Junction (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

**Blended Component Units.** The financial data for the following entities is reported as part of the primary government because the City Council of the City acts as the Board of Directors for each entity.

***The Ridges Metropolitan District*** was annexed into the City and dissolved as a separate district in 1992. The District continues in existence for the sole purpose of providing for the payment of the District's outstanding debt with a special levy of property taxes collected within the District only.

The financial data of the ***Grand Junction Public Finance Corporation*** (the Corporation) is reported as part of the primary government because it is fiscally dependent upon the City and provides financing solely to the City. The Corporation was incorporated as a nonprofit corporation in the State of Colorado during 1996. The purpose of the Corporation is to facilitate financing for the City (see Note 6). Although the Corporation is a separate legal entity, for financial reporting purposes it is considered part of the City and is reported in the Grand Junction Public Finance Debt Service Fund.

**Discretely Presented Component Unit.** The component unit column in the government-wide financial statements includes the financial data of the City's only discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

***The Downtown Development Authority (DDA)*** was formed to improve the downtown area of the City of Grand Junction. The Authority has an eleven-member board appointed by the City Council of the City of Grand Junction. The City Council also approves the Authority's budget and property tax levy and issues any debt for Authority projects. Financial statements for all funds and activities of the DDA are included in the City's Comprehensive Annual Financial Report because the Authority does not issue separate financial statements.

## **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements summarize information on governmental and business-type activities of the primary government and its component units. These statements do not include fiduciary activities, and for the most part, eliminations have been made to minimize the double-counting of interfund activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the *Downtown Development Authority*, the City's legally separate *component unit* for which the primary government is financially accountable.

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

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

## **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

### ***Government-Wide, Proprietary and Fiduciary Financial Statements:***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except that agency funds, as they are merely custodial funds, do not have a measurement focus. All assets, liabilities, and deferred outflows/inflows of resources including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

### ***Governmental Fund Financial Statements:***

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenues that are determined to be susceptible to accrual include sales and use taxes, property taxes, utility franchise fees, grants-in-aid earned, interest, rentals and charges for services. Grant revenue is considered available if it is expected to be collected within one year and all eligibility requirements are met. Only the portion of special assessments receivable due within the current fiscal year is considered susceptible to accrual as revenue of the current period. Major revenues that are determined to not be susceptible to accrual, because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable, include licenses, permits, fines and forfeitures.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The City reports the following major governmental funds:

The **General Fund** is the general operating fund of the City. It accounts for all activities of the general government except those required to be accounted for in another fund.

The **Sales Tax Capital Improvements Fund** is a capital projects fund used to account for the financing and construction of projects financed completely or partially with the  $\frac{3}{4}$  percent portion of the City's  $2\frac{3}{4}$  percent sales and use tax. The  $\frac{3}{4}$  percent portion is currently dedicated to general capital improvements and economic development.

The **Major Capital Improvements Fund** is a capital projects fund used to account for the financing and construction of three major improvement projects. The Stadium Improvement Project and the Public Safety Building Improvement Project are funded completely or partially with proceeds from the issuance of certificates of participation. The Avalon Theatre Renovation Project is funded by City sales and use tax, Downtown Development Authority TIF revenue, as well as local contributions.

The **General Debt Service Fund** is a debt service fund used to account for all resources which are being accumulated for general long-term debt principal and interest payments maturing in future years other than long-term debt accounted for in enterprise and internal service funds or where a separate debt service fund is legally mandated.

The **Parkway Debt Retirement Fund** is a debt service fund used to account for all resources which are being accumulated for the early retirement of the Parkway Project long-term debt principal and interest payments maturing in future years.

The City reports the following major proprietary funds:

The **Water Fund** accounts for all activities associated with providing water services to customers within the water service area.

The **Two Rivers Convention Center Fund** accounts for all activities associated with the municipally owned meeting and convention center.

The **Golf Courses Fund** accounts for all activities associated with both municipally owned golf courses, Lincoln Park Golf Course and Tiara Rado Golf Course.

The **Parking Fund** is used to account for the revenue and expense associated with the operation of all municipally owned and leased parking facilities. Construction of a parking garage in the downtown area was completed late in 2007.

Additionally the City reports the following fund types:

The **Permanent Fund** accumulates resources to provide future maintenance of municipal cemeteries.

The **Internal Service Funds** account for data processing, equipment acquisition, operation & maintenance, self-insurance activities, and communication services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

The **Private-Purpose Trust Funds** account for resources legally held in trust for use by the local school district to purchase land and other uses specified by parties outside the City government.

The **Pension Trust Funds** account for Police and Fire defined benefit pension plans administered by the Fire and Police Pension Association of Colorado.

The **Investment Trust Fund** accounts for the net position held on behalf of the City of Grand Junction/Mesa County Joint Sewer System in the City's cash pool. The Joint Sewer System is not part of the City's financial reporting entity.

The **Agency Funds** account for custodial functions in operations of an advisory board, collecting and forwarding special assessment debt payments for property owners, and billing and collections for some sewer and water districts outside the City.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments to the General Fund by various enterprise funds for providing administrative and billing services for such funds, and charges between the City's water and solid waste removal fund and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Interfund activity has not been eliminated in the fund financial statements.

Amounts reported as program revenues include:

1. charges to customers for goods and services
2. operating grants and contributions
3. capital grants and contributions, including special assessments

Internally dedicated resources are reported as *general revenues* rather than program revenues. Likewise, general revenues include all taxes.

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 all the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include cost of sales and services, personal services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Ambulance transports have agreements with third-party payers, Medicaid, and Medicare that provide for payments to the City at amounts different from its established rates. Net patient service revenue is reported at estimated net realizable amounts.

#### **D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

##### *1. Cash and Investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits with banks and other financial institutions, and short-term investments with original maturities of three months or less from the date of acquisition.

Colorado State Statutes limit the local governments to the following types of investments, unless others are specifically identified by home rule cities, such as the City of Grand Junction:

1. *Obligations of the United States or obligations unconditionally guaranteed by the United States*
2. *Bonds of the State of Colorado and its political subdivisions*
3. *Certain obligations secured by mortgages*
4. *Bankers acceptances*
5. *Commercial paper*
6. *State investment pools*
7. *Repurchase agreements*
8. *Money market funds*
9. *Guaranteed investment contracts*

The City Council has formally established an investment policy allowing investments to have maturities beyond five years and to include mutual funds (composed of U.S. Government obligations) and collateralized mortgage obligations. Some additional restrictions apply to the various investments.

Assets of the pension trust funds may be invested by the Fire and Police Pension Association of Colorado (FPPA) in publicly traded common and preferred stock, convertible bonds, venture capital



and real estate. Investments are presented at fair value except real-estate which is recorded at estimated fair value based upon periodic appraisals and valuations, investments in limited partnerships which are recorded at estimated fair value as derived from financial statements, and guaranteed investment contracts which are recorded at contract value.

Investments are stated at fair value determined from quoted market prices. The state investment pools exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State of Colorado. The state investment pools and mutual funds are similar to money market funds, with each share valued at \$1.

Investments in joint ventures by governmental funds are recorded as expenditures at the time the investment is made.

## *2. Interfund Receivables and Payables*

Receivables and payables classified as "due from other funds" or "due to other funds" on the balance sheet arise from negative equity in pooled cash and investments. Current portions of long-term interfund loan receivables are classified as "interfund receivables" and "interfund payables" on the balance sheet. Non-current portions of long-term interfund loan receivables are reported as "advances" and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

## *3. Property Taxes*

Property taxes as set by the City Council are collected by the County Treasurer. The County Treasurer remits property taxes collected to the City by the 10th day of the month following collection. Property taxes receivable represent 2012 taxes collectible in 2013 and are also shown as unavailable revenue. Following are details of the property tax calendar:

|                             |                          |
|-----------------------------|--------------------------|
| Levy date:                  | November 15 (prior year) |
| Lien date:                  | January 1 (current year) |
| First 1/2 installment due:  | February 28              |
| Second 1/2 installment due: | June 15                  |
| If paid in full:            | April 30                 |

## *4. Special Assessments Receivable*

Special assessments receivable are recorded for the property owners' share of the cost of street or utility improvements within special improvement districts. Corresponding unavailable revenue is recorded until the assessments meet the revenue recognition availability criteria. Special assessments receivable for projects which were initially financed with existing governmental resources are recorded together with the corresponding deferred inflow of resources in the fund which provided the resources.

## *5. Inventories and Prepaid Items*

All inventories are valued at cost using the moving average method. Inventories in governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items in governmental funds are recorded as expenditures when consumed rather than when purchased.

## *6. Restricted Cash and Investments*

Certain proceeds of the Governmental Fund certificates of participation are classified as restricted assets on the balance sheet since their use is limited by applicable bond covenants.

## 7. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., streets, bridges, alleys, traffic signal systems and storm drainage), and intangible assets (e.g., water rights and permanent easements) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair market value on the date donated.

Maintenance, repairs and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in income.

Improvements are capitalized and depreciated over the remaining useful lives of the capital asset, as applicable. Infrastructure assets are capitalized as a separate category.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

Estimated useful lives for asset types are as follows:

|                           | <u>Estimated lives</u> |
|---------------------------|------------------------|
| Building and improvements | 10 to 50 years         |
| Utility plant and system  | 50 years               |
| Equipment                 | 5 to 10 years          |
| Infrastructure            | 20 to 40 years         |

## 8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City only has one type of item that qualifies for reporting in this category. It is unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## 9. Compensated Absences

During 1992, the City implemented a "Paid Time Off" (PTO) policy. This policy integrates holidays, vacation leave and sick leave into a single leave time accrual. An employee may accrue up to from 480 to 624 hours of PTO, depending upon years of service.

The City pays a terminating employee for all accumulated PTO time up to from 80 to 152 hours, depending on years of service. One-half of accumulated PTO in excess of this base amount will be paid to a terminating employee. In addition, employees hired prior to 1992 may have vacation and sick leave balances. The City pays a terminating employee for all accumulated vacation time and one-third of accumulated sick leave in excess of 720 hours.

Compensated absences are accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of an employee's resignation or retirement.

#### *10. Encumbrances*

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure are recorded during the year as an extension of formal budgetary integration in order to reserve that portion of the applicable appropriation, is not included for financial reporting purposes at year-end because unused appropriations and encumbrances lapse at year-end and must be reappropriated in the following year to be expended.

#### *11. Long-Term Liabilities*

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### *12. Net Position Flow Assumption*

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

#### *13. Fund Balance Policies and Flow Assumptions*

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned or unassigned fund balances. When funds from more than one classification are available, the order of spending of resources will be restricted, committed, assigned and, lastly unassigned.

Fund balances are classified as nonspendable when they are nonspendable in form or legally or contractually required to be maintained intact.

Fund balances are classified as restricted when constraints placed on the use of resources are externally imposed by creditors, grantors, contributors, laws and regulations of other governments, or by law through constitutional provisions or enabling legislation.

Fund balances are classified as committed when constraints placed upon the use of resources are adopted by the City Council through ordinance prior to the end of the calendar year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Fund balances are classified as assigned when constraints placed upon the use of resources are imposed by the City Council or City Manager through the budget process as authorized through the City Charter. Assigned fund balances represent the City's intent for future use of financial resources that are subject to change.

The residual fund balance that does not meet any of the above criteria is classified as unassigned. The City will only report a positive unassigned fund balance in the General Fund.

#### *14. Comparative Data/Reclassifications*

Comparative total data for the prior year has been presented in the accompanying Management's Discussion and Analysis in order to provide an understanding of the changes in the City's financial

position and operations. However, complete comparative data has not been reported since their inclusion would make the financial statements unduly complex and difficult to read. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

#### **E. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

**Government Accounting Standards Board Statement No. 63.** In 2012, the City implemented the provisions of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which establishes and defines deferred outflows of resources and deferred inflows of resources as elements of the Statement of Net Position. There is no impact on beginning balances.

**Government Accounting Standards Board Statement No. 65.** In 2012, the City implemented the provisions of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The effect of the implementation resulted in a restatement to beginning net position on the Statement of Activities (see Note 17).

### **NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. BUDGETARY INFORMATION**

Annual appropriated expenditure budgets are adopted for all governmental funds on a basis consistent with generally accepted accounting principles with the exception of the General Fund, the Sales Tax Capital Improvements Fund, and the Parkway Debt Retirement Fund. The annual budget for the General Fund is prepared on the modified accrual basis of accounting excluding certain basis differences for tax accruals, market value adjustments, and the effects of payments by the State of Colorado made on-behalf of City employees to a retirement plan (see Note 10). The annual budget for the Sales Tax Capital Improvements Fund is prepared on the modified accrual basis of accounting except for certain basis differences for tax accruals and market value adjustments. The annual budget for the Parkway Debt Retirement Fund is prepared on the modified accrual basis of accounting except for certain basis differences for market value adjustments. Annual appropriation budgets are also adopted for all proprietary funds on the accrual basis of accounting modified to include capital expenditures and debt service principal payments and to exclude depreciation and amortization. The budget is prepared under the direction of the City Manager. The appropriations are adopted, and may not be exceeded, on a total fund basis.

The details of the budget calendar follow:

|              |                                                                                               |
|--------------|-----------------------------------------------------------------------------------------------|
| December 15, | Statutory deadline for certification of all mill levies to the Board of County Commissioners  |
| December 22, | Statutory deadline for Board of County Commissioners to levy all taxes and certify the levies |

On or before December 31, the City Council enacts an ordinance appropriating the budgets for the ensuing fiscal year. The City Council may amend the appropriation ordinance at any time during the year, as a result of any casualty, accident, or unforeseen contingency.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Even though the budget enacted by the City Council is at the fund level, the City prepares a line item budget by department and cost center for control at the line item level. Department heads have the authority to reallocate the distribution of budget amounts within the major categories of personnel expenditures, operating expenditures and capital expenditures within their fund and department. Budget reallocation between major expenditure categories within a fund requires City Manager approval. Budget reallocation between funds requires City Council approval.

Supplemental appropriation ordinances during 2012 resulted in budget amendments as follows:

| <u>Fund</u>                                                    | <u>Original Amount</u> | <u>Amended Amount</u> |
|----------------------------------------------------------------|------------------------|-----------------------|
| <b><i>Primary Government - City of Grand Junction:</i></b>     |                        |                       |
| <b><i>Governmental Activities</i></b>                          |                        |                       |
| Special Revenue Funds:                                         |                        |                       |
| Conservation Trust                                             | 390,755                | 403,155               |
| Capital Projects Funds:                                        |                        |                       |
| Storm Drainage Development                                     | 80,000                 | 145,000               |
| Major Projects Capital                                         | 22,660,885             | 23,150,882            |
| Debt Service Funds:                                            |                        |                       |
| General Debt Service                                           | 10,012,378             | 44,611,572            |
| Parkway Debt Service                                           | -                      | 19,000,000            |
| <b><i>Business-Type Activities</i></b>                         |                        |                       |
| Enterprise Funds:                                              |                        |                       |
| Solid Waste                                                    | 3,184,638              | 3,270,276             |
| Two Rivers Convention Center                                   | 2,611,988              | 2,712,648             |
| Parking                                                        | 446,834                | 455,655               |
| Internal Service Funds:                                        |                        |                       |
| Equipment                                                      | 5,133,466              | 6,372,576             |
| Self Insurance                                                 | 2,121,645              | 2,515,612             |
| <b><i>Component Unit - Downtown Development Authority:</i></b> |                        |                       |
| Special Revenue Funds:                                         |                        |                       |
| DDA Operations                                                 | 363,483                | 529,220               |

## **B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The City charter prohibits the expenditure of City funds for any purpose not covered in the annual appropriation ordinance based upon the annual City budget. Colorado statutes prohibit expenditures on a total fund basis in excess of amounts appropriated.

## **NOTE 3. DEPOSITS AND INVESTMENTS**

Substantially all the City's cash and investments are part of the City's sponsored cash pool, which includes both internal and external participants. The pool is not registered with the Securities and Exchange Commission as an investment company. The City Finance Director (Treasurer) is granted authority for managing the pool by City Council. The City Treasurer reports investment activity quarterly to the Investment Advisory Committee, which is appointed by the City Manager, and reports annually to the City Council.

Cash and investments held for the City of Grand Junction/Mesa County, Colorado, Joint Sewer System are included in and inseparable from the City's pooled cash and investments. Since the Joint Sewer System is not part of the City's reporting entity, they are considered involuntary external participants of the City's cash pool. Under *GASB Statement 31*, the Joint Sewer System's pool share value is reported as an Investment Trust Fund in the City's financial statements. See Note 12 for more information on the Joint Sewer System.

### **Cash Deposits**

Colorado State Statutes require that all deposits be secured by federal deposit insurance or secured by collateral. Statutes require a financial institution to deposit collateral with another financial institution securing 102% of the market value of public funds held which exceed the amount insured by federal deposit insurance. All deposits of the City are insured or collateralized with government securities held by or for the entity.

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The composition of all cash held by the City cash pool at December 31, 2012, is as follows:

|                                                          | <b>Bank<br/>Balance</b> | <b>Carrying<br/>Balance</b> |
|----------------------------------------------------------|-------------------------|-----------------------------|
| Cash on hand                                             | \$ -                    | \$ 12,402                   |
| Insured deposits                                         | 250,000                 | 250,000                     |
| Deposits collateralized in single<br>institutional pools | 4,667,524               | 3,912,544                   |
|                                                          | <u>\$4,917,524</u>      | <u>\$4,174,946</u>          |

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair value by maintaining a minimum of 30% of the portfolio in short-term securities (less than one year) and employing a buy-and-hold strategy.

The City voluntarily participates in the state investment pools. The state investment pools exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State of Colorado. The state investment pools and mutual funds are similar to money market funds, with each share valued at \$1. The designated custodial banks provide safekeeping and depository services, and securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. Investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. The investment in the Fire and Police Pension Association of Colorado (FPPA) investment pool is set by Colorado statute for funding of police and fire defined benefit pension plans. Investments consist of publicly traded common and preferred stock, convertible bonds, venture capital and real estate. Investments in state investment pools, mutual funds, and FPPA are not categorized by risk, as they are not evidenced by securities that exist in physical or book entry form. The fair value of the position in the state investment pools and FPPA approximate the value of the City's investment in the pools.

As of December 31, 2012, the City had the following investments:

| <b><u>Investment Type</u></b>         | <b><u>S&amp;P<br/>Rating</u></b> | <b><u>Fair Value</u></b> | <b><u>Weighted Average<br/>Maturity (Months)</u></b> |
|---------------------------------------|----------------------------------|--------------------------|------------------------------------------------------|
| Federal Agency Securities             | AA+                              | \$ 11,534,513            | 31.13                                                |
| Treasury Coupon Securities            | AA+                              | 7,566,093                | 32.05                                                |
| Pass Through Securities<br>(GNMA/CMO) | AA+                              | 2,542,458                | 79.66                                                |
| Commercial Paper                      | A-1+                             | 999,796                  | 1.84                                                 |
| State investment pools                | AAAm                             | 33,835,886               | 0.03                                                 |
| Pension trust fund                    | Not rated                        | 12,327,252               | 0.00                                                 |
| Total                                 |                                  | <u>\$68,805,998</u>      | <u>18.61</u>                                         |

*Credit risk.* The City's investment practices are governed by the City of Grand Junction Charter, Article IX paragraph 72, the Colorado Revised Statutes 24-75-601 to 605, and the City's investment policy as adopted by its legislative body. These controls limit investments to U.S. Government and Agency obligations, collateralized deposits, and commercial paper with the highest rating issued by one of the nationally recognized statistical rating organizations (NRSRO's).

*Concentration of credit risk.* The City's investment policy dictates diversification and does not allow for an investment in any one issuer that is in excess of five percent of the City's total investments.

*Custodial credit risk.* State law requires financial institutions to collateralize deposits of government funds. By City policy, all marketable securities shall be deposited in a safe keeping account with an independent third party state or national bank having an office in Colorado.



*Foreign Currency Risk.* The City's investment policy, excluding the FPPA pension trust funds, does not allow for investment in foreign currency.

#### **NOTE 4. ACCOUNTS RECEIVABLE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

The allowance for uncollectible accounts receivable of the various funds of the City at December 31, 2012, is as follows:

|                              |                 |
|------------------------------|-----------------|
| General Fund                 | \$621,681       |
| Enterprise Funds:            |                 |
| Water                        | \$ 1,054        |
| Solid Waste Removal          | 274             |
| Two Rivers Convention Center | 2,898           |
|                              | <u>\$ 4,226</u> |
| Internal Service Funds:      |                 |
| Communications Center        | <u>\$ 817</u>   |

#### **NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2012 was as follows:

##### ***Primary Government - City of Grand Junction:***

|                                               | Beginning<br>Balance | Increase            | Decreases            | Ending<br>Balance    |
|-----------------------------------------------|----------------------|---------------------|----------------------|----------------------|
| <b>Governmental Activities:</b>               |                      |                     |                      |                      |
| <i>Capital assets, not being depreciated:</i> |                      |                     |                      |                      |
| Land                                          | \$296,702,316        | \$ 4,476,792        | \$ 758,885           | \$300,420,223        |
| Construction in progress                      | 22,235,998           | 24,781,420          | 43,847,681           | 3,169,737            |
| Intangible assets                             | 1,274,436            | 15,656              | -                    | 1,290,092            |
| Total capital assets, not being depreciated   | <u>320,212,750</u>   | <u>29,273,868</u>   | <u>44,606,566</u>    | <u>304,880,052</u>   |
| <i>Capital assets, being depreciated:</i>     |                      |                     |                      |                      |
| Buildings                                     | 57,332,686           | 37,146,646          | 2,951,442            | 91,527,890           |
| Improvements other than buildings             | 29,739,272           | 868,443             | 256,681              | 30,351,034           |
| Equipment                                     | 39,868,540           | 11,068,167          | 6,400,936            | 44,535,771           |
| Infrastructure                                | 372,462,392          | 5,708,431           | -                    | 378,170,823          |
| Total capital assets, being depreciated       | <u>499,402,890</u>   | <u>54,791,687</u>   | <u>9,609,059</u>     | <u>544,585,518</u>   |
| <i>Less accumulated depreciation for:</i>     |                      |                     |                      |                      |
| Buildings                                     | 16,338,650           | 2,152,552           | 1,746,438            | 16,744,764           |
| Improvements other than buildings             | 14,548,636           | 1,219,062           | 235,621              | 15,532,077           |
| Equipment                                     | 25,736,762           | 3,522,652           | 5,266,235            | 23,993,179           |
| Infrastructure                                | 99,856,139           | 8,558,735           | -                    | 108,414,874          |
| Total accumulated depreciation                | <u>156,480,187</u>   | <u>15,453,001</u>   | <u>7,248,294</u>     | <u>164,684,894</u>   |
| Total capital assets, being depreciated, net  | <u>342,922,703</u>   | <u>39,338,686</u>   | <u>2,360,765</u>     | <u>379,900,624</u>   |
| Governmental activities capital assets, net   | <u>\$663,135,453</u> | <u>\$68,612,554</u> | <u>\$ 46,967,331</u> | <u>\$684,780,676</u> |

|                                               | Beginning<br>Balance | Increase         | Decreases        | Ending<br>Balance    |
|-----------------------------------------------|----------------------|------------------|------------------|----------------------|
| <b>Business-type Activities:</b>              |                      |                  |                  |                      |
| <i>Capital assets, not being depreciated:</i> |                      |                  |                  |                      |
| Land                                          | \$ 4,901,443         | \$ -             | \$ -             | \$ 4,901,443         |
| Construction in progress                      | 459,105              | 1,456,647        | 534,482          | 1,381,270            |
| Intangible assets                             | 152,318              | 45,000           | 6,854            | 190,464              |
| Total capital assets, not being depreciated   | <u>5,512,866</u>     | <u>1,501,647</u> | <u>541,336</u>   | <u>6,473,177</u>     |
| <i>Capital assets, being depreciated:</i>     |                      |                  |                  |                      |
| Buildings and systems                         | 61,256,482           | 606,728          | 151,614          | 61,711,596           |
| Improvements other than buildings             | 7,830,916            | 100,096          | -                | 7,931,012            |
| Equipment                                     | 3,389,011            | 106,665          | 174,241          | 3,321,435            |
| Total capital assets, being depreciated       | <u>72,476,409</u>    | <u>813,489</u>   | <u>325,855</u>   | <u>72,964,043</u>    |
| <i>Less accumulated depreciation for:</i>     |                      |                  |                  |                      |
| Buildings and systems                         | 21,834,862           | 1,308,940        | 151,614          | 22,992,188           |
| Improvements other than buildings             | 2,856,155            | 249,467          | -                | 3,105,622            |
| Equipment                                     | 1,892,410            | 203,231          | 170,568          | 1,925,073            |
| Total accumulated depreciation                | <u>26,583,427</u>    | <u>1,761,638</u> | <u>322,182</u>   | <u>28,022,883</u>    |
| Total capital assets, being depreciated, net  | <u>45,892,982</u>    | <u>(948,149)</u> | <u>3,673</u>     | <u>44,941,160</u>    |
| Business-type activities capital assets, net  | <u>\$ 51,405,848</u> | <u>\$553,498</u> | <u>\$545,009</u> | <u>\$ 51,414,337</u> |

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

**Governmental Activities**

|                                                                                                                                   |                  |
|-----------------------------------------------------------------------------------------------------------------------------------|------------------|
| General government                                                                                                                | \$ 1,064,974     |
| Public safety                                                                                                                     | 1,179,521        |
| Public works                                                                                                                      | 9,060,041        |
| Parks and recreation                                                                                                              | 1,566,338        |
| Capital assets held by the government's internal service funds<br>are charged to various functions based on their usage of assets | <u>2,582,127</u> |

|                                                      |                     |
|------------------------------------------------------|---------------------|
| Total depreciation expense – governmental activities | <u>\$15,453,001</u> |
|------------------------------------------------------|---------------------|

**Business-Type Activities**

|                                                       |                    |
|-------------------------------------------------------|--------------------|
| Water                                                 | \$ 996,303         |
| Solid waste                                           | 64,558             |
| Meeting and convention center                         | 244,786            |
| Golf courses                                          | 227,637            |
| Parking                                               | 143,360            |
| Irrigation                                            | 84,994             |
| Total depreciation expense – business-type activities | <u>\$1,761,638</u> |

### ***Discretely Presented Component Unit***

Activity for the ***Downtown Development Authority*** for the year ended December 31, 2012, was as follows:

|                                               | Beginning<br>Balance | Increases   | Decreases  | Ending<br>Balance |
|-----------------------------------------------|----------------------|-------------|------------|-------------------|
| <i>Capital assets, not being depreciated:</i> |                      |             |            |                   |
| Land                                          | \$ 1,500,542         | \$ -        | \$ 458,396 | \$ 1,042,146      |
| Construction in progress                      | -                    | 993         | -          | 993               |
| Total capital assets, not being depreciated   | 1,500,542            | 993         | 458,396    | 1,043,139         |
| <i>Capital assets, being depreciated:</i>     |                      |             |            |                   |
| Buildings and systems                         | 3,876,623            | -           | 89,600     | 3,787,023         |
| Equipment                                     | 1,207,183            | 117,756     | 7,500      | 1,317,439         |
| Total capital assets, being depreciated       | 5,083,806            | 117,756     | 97,100     | 5,104,462         |
| <i>Less accumulated depreciation for:</i>     |                      |             |            |                   |
| Buildings                                     | 1,089,732            | 112,712     | 13,440     | 1,189,004         |
| Equipment                                     | 419,436              | 143,873     | 7,500      | 555,809           |
| Total accumulated depreciation                | 1,509,168            | 256,585     | 20,940     | 1,744,813         |
| Total capital assets, being depreciated, net  | 3,574,638            | (138,829)   | 76,160     | 3,359,649         |
| DDA capital assets, net                       | \$ 5,075,180         | \$(137,836) | \$534,556  | \$ 4,402,788      |

### ***Construction Commitments***

The City and its component unit have several ongoing construction projects as of December 31, 2012 composed of the following:

|                            | Spent to<br><u>12/31/2012</u> | Projected cost<br><u>of completion</u> |
|----------------------------|-------------------------------|----------------------------------------|
| <b>Primary Government</b>  |                               |                                        |
| Street projects            | \$ 125,421                    | \$ 4,006,268                           |
| Drainage projects          | 913,885                       | 1,385,764                              |
| Park development           | 323,268                       | 511,747                                |
| Facilities/equipment/other | 3,188,433                     | 14,574,694                             |
| <b>Component Unit</b>      |                               |                                        |
| Development Projects       | \$ 993                        | \$ 20,000                              |

## **NOTE 6. CAPITAL LEASES**

### **Certificates of Participation**

The City entered into a ground and improvement lease with The Grand Junction Public Finance Corporation, which was incorporated in 1996 as a Colorado nonprofit corporation to facilitate City financing, including but not limited to, the acquisition of real or personal property, the construction or installation of improvements and the renovation, expansion or improvement of buildings for lease to the City. The Corporation issued \$7,770,000 certificates of participation, dated November 15, 2010 to be used to construct and install certain improvements to Suplizio Field, a baseball stadium located in the City's Lincoln Park, fund a reserve fund, and pay the costs of issuing the certificates. The proceeds from the issue reserved for debt service and principal and interest payments are accounted for in the General Fund.

The City has agreed to pay base rentals from annually appropriated funds. The lease agreements are in accordance with Colorado law as to being subject to annual appropriation by the City. The City intends to annually appropriate for the lease payments in its Conservation Trust Fund. The primary revenues on deposit in the Conservation Trust Fund are comprised of funds received from the Colorado Lottery to be used for park and recreation purposes pursuant to State law. A \$533,500 reserve is held by a trustee, as required by the agreement.

The interest rate is 4.76% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2012, follows:

| Year ending December 31,                | Schedule of<br>Base Rents |
|-----------------------------------------|---------------------------|
| 2013                                    | \$ 532,650                |
| 2014                                    | 533,450                   |
| 2015                                    | 532,000                   |
| 2016                                    | 530,400                   |
| 2017                                    | 528,650                   |
| 2018-2022                               | 2,651,319                 |
| 2023-2027                               | 2,660,488                 |
| 2028-2032                               | 2,647,750                 |
| 2033-2035                               | 1,591,750                 |
| Total base rentals                      | 12,208,457                |
| Less amounts representing interest      | (4,828,457)               |
| Present value of minimum lease payments | <u>\$ 7,380,000</u>       |

The City entered into a ground lease with Zions First National Bank. Zions First National Bank issued \$34,900,000 certificates of participation, dated December 1, 2010 to be used for the construction of a police building, including a 911 emergency dispatch center, and the remodeling of existing City facilities for use as fire stations and a fire administration building, pay capitalized interest, and pay the costs of issuing the certificates. The certificates include \$4,900,000 of Tax-Exempt Certificates of Participation, Series 2010A and \$30,000,000 Taxable Certificates of Participation (Direct Pay Build America Bonds), Series 2010B.

The City has agreed to pay base rentals from annually appropriated funds. The lease agreements are in accordance with Colorado law as to being subject to annual appropriation by the City.

The interest rates range from 4.23% to 7.48% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2012, follows:

| Year ending December 31,                | Schedule of<br>Base Rents |
|-----------------------------------------|---------------------------|
| 2013                                    | \$ 3,028,110              |
| 2014                                    | 3,028,923                 |
| 2015                                    | 3,027,122                 |
| 2016                                    | 3,029,323                 |
| 2017                                    | 3,028,510                 |
| 2018-2022                               | 15,030,825                |
| 2023-2027                               | 14,505,587                |
| 2028-2032                               | 13,776,965                |
| 2033-2037                               | 12,802,850                |
| 2038-2040                               | 7,100,485                 |
| Total base rentals                      | 78,358,700                |
| Less amounts representing interest      | (44,078,700)              |
| Present value of minimum lease payments | <u>\$ 34,280,000</u>      |

The City's certificates of participation do not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional or statutory debt limitation.

## NOTE 7. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity of the City for the year ended December 31, 2012:

### **Primary Government - City of Grand Junction:**

|                                                  | Beginning<br>Balance | Additions           | Reductions          | Ending<br>Balance   | Due Within<br>One Year |
|--------------------------------------------------|----------------------|---------------------|---------------------|---------------------|------------------------|
| <b>Governmental Activities:</b>                  |                      |                     |                     |                     |                        |
| General obligation bonds:                        |                      |                     |                     |                     |                        |
| <i>Ridges</i>                                    | \$ 410,000           | \$ -                | \$ 200,000          | \$ 210,000          | \$ 210,000             |
| Revenue bonds:                                   |                      |                     |                     |                     |                        |
| <i>Parkway</i>                                   | 61,495,000           | -                   | 53,445,000          | 8,050,000           | 4,315,000              |
| <i>Premium</i>                                   | 1,964,413            | -                   | 1,860,008           | 104,405             | 78,190                 |
| <i>Parkway Refunding</i>                         | -                    | 30,645,000          | -                   | 30,645,000          | -                      |
| <i>Parkway Refunding Premium</i>                 | -                    | 5,512,594           | 391,048             | 5,121,546           | 676,815                |
| Capital Leases:                                  |                      |                     |                     |                     |                        |
| <i>Certificates of Participation</i>             | 42,485,000           | -                   | 825,000             | 41,660,000          | 855,000                |
| <i>Discount on Certificates of Participation</i> | (407,968)            | 14,238              | -                   | (393,730)           | (15,065)               |
| <i>Lease Purchase Agreement</i>                  | 20,596               | -                   | 20,596              | -                   | -                      |
| Net pension obligation:                          |                      |                     |                     |                     |                        |
| <i>Police Defined Benefit Plan</i>               | 38,459               | 270,344             | 308,803             | -                   | -                      |
| <i>Fire Defined Benefit Plan</i>                 | 163,636              | 240,726             | 247,566             | 156,796             | -                      |
| Claims payable                                   | 1,990,936            | 1,227,060           | 879,119             | 2,338,877           | 897,165                |
| Pollution remediation                            | -                    | 185,602             | -                   | 185,602             | 185,602                |
| Compensated absences                             | 3,744,209            | 4,678,274           | 4,570,542           | 3,851,941           | 217,904                |
| Other Post Employment Benefits                   | 898,177              | 1,001,806           | 603,585             | 1,296,398           | -                      |
| Governmental activity long-term liabilities      | <u>\$112,802,458</u> | <u>\$43,775,644</u> | <u>\$63,351,267</u> | <u>\$93,226,835</u> | <u>\$7,420,611</u>     |
| <b>Business-Type Activities</b>                  |                      |                     |                     |                     |                        |
| Loans payable                                    |                      |                     |                     |                     |                        |
| <i>Water Systems</i>                             | \$5,902,362          | \$ -                | \$333,309           | \$5,569,053         | \$342,609              |
| Less deferred amounts:                           |                      |                     |                     |                     |                        |
| For loan discount                                | (38,342)             | 3,490               | -                   | (34,852)            | (3,497)                |
| Compensated absences                             | <u>578,292</u>       | <u>672,268</u>      | <u>697,036</u>      | <u>553,524</u>      | <u>31,313</u>          |
| Business-type activity long-term liabilities     | <u>\$6,442,312</u>   | <u>\$675,758</u>    | <u>\$1,030,345</u>  | <u>\$6,087,725</u>  | <u>\$370,425</u>       |

### **Component Unit – Downtown Development Authority:**

|                      | Beginning<br>Balance | Additions           | Reductions          | Ending<br>Balance  | Due Within<br>One Year |
|----------------------|----------------------|---------------------|---------------------|--------------------|------------------------|
| Tax increment bonds  | \$3,200,000          | \$7,125,000         | \$ 3,200,000        | \$7,125,000        | \$595,000              |
| Compensated absences | 6,696                | 13,375              | 13,435              | 6,636              | 375                    |
| Total                | <u>\$3,206,696</u>   | <u>\$ 7,138,375</u> | <u>\$ 3,213,435</u> | <u>\$7,131,636</u> | <u>\$595,375</u>       |

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$449,870 of internal service funds compensated absences are included in the above amounts. For the governmental activities, compensated absences and net pension obligation are generally liquidated by the general fund.

Bonds, notes and loans payable as of December 31, 2012, are comprised of the following:

**Primary Government – City of Grand Junction:**

**GENERAL OBLIGATION BONDS:**

\$2,590,000 Ridges Metropolitan District General Obligation Refunding Bonds Series 1992 consisting of \$955,000 serial bonds bearing interest at 3.5% to 5.75% payable April 15 and October 15 annually through October 15, 2013, term bond of \$545,000 bearing interest of 6% payable on April 15 and October 15 through October 15, 2007, and term bond of \$1,090,000 bearing interest of 6.1% payable on April 15 and October 15 through October 15, 2013. Bonds maturing on or after October 15, 2013, are callable at the district's option on any interest paying date at par. Both term bonds are subject to mandatory redemption pursuant to a sinking fund agreement with the paying agent. There was \$210,000 unpaid principal at December 31, 2012, payable over the following term:

| Year | Principal        | Interest        | Total            |
|------|------------------|-----------------|------------------|
| 2013 | \$210,000        | \$12,810        | \$222,810        |
|      | <u>\$210,000</u> | <u>\$12,810</u> | <u>\$222,810</u> |

**REVENUE BONDS:**

\$80,000,000 of approved General Fund Revenue Bonds Series 2004 and 2007 bearing interest at 2% to 5% payable March 1 and September 1 annually through March 1, 2024 were issued to finance the construction of the Riverside Parkway project. The principal and interest on the bonds is payable solely from pledged sales and use tax revenues. There was \$8,050,000 unpaid principal at December 31, 2012, payable over the following term:

| Year | Principal          | Interest         | Total              |
|------|--------------------|------------------|--------------------|
| 2013 | \$4,315,000        | \$294,625        | \$4,609,625        |
| 2014 | 3,735,000          | 93,375           | 3,828,375          |
|      | <u>\$8,050,000</u> | <u>\$388,000</u> | <u>\$8,438,000</u> |

The City of Grand Junction issued \$30,645,000 of General Fund Revenue Refunding Bonds Series 2012 bearing interest at 2% to 5% payable March 1 and September 1 annually through March 1, 2024. The principal and interest on the bonds is payable solely from pledged sales and use tax revenues. There was \$30,645,000 unpaid principal at December 31, 2012, payable over the following term:

| Year      | Principal           | Interest            | Total               |
|-----------|---------------------|---------------------|---------------------|
| 2013      | \$ -                | \$1,418,850         | \$1,418,850         |
| 2014      | -                   | 1,418,850           | 1,418,850           |
| 2015      | 2,470,000           | 1,381,800           | 3,851,800           |
| 2016      | 2,575,000           | 1,280,375           | 3,855,375           |
| 2017      | 2,705,000           | 1,148,375           | 3,853,375           |
| 2018-2022 | 15,560,000          | 3,717,000           | 19,277,000          |
| 2023-2024 | 7,335,000           | 371,375             | 7,706,375           |
|           | <u>\$30,645,000</u> | <u>\$10,736,625</u> | <u>\$41,381,625</u> |

**ADVANCE REFUNDING:**

The City of Grand Junction issued \$30,645,000 of General Fund Revenue Refunding Bonds Series 2012 bearing interest at 2% to 5%. The proceeds, together with other available moneys from the Early Debt



Retirement Fund, were used to advance refund \$49,340,000 of outstanding Series 2004 General Fund Revenue Bonds. The net proceeds and additional City funds of \$53,819,810 (including premium and after payment of underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds. As a result, a portion of the Series 2004 General Fund Revenue Bonds, are considered defeased and the liability for those bonds has been removed from the statement of net position. At December 31, 2012, \$49,340,000 of defeased bonds remained outstanding.

The reacquisition price exceeded the net carrying amount of the old debt by \$2,748,256. This amount is being amortized over the remaining life of the refunding debt. The City of Grand Junction advance refunded the Series 2004 General Fund Revenue Bonds to reduce its total debt service payments over 13 years by \$7,952,389 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,495,126.

#### **LOANS PAYABLE:**

The City of Grand Junction entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance improvements on the City's water system. The principal amount is \$3,566,522 at a net effective interest rate of 4.02%, payable February 1 and August 1 annually through 2022. The water system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the City with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2012 was \$2,117,286 payable over the following term from *Business activities*:

| Year      | Principal          | Interest          | Total              |
|-----------|--------------------|-------------------|--------------------|
| 2013      | \$183,175          | \$94,700          | \$277,875          |
| 2014      | 188,562            | 89,554            | 278,116            |
| 2015      | 193,950            | 84,082            | 278,032            |
| 2016      | 199,337            | 78,273            | 277,610            |
| 2017      | 204,725            | 72,118            | 276,843            |
| 2018-2022 | 1,147,537          | 233,562           | 1,381,099          |
|           | <u>\$2,117,286</u> | <u>\$ 652,289</u> | <u>\$2,769,575</u> |

The City of Grand Junction entered into a loan agreement dated February 2, 2010 with the Colorado Water Resources and Power Development Authority to finance improvements on the City's water system. The principal amount is \$3,800,000 at a net effective interest rate of 2.5%, payable May 1 and November 1 annually through 2030. The water system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the City with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2012 was \$3,451,767 payable over the following term from *Business activities*:

| Year      | Principal          | Interest          | Total              |
|-----------|--------------------|-------------------|--------------------|
| 2013      | \$159,434          | \$85,304          | \$244,738          |
| 2014      | 163,445            | 81,293            | 244,738            |
| 2015      | 167,556            | 77,182            | 244,738            |
| 2016      | 171,772            | 72,966            | 244,738            |
| 2017      | 176,093            | 68,645            | 244,738            |
| 2018-2022 | 949,182            | 274,508           | 1,223,690          |
| 2023-2027 | 1,074,731          | 148,959           | 1,223,690          |
| 2028-2030 | 589,554            | 22,291            | 611,845            |
|           | <u>\$3,451,767</u> | <u>\$ 831,148</u> | <u>\$4,282,915</u> |

**Component Unit – Downtown Development Authority:**

**TAX INCREMENT BONDS:**

During 2012, the Downtown Development Authority issued \$7,125,000 Tax Increment Financing Bonds. The bonds include \$4,070,000 of Tax-Exempt Increment Bonds, Series 2012A and \$3,055,000 Taxable Increment Bonds, Series 2012B. The bonds bear interest from 3.5% to 5.3% and are payable on June 15 and December 15 of each year through 2022. The unpaid principal at December 31, 2012 was \$7,125,000 payable over the following term:

| Year      | Principal          | Interest           | Total              |
|-----------|--------------------|--------------------|--------------------|
| 2013      | \$595,000          | \$316,646          | \$911,646          |
| 2014      | 615,000            | 297,590            | 912,590            |
| 2015      | 635,000            | 274,835            | 909,835            |
| 2016      | 660,000            | 250,070            | 910,070            |
| 2017      | 685,000            | 223,010            | 908,010            |
| 2018-2022 | 3,935,000          | 614,575            | 4,549,575          |
|           | <u>\$7,125,000</u> | <u>\$1,976,726</u> | <u>\$9,101,726</u> |

There are certain reserve requirements, limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant requirements.

**NOTE 8. BUDGET TO ACTUAL PRESENTATION - PROPRIETARY FUNDS**

Modifications to budgetary basis consist of adding capital expenditures and debt service principal payments to, and excluding depreciation and amortization expense, estimated claims expense, fund equity transfers, and any changes in accrued compensated absences and accrued interest expense from GAAP basis expenditures.

|                                | Budgeted Amounts |             | Expenditures<br>Reported on the<br>Basis of GAAP | Adjustment to<br>Budgetary Basis | Expenditures<br>on Budgetary<br>Basis | Variance<br>with Final<br>Budget –<br>Positive<br>(Negative) |
|--------------------------------|------------------|-------------|--------------------------------------------------|----------------------------------|---------------------------------------|--------------------------------------------------------------|
|                                | Original         | Final       |                                                  |                                  |                                       |                                                              |
| <b>Enterprise Funds:</b>       |                  |             |                                                  |                                  |                                       |                                                              |
| Water                          | \$6,494,029      | \$6,494,029 | \$5,382,564                                      | \$ 939,787                       | \$6,322,351                           | \$ 171,678                                                   |
| Solid Waste Removal            | 3,184,638        | 3,270,276   | 3,163,462                                        | 50,032                           | 3,213,494                             | 56,782                                                       |
| Two Rivers                     |                  |             |                                                  |                                  |                                       |                                                              |
| Convention Center              | 2,611,988        | 2,712,648   | 2,878,958                                        | (190,397)                        | 2,688,561                             | 24,087                                                       |
| Golf Courses                   | 2,106,229        | 2,106,229   | 2,067,339                                        | (53,319)                         | 2,014,020                             | 92,209                                                       |
| Parking Authority              | 446,834          | 455,655     | 405,086                                          | 45,904                           | 450,990                               | 4,665                                                        |
| Irrigation                     | 263,514          | 263,514     | 301,670                                          | (62,607)                         | 239,063                               | 24,451                                                       |
| <b>Internal Service Funds:</b> |                  |             |                                                  |                                  |                                       |                                                              |
| Data Processing                | 5,537,184        | 5,537,184   | 5,054,774                                        | (338,403)                        | 4,716,371                             | 820,813                                                      |
| Equipment                      | 5,133,466        | 6,372,576   | 4,037,324                                        | 1,203,263                        | 5,240,587                             | 1,131,989                                                    |
| Self-Insurance                 | 2,121,645        | 2,515,612   | 2,119,697                                        | (261,661)                        | 1,858,036                             | 657,576                                                      |
| Communications Center          | 9,334,177        | 9,334,177   | 6,034,570                                        | 1,584,106                        | 7,618,676                             | 1,715,501                                                    |

## NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2012, is as follows:

### *Due to/from other funds:*

|                                                                             | Due from<br>Other Funds | Due to Other<br>Funds |
|-----------------------------------------------------------------------------|-------------------------|-----------------------|
| General Fund                                                                | \$1,294,750             | \$ -                  |
| Community Development Special Revenue Fund to cover the cost of operations  | -                       | 25,293                |
| Sales Tax Capital Projects Fund to cover the cost of capital                | -                       | 616,990               |
| Major Capital Projects Fund to cover the cost of capital                    | -                       | 34,299                |
| Parking Enterprise Fund to pay current portion of advance                   | -                       | 192,096               |
| Two River Convention Center Enterprise Fund to cover the cost of operations | -                       | 60,621                |
| Solid Waste Removal Enterprise Fund to pay current portion of advance       | -                       | 80,489                |
| Tiara Rado Golf Course Enterprise Fund to pay current portion of advance    | -                       | 284,962               |
| Total                                                                       | \$1,294,750             | \$1,294,750           |

### *Advances to/from other funds:*

|                                                                            | Advance to<br>Other Funds | Advance from<br>Other Funds |
|----------------------------------------------------------------------------|---------------------------|-----------------------------|
| General Fund                                                               | \$7,302,261               | \$ -                        |
| Solid Waste Removal Enterprise Fund to cover the cost of operations        | -                         | 842,914                     |
| Tiara Rado Golf Enterprise Fund to cover the cost of new irrigation system | -                         | 3,206,705                   |
| Parking Enterprise Fund to cover partial cost of new parking garage        | -                         | 3,252,642                   |
| Total                                                                      | \$7,302,261               | \$7,302,261                 |

### *Interfund Transfers:*

| Transfers Out:           | General<br>Fund | Major CIP<br>Fund | General<br>Debt<br>Service<br>Fund | Parkway<br>Debt<br>Retirement<br>Fund | Two<br>Rivers<br>Conv<br>Center | Golf<br>Courses<br>Fund | Nonmajor<br>Gov<br>Funds | Internal<br>Service | Total        |
|--------------------------|-----------------|-------------------|------------------------------------|---------------------------------------|---------------------------------|-------------------------|--------------------------|---------------------|--------------|
| General Fund             | \$ -            | \$838,922         | \$ -                               | \$4,090,729                           | \$ 22,734                       | \$35,038                | \$ 132,356               | \$ -                | \$5,119,779  |
| Sales Tax CIP            | -               | -                 | 7,182,473                          | -                                     | 30,000                          | -                       | 49,845                   | -                   | 7,262,318    |
| Major CIP                | 76,098          | -                 | -                                  | -                                     | -                               | -                       | -                        | -                   | 76,098       |
| Nonmajor<br>Governmental | 22,393          | 169,900           | 500,000                            | -                                     | 246,916                         | -                       | 233,157                  | 3,161,556           | 4,333,922    |
| Internal<br>Service      | 95,536          | 100,000           | -                                  | -                                     | -                               | -                       | -                        | -                   | 195,536      |
| Total                    |                 |                   |                                    |                                       |                                 |                         |                          |                     |              |
| Transfers In             | \$194,027       | \$1,108,822       | \$7,682,473                        | \$4,090,729                           | \$299,650                       | \$35,038                | \$415,358                | \$3,161,556         | \$16,987,653 |

Transfers into the General Fund were to assist with cemetery operations (\$6,409); to reimburse administrative costs of the Community Development Block Grant (\$15,984); to set aside dollars for cultural arts (\$81,006); and to purchase fire equipment (\$90,628). Transfers out of the General Fund were for economic development projects, capital construction, and to set aside dollars to repay the parkway debt.

Transfers out of the Sales Tax CIP Fund were to repay the parkway debt (\$5,426,663) to make the lease payment on the Public Safety Certificates of Participation (\$1,755,810), and for capital purchases.

Transfers into the Major Capital Projects Fund were for Stadium improvements (\$898,346), Public Safety Building improvements (\$100,000), and Avalon Theatre improvements (\$110,476). Transfers out of the Major Capital Projects Fund were to set aside dollars for cultural arts.

Transfers into the Two Rivers Convention Center Fund were to subsidize operations and purchase capital equipment.

Transfers into the Golf Courses Fund were to subsidize operations.

Transfers into Nonmajor Governmental Funds were for economic development projects, capital construction, and to make the lease payment on the Stadium Certificates of Participation.

Transfers into the Internal Service Fund of \$3,161,556 were for equipment upgrades funded by the E-911 surcharge.

## NOTE 10. RETIREMENT PLANS

### A. DEFINED CONTRIBUTION PLANS

The City maintains several defined contribution retirement plans for various classes of employees. In a defined contribution plan, benefits depend solely on amounts contributed on the plan participant's behalf to the plan plus investment earnings.

Under City ordinances, substantially all full-time City employees, other than sworn police officers and fire fighters and elected officials, are covered by a mandatory contributory defined contribution retirement plan. The City of Grand Junction, Colorado, Employees Retirement Plan is administered by the International City Manager's Association Retirement Corporation (ICMA-RC). The plan provides for retirement benefits based upon an employee's vested account. A participant becomes 100% vested on completion of five years of service. Amounts forfeited by employees who leave employment before becoming fully vested are used to pay for administrative expenses of the plan. The City matches employees' required contributions of 6% of base salary. An employee may make voluntary contributions of up to an additional 10%. Total payroll for all City employees for the year ended December 31, 2012, was \$43,099,821. Covered wages and contributions in 2012 were as follows:

| <u>General Employee Plan</u> |              |
|------------------------------|--------------|
| Covered wages                | \$23,432,849 |
| City contribution            | 1,431,694    |
| Employee contribution        | 1,431,694    |

Effective January 1, 1980, under state statutes, all fire fighters and police officers hired after April 8, 1978, are covered under fire and police defined contribution pension plans (new hire plans). Fire fighters and police officers hired prior to this date had the option to remain in the defined benefit plans (old hire plans) or to transfer to the applicable new plan. The new plans are administered by independent boards. The assets of the New Hire Police Money Purchase Pension Plan and the New Hire Fire Money Purchase Pension Plan are maintained by the International City Manager's Association Retirement Corporation (ICMA-RC). Vesting is accomplished over a five-year period. Amounts forfeited by employees who leave employment before becoming fully vested are retained by the plan for administrative expenses of the plan. The rate of contribution under the new plan is 10.65% of regular salary for the employee and the City. Covered wages and contributions in 2012 were as follows:

| <u>New Hire – Police &amp; Fire</u> | <u>Police Officers</u> | <u>Fire Fighters</u> |
|-------------------------------------|------------------------|----------------------|
| Covered wages                       | \$7,037,499            | \$6,767,366          |
| City contribution                   | 749,498                | 720,724              |
| Employee contribution               | 749,498                | 720,724              |

In 1988, the City established supplemental defined contribution plans (new supplemental plans) for fire fighters and police officers hired before April 8, 1978, whom remained as participants in the defined benefit plans (old plans). The Old Hire Police Officers Rank Escalation Pension Plan and the Old Hire Firefighters Rank Escalation Pension Plan were established in exchange for a freeze in rank escalation benefits in the old plans at 1980 levels. The plans are administered by the International City Manager's Association Retirement

Corporation (ICMA-RC). Under these new supplemental plans, the City contributes 6.65% of the employee's gross wages to the plan and the employee contributes .65%. Employees' balances became fully vested upon establishment of the plans. In 2012, there were no police officers or fire fighters participating in the defined benefit plans.

In addition to the above retirement plans, all fire fighters and police officers are covered under a statewide, state-funded death and disability plan.

## **B. DEFINED BENEFIT PLANS**

*Plan Description.* The City, on behalf of certain full-time paid firefighters and police officers, contributes to the Fire Old Hire Pension Fund and the Police Old Hire Pension Fund, both defined benefit, single employer plans that are affiliated with the Fire and Police Pension Association of Colorado (FPPA). Assets of the plans are commingled for investment purposes in the Fire and Police Member's Benefit Investment Fund; a combination of agent, multiple -employer defined benefit pension plans administered by FPPA with over 300 participating employers in the State of Colorado. The plans provide retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of each plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plans. **FPPA issues a publicly available annual financial report that includes the assets of the plans, note disclosures related to the plan investments and policies, and separate biennial actuarial reports for each of the plans. The reports may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at 1-800-770-3772.**

All City police officers and firefighters hired prior to April 8, 1978, participated in the plan until January 1, 1980, when they could remain in the plan or transfer and become a participant in a defined contribution plan (new hire plan). Police officers' benefits become vested after twenty years of service and age 55 or after twenty-five years of service. Firefighters' benefits become vested after twenty years of service and age 50. Vested employees who retire are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to one half of one month's salary at the time of retirement, plus any vested rank escalation. Rank escalation benefits allow for increases in benefits equal to one half of any salary increases given to current City employees in the retiree's last position. Rank escalation benefits vested at 5% for each year of service until 1980. Benefits vested after 1979 are limited to increases of 3% per year for inflation, as determined by the state. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City ordinance.

*Funding Policy and Annual Pension Cost/ Net Pension Asset.* Plan members and the City are required to contribute at a rate set by statute. The State of Colorado also contributes to the plans in an amount set by statute. The contribution requirements of plan members and the City are established under Title 31, Article 30 of the CRS, as amended.

City employees participating in the system are required to contribute 10% of their base earnings to the system. During 2012, there were no active policemen covered by the Police Old Hire Plan and 16 retirees and beneficiaries receiving benefits. There were no active firefighters contributing to the Fire Old Hire Plan and 34 retirees and beneficiaries receiving benefits. The City and State of Colorado are required to contribute the remaining amounts necessary to fund the system. Contributions to the funds for the year ended December 31, 2012, were as follows:

|                    | Police Old<br>Hire Plan | Fire Old<br>Hire Plan | Total            |
|--------------------|-------------------------|-----------------------|------------------|
| City contribution  | \$426,798               | \$247,566             | \$674,364        |
| State contribution | 87,581                  | -                     | 87,581           |
| Total              | <u>\$514,379</u>        | <u>\$247,566</u>      | <u>\$761,945</u> |

The financial statements of the Police Old Hire Plan and the Fire Old Hire Plan are presented as pension trust funds in the City's financial statements and are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are presented at fair value except real-estate which is recorded at estimated fair value based upon periodic appraisals and valuations, investments in limited partnerships which are recorded at estimated fair value as derived from financial statements, and guaranteed investment contracts which are recorded at contract value.

There are no investments in, loans to, or lease with parties related to the plans. State contributions on behalf of City employees are recognized as revenues and expenditures in the General Fund in accordance with GASB Statement 24. During 2001, the Fire Old Hire Plan was fully funded and the State of Colorado was no longer required to make contributions to the plan. In 2009, legislation was adopted to defer the State of Colorado contributions for certain affiliated local "Old Hire" plans for 2009 through 2011 and resuming in 2012 until 2015. In 2011, legislation was adopted to change the payment dates to 2012 until 2019.

The City's annual pension cost and net pension asset (NPA) for the current year and related information for each plan is as follows:

|                                          | Police Old Hire Plan      | Fire Old Hire Plan      |
|------------------------------------------|---------------------------|-------------------------|
| Annual required contribution (ARC)       | \$271,787                 | \$247,566               |
| Interest on net pension obligation (NPO) | 2,884                     | 18,486                  |
| Adjustment to ARC                        | <u>(4,327)</u>            | <u>(25,326)</u>         |
| Annual pension cost                      | 270,344                   | 240,726                 |
| Contributions made                       | <u>514,379</u>            | <u>247,566</u>          |
| Increase (Decrease) in NPO               | (244,035)                 | (6,840)                 |
| NPO – January 1, 2012                    | 435,059                   | 163,636                 |
| NPO – prior period adjustment            | <u>(396,600)</u>          | <u>-</u>                |
| NPO – January 1, 2012 as restated        | 38,459                    | 163,636                 |
| NPO (NPA) – December 31, 2012            | <u><u>\$(205,576)</u></u> | <u><u>\$156,796</u></u> |
| Actuarial valuation date                 | 1/1/12                    | 1/1/12                  |
| Actuarial cost method                    | Entry age normal          | Entry age normal        |
| Amortization method                      | Level dollar, open        | Level dollar, open      |
| Remaining amortization period            | 17 years                  | 20 years                |
| Asset valuation method                   | 3-Year Smoothed, FMV      | 3-Year Smoothed, FMV    |
| Actuarial assumptions:                   |                           |                         |
| Investment rate of return                | 7.50%                     | 7.50%                   |
| Projected salary increases               | 4.00%                     | 4.00%                   |
| Includes inflation at                    | 3.00%                     | 3.00%                   |
| Cost of living adjustment                | 3.00% - 3.50%             | 3.00% - 3.50%           |

Three-year trend information is as follows:

|                      | Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation/ (Asset) |
|----------------------|-------------|---------------------------|-------------------------------|---------------------------------|
| Police Old Hire Plan | 12/31/10    | \$298,048                 | 137.69%                       | \$199,206                       |
|                      | 12/31/11    | 266,524                   | 160.13%                       | 38,459                          |
|                      | 12/31/12    | 270,344                   | 190.27%                       | (205,576)                       |
| Fire Old Hire Plan   | 12/31/10    | \$179,999                 | 102.64%                       | \$166,410                       |
|                      | 12/31/11    | 242,660                   | 101.14%                       | 163,636                         |
|                      | 12/31/12    | 240,726                   | 102.84%                       | 156,796                         |

*Funded Status and Funding Progress.* As of January 1, 2012, the most recent actuarial valuation date, the plans were unfunded. The unfunded actuarial accrued liability (UAAL) for Police Old Hire benefits was \$1.52 million. The unfunded actuarial accrued liability (UAAL) for Fire Old Hire benefits was \$2.89 million.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The funding policy for the plans has been prescribed by state law in amounts that are expected to fully fund the plan by the year 2019. Both of these old-hire plans are being phased out with no new members added since 1978. No other factors are anticipated to significantly affect the trends in amounts reported.

#### NOTE 11. POST EMPLOYMENT HEALTHCARE PLAN

*Plan Description.* The City of Grand Junction's Employee Retirement Health Benefit Plan is administered by the City of Grand Junction (the City). The Retiree Health Benefit Plan was implemented by the City in 1998, after a favorable vote by employees, to provide affordable healthcare coverage to its retirees and their dependents. The Rocky Mountain Healthcare C3 Plan (C3) offers free healthcare coverage at retirement for the employee who retires at age 50-64 with 15 years of service or more. Employee spouses and dependents that qualify for coverage must pay current C3 rates to participate. Coverage terminates for the employee and eligible dependents at age 65 when Medicare eligibility begins. Disabled employees with five years of service are also eligible to enroll in the plan.

*Funding Policy.* The contribution requirements of retirees and the City are established and may be amended by the City Council of the City. Retirees receiving benefits contributed \$162,792 or approximately 21.24 percent of the total premiums, through their required contribution of \$476.25 per month for spouse coverage and \$785.81 for family coverage. Only the retiree's premium is paid by the city. During 2012, there were 63 retirees and 17 dependents receiving benefits.

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to C3:

|                                         | Retiree Healthcare<br>Plan |
|-----------------------------------------|----------------------------|
| Annual required contribution (ARC)      | \$ 997,957                 |
| Interest on net OPEB obligation         | 35,927                     |
| Adjustment to ARC                       | (32,078)                   |
| Annual OPEB cost (expense)              | 1,001,806                  |
| Contributions made                      | (603,585)                  |
| Increase in net OPEB obligation         | 398,221                    |
| Net OPEB obligation – January 1, 2012   | 898,177                    |
| Net OPEB obligation – December 31, 2012 | \$ 1,296,398               |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

| Year Ending | Annual<br>OPEB Cost | Percentage of<br>Annual OPEB<br>Cost<br>Contributed | Net OPEB<br>Obligation |
|-------------|---------------------|-----------------------------------------------------|------------------------|
| 2010        | \$547,623           | 58.80%                                              | \$652,719              |
| 2011        | \$553,500           | 55.65%                                              | \$898,177              |
| 2012        | \$1,001,806         | 60.25%                                              | \$1,296,398            |

*Funded Status and Funding Progress.* As of June 30, 2012, the most recent actuarial valuation date, the plan was unfunded. The unfunded actuarial accrued liability (UAAL) for benefits was \$10.27 million. The covered payroll (annual payroll of active employees covered by the plan) was \$34,112,302 and the ratio of the UAAL to the covered payroll was 30.1 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future



employment, mortality, and the healthcare cost trend. Amounts determined regarding the fund status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is based on the employer's own investments and an annual healthcare cost trend rate of 9.5 percent initially, reduced by decrements to an ultimate rate of 5 percent after five years. Both rates included a 3.00% percent inflation assumption. The UAAL is being amortized on a level percent of pay, open basis. The remaining amortization period at December 31, 2012, was 30 years.

## NOTE 12. RELATED ENTITIES

### A. JOINT VENTURES

#### *City of Grand Junction/Mesa County, Colorado, Joint Sewer System*

The City operates and manages the City of Grand Junction/Mesa County, Colorado, Joint Sewer System, a regional sewer system. The regional sewer system was organized by agreements made in 1979 and 1980 to provide sewer collection and treatment for the metropolitan area in the Grand Valley. The City contributed all assets which were included in its pre-existing Sewer Fund while Mesa County contributed its name through the issuance of revenue bonds, which are payable from and secured by revenue of the sewer system. After contribution of these assets, the City's pre-existing Sewer Fund was terminated. The City does not have a measurable present or future claim to the net resources of the Joint Sewer System, and therefore does not record an equity interest in its financial statements. The agreements provide that both the City and Mesa County approve the sewer system's annual appropriation budget. The City's utility department operates and manages the sewer system. The agreements provide that upon dissolution of the joint venture, ownership of the assets of the Joint Sewer system shall be determined by mutual agreement. Condensed financial statements of the sewer system at December 31, 2012 and for the year then ended, are as follows:

| <u>Statement of Net Position</u>   |                             |
|------------------------------------|-----------------------------|
| <b>Assets:</b>                     |                             |
| Current assets                     | \$ 10,846,540               |
| Noncurrent assets                  | 301,155                     |
| Net property, plant, and equipment | <u>85,345,956</u>           |
| <b>Total assets</b>                | <b><u>\$ 96,493,651</u></b> |
| <b>Liabilities:</b>                |                             |
| Current liabilities                | \$ 2,190,002                |
| Long-term debt                     | <u>9,004,373</u>            |
| <b>Total liabilities</b>           | <b><u>11,194,375</u></b>    |
| <b>Net Position</b>                |                             |
| Net investment in capital assets   | 75,193,635                  |
| Unrestricted                       | <u>10,105,641</u>           |
| <b>Total net position</b>          | <b><u>\$ 85,299,276</u></b> |

### Statement of Revenue and Expenses

|                                             |                             |
|---------------------------------------------|-----------------------------|
| Operating revenue                           | \$ 8,087,473                |
| Operating expenses                          | <u>8,129,453</u>            |
| <b>Operating income (loss)</b>              | <b>(41,980)</b>             |
| Net nonoperating revenue and expenses       | (255,454)                   |
| Capital contributions                       | <u>19,682,820</u>           |
| <b>Change in net position</b>               | <b>19,385,386</b>           |
| <b>Net position - beginning</b>             | <b>65,976,369</b>           |
| Change in accounting principles             | <u>(62,479)</u>             |
| <b>Net position - beginning as restated</b> | <b>65,913,890</b>           |
| <b>Net position - ending</b>                | <b><u>\$ 85,299,276</u></b> |

Since the City operates the Joint Sewer System, all cash balances are included in the City sponsored Cash Pool. The Joint Sewer System is an external participant in that pool. The Joint Sewer System's share of the pool is \$9,645,526 reported as an Investment Trust Fund in the City's reporting entity. See Note 3 for disclosure of all investing policies concerning the pool.

Operating expense includes \$2,389,642 of depreciation. Separately issued financial statements for the City of Grand Junction/Mesa County, Colorado, Joint Sewer System are available at the City of Grand Junction, 250 North Fifth Street, Grand Junction, Colorado 81501-2668.

In 2012, the Joint Sewer System implemented the provisions of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The effect of the implementation resulted in a restatement of \$62,479 to the beginning net position. This amount was previously reported as an asset, bond issuance costs, and is now recognized as an outflow of resources.

Long-term debt of the Joint Sewer System consists of the following:

#### **LOAN PAYABLE**

The Joint Sewer System entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance the elimination of combined storm and sanitary sewer lines and septic system elimination. The principal amount is \$13,490,000 at a net effective interest rate of 3.62%, payable February 1 and August 1 annually through 2024. The sewer system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the Joint Sewer System with disbursements occurring upon receipt of a requisition executed by the City/County. The unpaid principal at December 31, 2012 was \$6,015,000 payable over the following term from *Business activities*:

| Year      | Principal          | Interest           | Total              |
|-----------|--------------------|--------------------|--------------------|
| 2013      | \$ 885,000         | \$ 290,202         | \$ 1,175,202       |
| 2014      | 385,000            | 269,961            | 654,961            |
| 2015      | 395,000            | 257,305            | 652,305            |
| 2016      | 410,000            | 244,321            | 654,321            |
| 2017      | 420,000            | 230,844            | 650,844            |
| 2018-2022 | 2,350,000          | 913,818            | 3,263,818          |
| 2023-2024 | <u>1,170,000</u>   | <u>134,849</u>     | <u>1,304,849</u>   |
|           | <u>\$6,015,000</u> | <u>\$2,341,300</u> | <u>\$8,356,300</u> |

## **BONDS PAYABLE**

The Joint Sewer System issued \$5,200,000 of approved revenue bonds (Direct Pay Build America Bonds Series 2009) bearing interest at 3.99% payable June 1 and December 1 annually through December 2019 to extend, better, otherwise improve and equip its joint wastewater system. The unpaid principal at December 31, 2012 was \$3,895,000 payable over the following term from *Business activities*:

| Year      | Principal          | Interest         | Total              |
|-----------|--------------------|------------------|--------------------|
| 2013      | \$450,000          | \$155,103        | \$605,103          |
| 2014      | 460,000            | 142,714          | 602,714            |
| 2015      | 470,000            | 128,671          | 598,671            |
| 2016      | 480,000            | 112,441          | 592,441            |
| 2017      | 490,000            | 93,275           | 583,275            |
| 2018-2019 | 1,545,000          | 120,557          | 1,665,557          |
|           | <u>\$3,895,000</u> | <u>\$752,761</u> | <u>\$4,647,761</u> |

## ***Downtown Housing Effort***

The Downtown Development Authority, a component unit of the City of Grand Junction, participates on a joint venture basis with the Housing Authority of the City of Grand Junction, Colorado, in the Downtown Housing Effort (DHE). The DHE was organized in 1983 to provide new and improved housing in the downtown Grand Junction, Colorado area. The Housing Authority has been given the responsibility for the day-to-day management of the DHE. The Downtown Development Authority does not have a measurable present or future claim to the net resources of the DHE, and therefore does not record an equity interest in its financial statements. Condensed financial statements of the Downtown Housing Effort at September 30, 2012, and for the year then ended are as follows:

| <b><u>Statement of Net Assets</u></b>                    |                                          |
|----------------------------------------------------------|------------------------------------------|
| <b>Assets:</b>                                           |                                          |
| Cash                                                     | \$398,255                                |
| Loans receivable                                         | <u>32,712</u>                            |
|                                                          | <b>Total assets</b> <u>\$430,967</u>     |
| <b>Net Assets:</b>                                       |                                          |
| Reserved for interest and loans receivable               | \$ 84,655                                |
| Unreserved, undesignated                                 | <u>346,312</u>                           |
|                                                          | <b>Total net assets</b> <u>\$430,967</u> |
| <br><b><u>Statement of Revenues and Expenditures</u></b> |                                          |
| Interest and other income                                | \$ 1,610                                 |
| Expenditures                                             | <u>-</u>                                 |
| <b>Excess of revenues over expenditures</b>              | <b>\$ 1,610</b>                          |

Separately issued financial statements for the Downtown Housing Effort are available from the Grand Junction Housing Authority, 1011 North 10<sup>th</sup> Street, Grand Junction, Colorado, 81501.

## **B. RELATED ORGANIZATIONS**

The City appoints members to the boards of the following organizations. The City's accountability for the organizations does not extend beyond making these appointments and there is no fiscal dependency by these organizations on the City.

### ***Grand Junction Housing Authority***

The Housing Authority is charged with providing safe and sanitary dwelling accommodations as resources permit at rents which persons of low income can afford. The Authority is governed by a seven member board, all appointed by the City Council.

### ***Horizon Drive Business Improvement District***

The function of the Horizon Drive Business Improvement District Board of Directors is to take such actions and perform such duties as are required of the operations of the District. The District is allowed to make and contemplate a broad range of public improvements. The District is governed by a seven member board, all appointed by the City Council.

## **NOTE 13. CONTINGENCIES**

### **A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to employee health claims; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established the Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Internal Service Fund provides coverage for up to a maximum of \$400,000 per occurrence on each worker's compensation claim for police officers and firefighters and \$350,000 per occurrence on each worker's compensation claim for all other employees and up to \$150,000 for each general liability or property damage claim. The City purchases commercial insurance for claims in excess of coverage for worker's compensation and participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for claims in excess of coverage for general liability and property. The city's share of surplus contributions held by CIRSA at December 31, 2012 was \$254,009. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

All funds of the City and the Joint Sewer System participate in the program and make payments to the Self-Insurance Internal Service Fund at amounts that approximate amounts which would have been paid to outside insurance providers. The claims liability of \$2,338,877 in the Self-Insurance Internal Service Fund at December 31, 2012, includes estimated ultimate losses for claims made and claims incurred but not reported, where information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider these factors. Changes in the Self-Insurance Internal Service Fund's claims liability amount in 2011 and 2012 were:

|      | January 1<br>Claims<br>Payable | Claims and<br>Changes in<br>Estimates | Claim Payments | December 31<br>Claims Payable |
|------|--------------------------------|---------------------------------------|----------------|-------------------------------|
| 2011 | \$3,402,871                    | \$ 344,423                            | \$ (1,756,358) | \$ 1,990,936                  |
| 2012 | \$ 1,990,936                   | \$ 1,227,060                          | \$(879,119)    | \$2,338,877                   |

### **B. POLLUTION REMEDIATION**

In 2012, the City purchased property located at 600 White Avenue. The existing structure on the property, a former church "White Hall", was rendered unusable by and because of a fire in November 2011. The building is old and contains asbestos materials and as a result of the fire the asbestos may now be located throughout the remains of the building. In 2012, the City awarded the White Hall Asbestos Abatement and Demolition contract to be completed in 2013. The pollution remediation liability, including asbestos abatement and monitoring as of December 31, 2012 was \$185,602.

### **C. GRANTS**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

#### **D. LITIGATION**

The City is involved in several claims and lawsuits as the result of the normal conduct of City business. City management believes that those claims and lawsuits will not have a material effect on the financial statements of the City.

#### **NOTE 14. CONDUIT DEBT OBLIGATIONS**

The City has sponsored several industrial revenue and special assessment bond issues to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These issues do not constitute debt of the City of Grand Junction and the City assumes no financial obligation for these bond issues. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2012, there was a series of industrial revenue bonds outstanding with an original aggregate principal amount payable of \$3,555,000 and a series of private activity economic development bonds with an original aggregate principal amount payable of \$3,200,000.

Special Assessment Bonds were issued in 2003 for \$3,980,000 to fund improvements to the Rimrock Marketplace General Improvement District. The City is not liable for repayment of the debt, but the City Treasurer acts as agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if applicable.

#### **NOTE 15. SEIZED FUNDS**

The City received proceeds from the seizure of contraband (seized funds) under the Colorado Contraband Forfeiture Act (C.R.S. 16-13-501 to 511). The act requires that seized funds be used for law enforcement activities. Seized funds received by the City have been included in these financial statements and these funds have been used for purposes contemplated in the Act.

#### **NOTE 16. TAX, SPENDING AND DEBT LIMITATIONS**

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, and certain election requirements, which apply to the State of Colorado and all local governments.

Future spending and revenue limits are determined based on the prior year's "Fiscal Year Spending" adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. In April 2007, City of Grand Junction voters approved the retention by the City of all revenues exceeding the Fiscal Year Spending limit for 2006 and subsequent years until the Riverside Parkway bonded debt is paid in full, with all amounts retained to be used exclusively for payment of the debt. To that end, \$17,824,453 has been restricted for payment of the debt. In addition to these funds, City Council assigned \$7,163,046 of general fund balance to be used for the early retirement of the Riverside Parkway Bonds. In 2012, the City used \$19,000,000 of these available resources with proceeds from the 2012 General Fund Revenue Refunding Bonds to advance refund \$49,340,000 of the outstanding Riverside Parkway Revenue 2004 Series Bonds.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Emergency reserves as of December 31, 2012, totaling \$2,000,000 are presented as a reservation of fund balance in the General Fund. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR is complex and subject to interpretation. The City's management believes the City is in compliance with the provisions of TABOR as it is understood from judicial interpretations, legal opinions and commonly accepted practices.

#### **NOTE 17. CHANGE IN ACCOUNTING PRINCIPLES**

In 2012, the City implemented the provisions of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The effect of the implementation resulted in a restatement to the beginning net position on the Statement of Activities of \$953,316 for Governmental Activities and \$28,918 for the City's Component Unit, the Downtown Development Authority. These amounts were previously reported as assets, bond issuance costs, and are now recognized as outflows of resources.

#### **NOTE 18. PRIOR PERIOD ADJUSTMENT**

In 2009, legislation was adopted to defer the State of Colorado contributions for certain affiliated local "Old Hire" plans for 2009 through 2011 and resuming in 2012 until 2015. In 2011, legislation was adopted to change the payment dates to 2012 until 2019. In 2009, the City used the most recent actuarial valuation dated January 1, 2008 in calculating its net pension obligation (NPO) for the Police Old Hire Pension Plan. The actuarial annual required contribution (ARC) for the plan included the state's contribution that was deferred by legislation. This adjustment is to remove the portion of the ARC attributable to the state (\$396,600) from the City's NPO for the Police Old Hire Pension Plan. The adjustment is presented as a restatement of the beginning net position on the Statement of Activities. Additional information regarding the Police Old Hire Pension Plan can be found in Note 10.



(This page intentionally left blank)





# **REQUIRED SUPPLEMENTARY INFORMATION**



(This page intentionally left blank)

## Required Supplementary Information

### City of Grand Junction, Colorado SCHEDULE OF FUNDING PROGRESS Police Old Hire Pension Plan

| Fiscal Year | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (b) | Total Unfunded Actuarial Accrued Liability (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll ((b-a)/c) |
|-------------|--------------------------|-------------------------------|---------------------------------|--------------------------------------------------|--------------------|---------------------|------------------------------------------|
| 2008        | 1/1/2008                 | 3,368,995                     | 6,540,220                       | 3,171,225                                        | 51.5%              | N/A                 | N/A                                      |
| 2010        | 1/1/2010                 | 3,268,151                     | 5,992,299                       | 2,724,148                                        | 54.5%              | N/A                 | N/A                                      |
| 2012        | 1/1/2012                 | 3,216,457                     | 4,735,309                       | 1,518,852                                        | 67.9%              | N/A                 | N/A                                      |

### City of Grand Junction, Colorado SCHEDULE OF FUNDING PROGRESS Fire Old Hire Pension Plan

| Fiscal Year | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (b) | Total Unfunded Actuarial Accrued Liability (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll ((b-a)/c) |
|-------------|--------------------------|-------------------------------|---------------------------------|--------------------------------------------------|--------------------|---------------------|------------------------------------------|
| 2008        | 1/1/2008                 | 13,001,110                    | 14,753,919                      | 1,752,809                                        | 88.1%              | N/A                 | N/A                                      |
| 2010        | 1/1/2010                 | 10,960,275                    | 13,431,384                      | 2,471,109                                        | 81.6%              | N/A                 | N/A                                      |
| 2012        | 1/1/2012                 | 9,909,435                     | 12,797,862                      | 2,888,427                                        | 77.4%              | N/A                 | N/A                                      |

### City of Grand Junction, Colorado SCHEDULE OF FUNDING PROGRESS Post Employment Retiree Healthcare Plan

| Fiscal Year | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (b) | Total Unfunded Actuarial Accrued Liability (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll ((b-a)/c) |
|-------------|--------------------------|-------------------------------|---------------------------------|--------------------------------------------------|--------------------|---------------------|------------------------------------------|
| 2008        | 12/31/2008               | -                             | 5,605,779                       | 5,605,779                                        | 0.0%               | 39,041,177          | 14.4%                                    |
| 2010        | 6/30/2010                | -                             | 7,816,003                       | 7,816,003                                        | 0.0%               | 35,958,809          | 21.7%                                    |
| 2012        | 6/30/2012                | -                             | 10,265,131                      | 10,265,131                                       | 0.0%               | 34,112,302          | 30.1%                                    |



(This page intentionally left blank)



# NON-MAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted or committed to expenditures for specified purposes.

**Visitors and Convention Bureau** ~ to accumulate resources from a lodging tax approved by the voters in 1994 and other taxes committed by City Council to operate a visitor and convention bureau that promotes conventions and tourism.

**Enhanced 911 Fund** ~ to account for the resources from municipal telephone charges, as established by section 29-11-103 of the Colorado Revised Statutes, and their expenditure for improvements to the emergency 911 communication center.

**Parkland Expansion Fund** ~ to accumulate resources derived from fees paid by land developers within the City committed to acquire and maintain parks and green space.

**Conservation Trust Fund** ~ to account for lottery proceeds received from the State of Colorado for the development or improvement of City parks.

**Community Development Fund** ~ to account for resources and expenditures of the community development block grant and other grants received for pass-thru to other agencies.

## Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**Sales Tax Capital Improvements Fund** ~ to account for the financing and construction of projects financed completely or partially with the 3/4 percent portion of the City's 2-3/4 percent sales and use tax. The 3/4 percent portion is currently dedicated to general capital improvements, economic development and debt service on the sales tax improvement bond issue and the public safety building certificates of participation issue.

## Capital Projects Funds (Continued)

**Major Capital Improvements Fund** ~ to account for the financing and construction of three major improvement projects. The Stadium Improvement Project and the Public Safety Building Improvement Project, funded completely or partially with proceeds from the issuance of certificates of participation. The Avalon Theatre Renovation Project is funded by City sales and use tax, Downtown Development Authority TIF revenue, as well as local contributions.

**Storm Drainage Development Fund** ~ to account for storm drainage development projects funded partially or in whole with assessments to property owners.

**Street Assessment Projects Fund** ~ to account for various street improvement projects funded partially or in whole with assessments to property owners.

**Facilities Capital Fund** ~ to account for the acquisition and construction of city facilities.

## Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**General Debt Service Fund** ~ to account for all resources which are being accumulated for general long-term debt principal and interest payments maturing in future years other than long-term debt accounted for in enterprise and internal service funds or where a separate debt service fund is legally mandated.

**Parkway Debt Retirement Fund** is a debt service fund used to account for all resources which are being accumulated for the early retirement of the Parkway Project long-term debt principal and interest payments maturing in future years.

**Ridges Debt Service Fund** ~ to account for the disposition of those assets received by the City upon the dissolution of the Ridges Metropolitan District restricted to the payment of Ridges long-term debt, the collection of property taxes levied within the District for the payment of long-term debt and the payment of Ridges long-term debt.

**Grand Junction Public Finance Corporation Debt Service Fund** ~ to account for debt service payments incurred in the financing of open space land.

## Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earning, not principal, may be used for purposes that support the reporting government's program.

**Cemetery Perpetual Care Fund** ~ to accumulate resources to provide for the future maintenance of municipal cemeteries.



(This page intentionally left blank)



City of Grand Junction  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2012

|                                                                        | Special Revenue                      |                     |                       |                       |                          |                     |
|------------------------------------------------------------------------|--------------------------------------|---------------------|-----------------------|-----------------------|--------------------------|---------------------|
|                                                                        | Visitors and<br>Convention<br>Bureau | Enhanced<br>911     | Parkland<br>Expansion | Conservation<br>Trust | Community<br>Development | Total               |
| <b>ASSETS</b>                                                          |                                      |                     |                       |                       |                          |                     |
| Cash and investments                                                   | \$ 413,744                           | \$ 2,053,954        | \$ 803,209            | \$ 777,542            | \$ -                     | \$ 4,048,449        |
| Accounts receivable                                                    | 493                                  | 355,613             | -                     | -                     | -                        | 356,106             |
| Taxes receivable                                                       | 120,812                              | -                   | -                     | -                     | -                        | 120,812             |
| Intergovernmental receivable                                           | -                                    | 5,232               | -                     | -                     | 25,855                   | 31,087              |
| Prepays                                                                | 9,276                                | -                   | -                     | -                     | -                        | 9,276               |
| Total assets                                                           | <u>\$ 544,325</u>                    | <u>\$ 2,414,799</u> | <u>\$ 803,209</u>     | <u>\$ 777,542</u>     | <u>\$ 25,855</u>         | <u>\$ 4,565,730</u> |
| <b>LIABILITIES</b>                                                     |                                      |                     |                       |                       |                          |                     |
| Accounts payable                                                       | 21,291                               | -                   | -                     | -                     | 562                      | 21,853              |
| Accrued liabilities                                                    | 17,802                               | -                   | -                     | -                     | -                        | 17,802              |
| Due to other funds                                                     | -                                    | -                   | -                     | -                     | 25,293                   | 25,293              |
| Unearned revenue                                                       | -                                    | -                   | -                     | -                     | -                        | -                   |
| Total liabilities                                                      | <u>39,093</u>                        | <u>-</u>            | <u>-</u>              | <u>-</u>              | <u>25,855</u>            | <u>64,948</u>       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                   |                                      |                     |                       |                       |                          |                     |
| Unavailable revenue-property taxes                                     | -                                    | -                   | -                     | -                     | -                        | -                   |
| Total deferred inflows of resources                                    | <u>-</u>                             | <u>-</u>            | <u>-</u>              | <u>-</u>              | <u>-</u>                 | <u>-</u>            |
| <b>FUND BALANCES</b>                                                   |                                      |                     |                       |                       |                          |                     |
| Nonspendable:                                                          |                                      |                     |                       |                       |                          |                     |
| Inventories and prepaids                                               | \$ 9,276                             | \$ -                | \$ -                  | \$ -                  | \$ -                     | \$ 9,276            |
| Permanent fund principal                                               | -                                    | -                   | -                     | -                     | -                        | -                   |
| Restricted for:                                                        |                                      |                     |                       |                       |                          |                     |
| Debt service                                                           | -                                    | -                   | -                     | -                     | -                        | -                   |
| Parks and recreation                                                   | -                                    | -                   | -                     | 777,542               | -                        | 777,542             |
| Public safety                                                          | -                                    | 2,414,799           | -                     | -                     | -                        | 2,414,799           |
| Committed to:                                                          |                                      |                     |                       |                       |                          |                     |
| Open space                                                             | -                                    | -                   | 803,209               | -                     | -                        | 803,209             |
| Street capacity expansion                                              | -                                    | -                   | -                     | -                     | -                        | -                   |
| Tourism and convention                                                 | 495,956                              | -                   | -                     | -                     | -                        | 495,956             |
| Assigned to:                                                           |                                      |                     |                       |                       |                          |                     |
| Facility improvements                                                  | -                                    | -                   | -                     | -                     | -                        | -                   |
| Total fund balances                                                    | <u>505,232</u>                       | <u>2,414,799</u>    | <u>803,209</u>        | <u>777,542</u>        | <u>-</u>                 | <u>4,500,782</u>    |
| Total liabilities, deferred inflows of<br>resources, and fund balances | <u>\$ 544,325</u>                    | <u>\$ 2,414,799</u> | <u>\$ 803,209</u>     | <u>\$ 777,542</u>     | <u>\$ 25,855</u>         | <u>\$ 4,565,730</u> |

| Debt Service      |                   |                   | Capital Projects           |                                    |                             |                     | Permanent Fund          | Total Nonmajor Governmental Funds |
|-------------------|-------------------|-------------------|----------------------------|------------------------------------|-----------------------------|---------------------|-------------------------|-----------------------------------|
| Ridges            | GJ Public Finance | Total             | Storm Drainage Development | Street Assessment Capital Projects | Facilities Capital Projects | Total               | Cemetery Perpetual Care |                                   |
| \$ 120,865        | \$ 909            | \$ 121,774        | \$ -                       | \$ 1,270,551                       | \$ 277,027                  | \$ 1,547,578        | \$ 1,309,063            | \$ 7,026,864                      |
| 8,746             | -                 | 8,746             | -                          | 152,192                            | -                           | 152,192             | 930                     | 517,974                           |
| 106,082           | -                 | 106,082           | -                          | -                                  | -                           | -                   | -                       | 226,894                           |
| -                 | -                 | -                 | -                          | -                                  | -                           | -                   | -                       | 31,087                            |
| -                 | -                 | -                 | -                          | -                                  | -                           | -                   | -                       | 9,276                             |
| <u>\$ 235,693</u> | <u>\$ 909</u>     | <u>\$ 236,602</u> | <u>\$ -</u>                | <u>\$ 1,422,743</u>                | <u>\$ 277,027</u>           | <u>\$ 1,699,770</u> | <u>\$ 1,309,993</u>     | <u>\$ 7,812,095</u>               |
| 150               | -                 | 150               | -                          | 437,017                            | 24,000                      | 461,017             | -                       | 483,020                           |
| -                 | -                 | -                 | -                          | -                                  | -                           | -                   | -                       | 17,802                            |
| -                 | -                 | -                 | -                          | -                                  | -                           | -                   | -                       | 25,293                            |
| 8,746             | -                 | 8,746             | -                          | 61,627                             | -                           | 61,627              | -                       | 70,373                            |
| <u>8,896</u>      | <u>-</u>          | <u>8,896</u>      | <u>-</u>                   | <u>498,644</u>                     | <u>24,000</u>               | <u>522,644</u>      | <u>-</u>                | <u>596,488</u>                    |
| 106,082           | -                 | 106,082           | -                          | -                                  | -                           | -                   | -                       | 106,082                           |
| <u>106,082</u>    | <u>-</u>          | <u>106,082</u>    | <u>-</u>                   | <u>-</u>                           | <u>-</u>                    | <u>-</u>            | <u>-</u>                | <u>106,082</u>                    |
| \$ -              | \$ -              | \$ -              | \$ -                       | \$ -                               | \$ -                        | \$ -                | \$ -                    | \$ 9,276                          |
| -                 | -                 | -                 | -                          | -                                  | -                           | -                   | 1,309,993               | 1,309,993                         |
| 120,715           | 909               | 121,624           | -                          | -                                  | -                           | -                   | -                       | 121,624                           |
| -                 | -                 | -                 | -                          | -                                  | -                           | -                   | -                       | 777,542                           |
| -                 | -                 | -                 | -                          | -                                  | -                           | -                   | -                       | 2,414,799                         |
| -                 | -                 | -                 | -                          | -                                  | -                           | -                   | -                       | 803,209                           |
| -                 | -                 | -                 | -                          | 924,099                            | -                           | 924,099             | -                       | 924,099                           |
| -                 | -                 | -                 | -                          | -                                  | -                           | -                   | -                       | 495,956                           |
| -                 | -                 | -                 | -                          | -                                  | 253,027                     | 253,027             | -                       | 253,027                           |
| <u>120,715</u>    | <u>909</u>        | <u>121,624</u>    | <u>-</u>                   | <u>924,099</u>                     | <u>253,027</u>              | <u>1,177,126</u>    | <u>1,309,993</u>        | <u>7,109,525</u>                  |
| <u>\$ 235,693</u> | <u>\$ 909</u>     | <u>\$ 236,602</u> | <u>\$ -</u>                | <u>\$ 1,422,743</u>                | <u>\$ 277,027</u>           | <u>\$ 1,699,770</u> | <u>\$ 1,309,993</u>     | <u>\$ 7,812,095</u>               |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the year ended December 31, 2012

|                                                              | Special Revenue                      |                     |                       |                       |                          |                     |
|--------------------------------------------------------------|--------------------------------------|---------------------|-----------------------|-----------------------|--------------------------|---------------------|
|                                                              | Visitors and<br>Convention<br>Bureau | Enhanced<br>911     | Parkland<br>Expansion | Conservation<br>Trust | Community<br>Development | Total               |
| <b>REVENUES</b>                                              |                                      |                     |                       |                       |                          |                     |
| Taxes                                                        | \$ 1,852,541                         | \$ -                | \$ -                  | \$ -                  | \$ -                     | \$ 1,852,541        |
| Intergovernmental                                            | -                                    | -                   | -                     | 587,383               | 171,858                  | 759,241             |
| Charges for services                                         | 15,291                               | 2,554,610           | -                     | -                     | -                        | 2,569,901           |
| Miscellaneous                                                | 212                                  | -                   | 43,595                | -                     | -                        | 43,807              |
| Investment income                                            | 2,041                                | 14,409              | 4,287                 | 5,463                 | -                        | 26,200              |
| Total revenues                                               | <u>1,870,085</u>                     | <u>2,569,019</u>    | <u>47,882</u>         | <u>592,846</u>        | <u>171,858</u>           | <u>5,251,690</u>    |
| <b>EXPENDITURES</b>                                          |                                      |                     |                       |                       |                          |                     |
| Current:                                                     |                                      |                     |                       |                       |                          |                     |
| General government                                           | 1,729,787                            | -                   | -                     | -                     | -                        | 1,729,787           |
| Urban development<br>and housing                             | -                                    | -                   | -                     | -                     | 155,874                  | 155,874             |
| Debt service:                                                |                                      |                     |                       |                       |                          |                     |
| Principal                                                    | -                                    | -                   | -                     | -                     | -                        | -                   |
| Interest                                                     | -                                    | -                   | -                     | -                     | -                        | -                   |
| Capital outlay                                               | -                                    | -                   | -                     | -                     | -                        | -                   |
| Total expenditures                                           | <u>1,729,787</u>                     | <u>-</u>            | <u>-</u>              | <u>-</u>              | <u>155,874</u>           | <u>1,885,661</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | 140,298                              | 2,569,019           | 47,882                | 592,846               | 15,984                   | 3,366,029           |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                                      |                     |                       |                       |                          |                     |
| Transfers in                                                 | -                                    | -                   | -                     | -                     | -                        | -                   |
| Transfers out                                                | (246,916)                            | (3,661,556)         | -                     | (403,057)             | (15,984)                 | (4,327,513)         |
| Total other financing<br>sources (uses)                      | <u>(246,916)</u>                     | <u>(3,661,556)</u>  | <u>-</u>              | <u>(403,057)</u>      | <u>(15,984)</u>          | <u>(4,327,513)</u>  |
| Net change in fund balance                                   | (106,618)                            | (1,092,537)         | 47,882                | 189,789               | -                        | (961,484)           |
| Fund balances - beginning                                    | 611,850                              | 3,507,336           | 755,327               | 587,753               | -                        | 5,462,266           |
| Fund balances - ending                                       | <u>\$ 505,232</u>                    | <u>\$ 2,414,799</u> | <u>\$ 803,209</u>     | <u>\$ 777,542</u>     | <u>\$ -</u>              | <u>\$ 4,500,782</u> |

| Debt Service      |                   |                   | Capital Projects           |                                    |                             |                     | Permanent Fund          |                                   |
|-------------------|-------------------|-------------------|----------------------------|------------------------------------|-----------------------------|---------------------|-------------------------|-----------------------------------|
| Ridges            | GJ Public Finance | Total             | Storm Drainage Development | Street Assessment Capital Projects | Facilities Capital Projects | Total               | Cemetery Perpetual Care | Total Nonmajor Governmental Funds |
| \$ 180,835        | \$ -              | \$ 180,835        | \$ -                       | \$ -                               | \$ -                        | \$ -                | \$ -                    | \$ 2,033,376                      |
| -                 | -                 | -                 | -                          | -                                  | -                           | -                   | -                       | 759,241                           |
| -                 | -                 | -                 | -                          | 785,822                            | -                           | 785,822             | 19,384                  | 3,375,107                         |
| -                 | 300,000           | 300,000           | 16,736                     | -                                  | -                           | 16,736              | -                       | 360,543                           |
| 1,427             | 1,002             | 2,429             | -                          | -                                  | -                           | -                   | 7,046                   | 35,675                            |
| <u>182,262</u>    | <u>301,002</u>    | <u>483,264</u>    | <u>16,736</u>              | <u>785,822</u>                     | <u>-</u>                    | <u>802,558</u>      | <u>26,430</u>           | <u>6,563,942</u>                  |
| 3,052             | 1,500             | 4,552             | -                          | -                                  | -                           | -                   | -                       | 1,734,339                         |
| -                 | -                 | -                 | -                          | -                                  | -                           | -                   | -                       | 155,874                           |
| 200,000           | 205,000           | 405,000           | -                          | -                                  | -                           | -                   | -                       | 405,000                           |
| 25,010            | 326,750           | 351,760           | -                          | -                                  | -                           | -                   | -                       | 351,760                           |
| -                 | -                 | -                 | 92,797                     | 539,077                            | 184,801                     | 816,675             | -                       | 816,675                           |
| <u>228,062</u>    | <u>533,250</u>    | <u>761,312</u>    | <u>92,797</u>              | <u>539,077</u>                     | <u>184,801</u>              | <u>816,675</u>      | <u>-</u>                | <u>3,463,648</u>                  |
| (45,800)          | (232,248)         | (278,048)         | (76,061)                   | 246,745                            | (184,801)                   | (14,117)            | 26,430                  | 3,100,294                         |
| -                 | 233,157           | 233,157           | 76,061                     | 106,140                            | -                           | 182,201             | -                       | 415,358                           |
| -                 | -                 | -                 | -                          | -                                  | -                           | -                   | (6,409)                 | (4,333,922)                       |
| -                 | 233,157           | 233,157           | 76,061                     | 106,140                            | -                           | 182,201             | (6,409)                 | (3,918,564)                       |
| (45,800)          | 909               | (44,891)          | -                          | 352,885                            | (184,801)                   | 168,084             | 20,021                  | (818,270)                         |
| 166,515           | -                 | 166,515           | -                          | 571,214                            | 437,828                     | 1,009,042           | 1,289,972               | 7,927,795                         |
| <u>\$ 120,715</u> | <u>\$ 909</u>     | <u>\$ 121,624</u> | <u>\$ -</u>                | <u>\$ 924,099</u>                  | <u>\$ 253,027</u>           | <u>\$ 1,177,126</u> | <u>\$ 1,309,993</u>     | <u>\$ 7,109,525</u>               |

City of Grand Junction, Colorado  
**VISITORS AND CONVENTION BUREAU SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                      | Original and<br>Final Budgeted<br>Amounts | Actual            | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|-------------------------------------------|-------------------|----------------------------------------------------------|
| <b>REVENUES</b>                      |                                           |                   |                                                          |
| Taxes                                | \$ 1,804,583                              | \$ 1,852,541      | \$ 47,958                                                |
| Charges for services                 | 24,000                                    | 15,291            | (8,709)                                                  |
| Miscellaneous                        | -                                         | 212               | 212                                                      |
| Investment income                    | 3,102                                     | 2,041             | (1,061)                                                  |
| Total revenues                       | <u>1,831,685</u>                          | <u>1,870,085</u>  | <u>38,400</u>                                            |
| <b>EXPENDITURES</b>                  |                                           |                   |                                                          |
| Current:                             |                                           |                   |                                                          |
| General government:                  | <u>1,813,273</u>                          | <u>1,729,787</u>  | <u>83,486</u>                                            |
| Excess of revenues over expenditures | 18,412                                    | 140,298           | 121,886                                                  |
| <b>OTHER FINANCING USES</b>          |                                           |                   |                                                          |
| Transfers out                        | <u>(328,932)</u>                          | <u>(246,916)</u>  | <u>82,016</u>                                            |
| Net change in fund balance           | (310,520)                                 | (106,618)         | 203,902                                                  |
| Fund balances - beginning            | 611,850                                   | 611,850           | -                                                        |
| Fund balances - ending               | <u>\$ 301,330</u>                         | <u>\$ 505,232</u> | <u>\$ 203,902</u>                                        |

City of Grand Junction, Colorado  
**ENHANCED 911 SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                      | Original and<br>Final Budgeted<br>Amounts | Actual              | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|-------------------------------------------|---------------------|----------------------------------------------------------|
| <b>REVENUES</b>                      |                                           |                     |                                                          |
| Charges for services                 | \$ 2,470,000                              | \$ 2,554,610        | \$ 84,610                                                |
| Investment income                    | 24,612                                    | 14,409              | (10,203)                                                 |
| Total revenues                       | <u>2,494,612</u>                          | <u>2,569,019</u>    | <u>74,407</u>                                            |
| <b>EXPENDITURES</b>                  | <u>-</u>                                  | <u>-</u>            | <u>-</u>                                                 |
| Excess of revenues over expenditures | 2,494,612                                 | 2,569,019           | 74,407                                                   |
| <b>OTHER FINANCING USES</b>          |                                           |                     |                                                          |
| Transfers out                        | <u>(4,920,324)</u>                        | <u>(3,661,556)</u>  | <u>1,258,768</u>                                         |
| Net change in fund balance           | (2,425,712)                               | (1,092,537)         | 1,333,175                                                |
| Fund balances - beginning            | 3,507,336                                 | 3,507,336           | -                                                        |
| Fund balances - ending               | <u>\$ 1,081,624</u>                       | <u>\$ 2,414,799</u> | <u>\$ 1,333,175</u>                                      |

City of Grand Junction, Colorado  
**PARKLAND EXPANSION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                      | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|-------------------|-------------------|-------------------|----------------------------------------------------------|
|                                      | Original          | Final             |                   |                                                          |
| <b>REVENUES</b>                      |                   |                   |                   |                                                          |
| Miscellaneous                        | \$ 82,000         | \$ 10,500         | \$ 43,595         | \$ 33,095                                                |
| Investment income                    | 5,813             | 5,813             | 4,287             | (1,526)                                                  |
| Total revenues                       | <u>87,813</u>     | <u>16,313</u>     | <u>47,882</u>     | <u>31,569</u>                                            |
| <b>EXPENDITURES</b>                  | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>                                                 |
| Excess of revenues over expenditures | 87,813            | 16,313            | 47,882            | 31,569                                                   |
| Fund balances - beginning            | 755,327           | 755,327           | 755,327           | -                                                        |
| Fund balances - ending               | <u>\$ 843,140</u> | <u>\$ 771,640</u> | <u>\$ 803,209</u> | <u>\$ 31,569</u>                                         |



City of Grand Junction, Colorado  
**CONSERVATION TRUST SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                      | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|-------------------|-------------------|-------------------|----------------------------------------------------------|
|                                      | Original          | Final             |                   |                                                          |
| <b>REVENUES</b>                      |                   |                   |                   |                                                          |
| Intergovernmental                    | \$ 500,000        | \$ 580,000        | \$ 587,383        | \$ 7,383                                                 |
| Investment income                    | 3,937             | 3,937             | 5,463             | 1,526                                                    |
| Total revenues                       | <u>503,937</u>    | <u>583,937</u>    | <u>592,846</u>    | <u>8,909</u>                                             |
| <b>EXPENDITURES</b>                  | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>                                                 |
| Excess of revenues over expenditures | 503,937           | 583,937           | 592,846           | 8,909                                                    |
| <b>OTHER FINANCING USES</b>          |                   |                   |                   |                                                          |
| Transfers out                        | <u>(390,755)</u>  | <u>(403,155)</u>  | <u>(403,057)</u>  | <u>98</u>                                                |
| Net change in fund balance           | 113,182           | 180,782           | 189,789           | 9,007                                                    |
| Fund balances - beginning            | 587,753           | 587,753           | 587,753           | -                                                        |
| Fund balances - ending               | <u>\$ 700,935</u> | <u>\$ 768,535</u> | <u>\$ 777,542</u> | <u>\$ 9,007</u>                                          |

City of Grand Junction, Colorado  
**COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                      | Original and<br>Final Budgeted<br>Amounts | Actual     | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|-------------------------------------------|------------|----------------------------------------------------------|
| <b>REVENUES</b>                      |                                           |            |                                                          |
| Intergovernmental                    | \$ 330,000                                | \$ 171,858 | \$ (158,142)                                             |
| <b>EXPENDITURES</b>                  |                                           |            |                                                          |
| Current:                             |                                           |            |                                                          |
| Urban development and housing        | 300,000                                   | 155,874    | 144,126                                                  |
| Excess of revenues over expenditures | 30,000                                    | 15,984     | (14,016)                                                 |
| <b>OTHER FINANCING USES</b>          |                                           |            |                                                          |
| Transfers out                        | (30,000)                                  | (15,984)   | 14,016                                                   |
| Net change in fund balance           | -                                         | -          | -                                                        |
| Fund balances - beginning            | -                                         | -          | -                                                        |
| Fund balances - ending               | \$ -                                      | \$ -       | \$ -                                                     |

City of Grand Junction, Colorado

**RIDGES DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**

For the year ended December 31, 2012

|                                           | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------|-------------------------------------------|-------------------|----------------------------------------------------------|
| <b>REVENUES</b>                           |                                           |                   |                                                          |
| Taxes                                     | \$ 183,215                                | \$ 180,835        | \$ (2,380)                                               |
| Investment income                         | 600                                       | 1,427             | 827                                                      |
| Total revenues                            | <u>183,815</u>                            | <u>182,262</u>    | <u>(1,553)</u>                                           |
| <b>EXPENDITURES</b>                       |                                           |                   |                                                          |
| Current:                                  |                                           |                   |                                                          |
| General government                        | 4,300                                     | 3,052             | 1,248                                                    |
| Debt service:                             |                                           |                   |                                                          |
| Principal retirement                      | 200,000                                   | 200,000           | -                                                        |
| Interest and fiscal charges               | <u>25,010</u>                             | <u>25,010</u>     | <u>-</u>                                                 |
| Total expenditures                        | <u>229,310</u>                            | <u>228,062</u>    | <u>1,248</u>                                             |
| Deficiency of revenues under expenditures | (45,495)                                  | (45,800)          | (305)                                                    |
| Fund balances - beginning                 | 166,515                                   | 166,515           | -                                                        |
| Fund balances - ending                    | <u>\$ 121,020</u>                         | <u>\$ 120,715</u> | <u>\$ (305)</u>                                          |

City of Grand Junction, Colorado  
**GRAND JUNCTION PUBLIC FINANCE CORPORATION DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                           | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------|-------------------------------------------|-------------------|----------------------------------------------------------|
| <b>REVENUES</b>                           |                                           |                   |                                                          |
| Miscellaneous                             | \$ 300,000                                | \$ 300,000        | \$ -                                                     |
| Investment Income                         | -                                         | 1,002             | 1,002                                                    |
| Total revenues                            | <u>300,000</u>                            | <u>301,002</u>    | <u>1,002</u>                                             |
| <b>EXPENDITURES</b>                       |                                           |                   |                                                          |
| Current:                                  |                                           |                   |                                                          |
| General government                        | 1,505                                     | 1,500             | 5                                                        |
| Debt service:                             |                                           |                   |                                                          |
| Principal retirement                      | 205,000                                   | 205,000           | -                                                        |
| Interest and fiscal charges               | <u>326,750</u>                            | <u>326,750</u>    | <u>-</u>                                                 |
| Total expenditures                        | <u>533,255</u>                            | <u>533,250</u>    | <u>5</u>                                                 |
| Deficiency of revenues under expenditures | (233,255)                                 | (232,248)         | 1,007                                                    |
| <b>OTHER FINANCING SOURCES</b>            |                                           |                   |                                                          |
| Transfers in                              | <u>233,255</u>                            | <u>233,157</u>    | <u>(98)</u>                                              |
| Net change in fund balance                | -                                         | 909               | 909                                                      |
| Fund balances - beginning                 | -                                         | -                 | -                                                        |
| Fund balances - ending                    | <u>\$ -</u>                               | <u>\$ 909</u>     | <u>\$ 909</u>                                            |

City of Grand Junction, Colorado  
**GENERAL DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                           | Budgeted Amounts  |                  | Actual           | Variance with                           |
|-------------------------------------------|-------------------|------------------|------------------|-----------------------------------------|
|                                           | Original          | Final            | Amounts          | Final Budget-<br>Positive<br>(Negative) |
| <b>REVENUES</b>                           |                   |                  |                  |                                         |
| Intergovernmental                         | \$ 771,395        | \$ 771,395       | \$ 771,395       | \$ -                                    |
| Investment Income                         | -                 | -                | 227              | 227                                     |
| Total revenues                            | <u>771,395</u>    | <u>771,395</u>   | <u>771,622</u>   | <u>227</u>                              |
| <b>EXPENDITURES</b>                       |                   |                  |                  |                                         |
| Current:                                  |                   |                  |                  |                                         |
| General government                        | 2,805             | 2,805            | 2,800            | 5                                       |
| Debt service:                             |                   |                  |                  |                                         |
| Principal retirement                      | 4,725,000         | 4,725,000        | 4,725,000        | -                                       |
| Interest and fiscal charges               | 5,284,573         | 3,729,715        | 3,729,715        | -                                       |
| Bond issuance costs                       | -                 | 146,923          | 146,923          | -                                       |
| Total expenditures                        | <u>10,012,378</u> | <u>8,604,443</u> | <u>8,604,438</u> | <u>5</u>                                |
| Deficiency of revenues under expenditures | (9,240,983)       | (7,833,048)      | (7,832,816)      | 232                                     |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                   |                  |                  |                                         |
| Transfers in                              | 9,240,983         | 7,682,583        | 7,682,473        | (110)                                   |
| Refunding bonds issued                    | -                 | 30,645,000       | 30,645,000       | -                                       |
| Premium on refunding bonds issued         | -                 | 5,512,594        | 5,512,594        | -                                       |
| Payment to refunded bond escrow agent     | -                 | (36,007,129)     | (36,007,129)     | -                                       |
| Total other financing sources (uses)      | <u>9,240,983</u>  | <u>7,833,048</u> | <u>7,832,938</u> | <u>(110)</u>                            |
| Net change in fund balance                | -                 | -                | 122              | 122                                     |
| Fund balances - beginning                 | -                 | -                | -                | -                                       |
| Fund balances - ending                    | <u>\$ -</u>       | <u>\$ -</u>      | <u>\$ 122</u>    | <u>\$ 122</u>                           |

City of Grand Junction, Colorado  
**PARKWAY DEBT RETIREMENT DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                           | Budgeted Amounts |              | Actual<br>GAAP<br>Basis<br>Amounts | Adjustment<br>to<br>Budgetary<br>Basis | Actual<br>on<br>Budgetary<br>Basis | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------|------------------|--------------|------------------------------------|----------------------------------------|------------------------------------|----------------------------------------------------------|
|                                           | Original         | Final        |                                    |                                        |                                    |                                                          |
| <b>REVENUES</b>                           |                  |              |                                    |                                        |                                    |                                                          |
| Investment income(loss)                   | \$ 115,000       | \$ 10,000    | \$ (52,700)                        | \$ 65,971                              | \$ 13,271                          | \$ 3,271                                                 |
| <b>EXPENDITURES</b>                       |                  |              |                                    |                                        |                                    |                                                          |
| Debt service:                             |                  |              |                                    |                                        |                                    |                                                          |
| Advance refunding escrow                  | -                | 17,812,681   | 17,812,681                         | -                                      | 17,812,681                         | -                                                        |
| Interest and fiscal charges               | -                | 1,187,319    | 1,187,319                          | -                                      | 1,187,319                          | -                                                        |
| Total expenditures                        | -                | 19,000,000   | 19,000,000                         | -                                      | 19,000,000                         | -                                                        |
| Deficiency of revenues under expenditures | 115,000          | (18,990,000) | (19,052,700)                       | 65,971                                 | (18,986,729)                       | 3,271                                                    |
| <b>OTHER FINANCING SOURCES</b>            |                  |              |                                    |                                        |                                    |                                                          |
| Transfers in                              | 4,059,122        | 4,059,122    | 4,090,729                          | -                                      | 4,090,729                          | 31,607                                                   |
| Net change in fund balance                | 4,174,122        | (14,930,878) | (14,961,971)                       | 65,971                                 | (14,896,000)                       | 34,878                                                   |
| Fund balances - beginning                 | 19,003,702       | 19,003,702   | 19,079,054                         | (75,352)                               | 19,003,702                         | -                                                        |
| Fund balances - ending                    | \$ 23,177,824    | \$ 4,072,824 | \$ 4,117,083                       | \$ (9,381)                             | \$ 4,107,702                       | \$ 34,878                                                |

City of Grand Junction, Colorado  
**SALES TAX CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the year ended December 31, 2012

|                                         | Original and<br>Final Budgeted<br>Amounts | Actual<br>GAAP<br>Basis<br>Amounts | Adjustment<br>to<br>Budgetary<br>Basis | Actual<br>on<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------------|-------------------------------------------|------------------------------------|----------------------------------------|------------------------------------|-----------------------------------------------------------|
| <b>REVENUES</b>                         |                                           |                                    |                                        |                                    |                                                           |
| Taxes                                   | \$ 11,573,134                             | \$ 11,700,875                      | \$ 100,239                             | \$ 11,801,114                      | \$ 227,980                                                |
| Intergovernmental                       | 638,485                                   | 848,462                            | -                                      | 848,462                            | 209,977                                                   |
| Special assessments                     | 25,000                                    | 15,814                             | -                                      | 15,814                             | (9,186)                                                   |
| Investment income                       | -                                         | 7,035                              | -                                      | 7,035                              | 7,035                                                     |
| Charges for Service                     | -                                         | 59,384                             | -                                      | 59,384                             | 59,384                                                    |
| Other contributions                     | -                                         | 13,420                             | -                                      | 13,420                             | 13,420                                                    |
| Total revenues                          | <u>12,236,619</u>                         | <u>12,644,990</u>                  | <u>100,239</u>                         | <u>12,745,229</u>                  | <u>508,610</u>                                            |
| <b>EXPENDITURES</b>                     |                                           |                                    |                                        |                                    |                                                           |
| Capital outlay:                         |                                           |                                    |                                        |                                    |                                                           |
| Construction                            | <u>5,903,548</u>                          | <u>4,954,449</u>                   | <u>-</u>                               | <u>4,954,449</u>                   | <u>949,099</u>                                            |
| Excess of revenues<br>over expenditures | 6,333,071                                 | 7,690,541                          | 100,239                                | 7,790,780                          | 1,457,709                                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                                           |                                    |                                        |                                    |                                                           |
| Transfers in                            | 2,502,912                                 | -                                  | -                                      | -                                  | (2,502,912)                                               |
| Transfers out                           | <u>(8,835,983)</u>                        | <u>(7,262,318)</u>                 | <u>-</u>                               | <u>(7,262,318)</u>                 | <u>1,573,665</u>                                          |
| Total other financing sources (uses)    | <u>(6,333,071)</u>                        | <u>(7,262,318)</u>                 | <u>-</u>                               | <u>(7,262,318)</u>                 | <u>(929,247)</u>                                          |
| Net change in fund balance              | -                                         | 428,223                            | 100,239                                | 528,462                            | 528,462                                                   |
| Fund balances - beginning               | -                                         | 20,729                             | (20,729)                               | -                                  | -                                                         |
| Fund balances - ending                  | <u>\$ -</u>                               | <u>\$ 448,952</u>                  | <u>\$ 79,510</u>                       | <u>\$ 528,462</u>                  | <u>\$ 528,462</u>                                         |



City of Grand Junction, Colorado  
**MAJOR CAPITAL PROJECTS IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the year ended December 31, 2012

|                                           | Budgeted Amounts    |                     | Actual              | Variance with                            |
|-------------------------------------------|---------------------|---------------------|---------------------|------------------------------------------|
|                                           | Original            | Final               | Amounts             | Final Budget -<br>Positive<br>(Negative) |
| <b>REVENUES</b>                           |                     |                     |                     |                                          |
| Intergovernmental                         | \$ 50,000           | \$ 477,658          | \$ 451,486          | \$ (26,172)                              |
| Investment income                         | -                   | 24,613              | 22,989              | (1,624)                                  |
| Other contributions                       | 500,737             | 869,263             | 881,333             | 12,070                                   |
| Total revenues                            | <u>550,737</u>      | <u>1,371,534</u>    | <u>1,355,808</u>    | <u>(15,726)</u>                          |
| <b>EXPENDITURES</b>                       |                     |                     |                     |                                          |
| Capital outlay:                           |                     |                     |                     |                                          |
| Construction                              | <u>22,660,885</u>   | <u>23,074,784</u>   | <u>22,605,426</u>   | <u>469,358</u>                           |
| Deficiency of revenues under expenditures | (22,110,148)        | (21,703,250)        | (21,249,618)        | 453,632                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                     |                     |                     |                                          |
| Transfers in                              | 507,500             | 1,028,376           | 1,108,822           | 80,446                                   |
| Transfers out                             | <u>-</u>            | <u>(76,098)</u>     | <u>(76,098)</u>     | <u>-</u>                                 |
| Total other financing sources (uses)      | <u>507,500</u>      | <u>952,278</u>      | <u>1,032,724</u>    | <u>80,446</u>                            |
| Net change in fund balance                | (21,602,648)        | (20,750,972)        | (20,216,894)        | 534,078                                  |
| Fund balances - beginning                 | <u>23,457,456</u>   | <u>23,457,456</u>   | <u>23,457,456</u>   | <u>-</u>                                 |
| Fund balances - ending                    | <u>\$ 1,854,808</u> | <u>\$ 2,706,484</u> | <u>\$ 3,240,562</u> | <u>\$ 534,078</u>                        |

City of Grand Junction, Colorado  
**STORM DRAINAGE DEVELOPMENT CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                           | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------|------------------|-----------|-----------|----------------------------------------------------------|
|                                           | Original         | Final     |           |                                                          |
| <b>REVENUES</b>                           |                  |           |           |                                                          |
| Miscellaneous:                            |                  |           |           |                                                          |
| Development fees                          | \$ 15,000        | \$ 15,000 | \$ 16,736 | \$ 1,736                                                 |
| <b>EXPENDITURES</b>                       |                  |           |           |                                                          |
| Capital outlay:                           |                  |           |           |                                                          |
| Construction                              | 80,000           | 145,000   | 92,797    | 52,203                                                   |
| Deficiency of revenues under expenditures | (65,000)         | (130,000) | (76,061)  | 53,939                                                   |
| <b>OTHER FINANCING SOURCES</b>            |                  |           |           |                                                          |
| Transfers in                              | 65,000           | 130,000   | 76,061    | (53,939)                                                 |
| Net change in fund balance                | -                | -         | -         | -                                                        |
| Fund balances - beginning                 | -                | -         | -         | -                                                        |
| Fund balances - ending                    | \$ -             | \$ -      | \$ -      | \$ -                                                     |

City of Grand Junction, Colorado  
**STREET ASSESSMENT PROJECTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                                           | Original and<br>Final Budgeted<br>Amounts | Actual     | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-----------------------------------------------------------|-------------------------------------------|------------|----------------------------------------------------------|
| <b>REVENUES</b>                                           |                                           |            |                                                          |
| Miscellaneous:                                            |                                           |            |                                                          |
| Development fees                                          | \$ 680,000                                | \$ 785,822 | \$ 105,822                                               |
| <b>EXPENDITURES</b>                                       |                                           |            |                                                          |
| Capital outlay:                                           |                                           |            |                                                          |
| Construction                                              | 888,320                                   | 539,077    | 349,243                                                  |
| Excess (deficiency) of revenues over (under) expenditures | (208,320)                                 | 246,745    | 455,065                                                  |
| <b>OTHER FINANCING SOURCES</b>                            |                                           |            |                                                          |
| Transfers In                                              | 106,140                                   | 106,140    | -                                                        |
| Net change in fund balance                                | (102,180)                                 | 352,885    | 455,065                                                  |
| Fund balances - beginning                                 | 571,214                                   | 571,214    | -                                                        |
| Fund balances - ending                                    | \$ 469,034                                | \$ 924,099 | \$ 455,065                                               |

City of Grand Junction, Colorado  
**FACILITIES CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                           | Original and<br>Final Budgeted<br>Amounts | Actual     | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------|-------------------------------------------|------------|----------------------------------------------------------|
| <b>REVENUES</b>                           | \$ -                                      | \$ -       | \$ -                                                     |
| <b>EXPENDITURES</b>                       |                                           |            |                                                          |
| Capital outlay:                           |                                           |            |                                                          |
| Construction                              | 223,736                                   | 184,801    | 38,935                                                   |
| Deficiency of revenues under expenditures | (223,736)                                 | (184,801)  | 38,935                                                   |
| Fund balances - beginning                 | 437,828                                   | 437,828    | -                                                        |
| Fund balances - ending                    | \$ 214,092                                | \$ 253,027 | \$ 38,935                                                |

City of Grand Junction, Colorado  
**CEMETERY PERPETUAL CARE PERMANENT TRUST FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                   | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts   | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-----------------------------------|-------------------------------------------|---------------------|----------------------------------------------------------|
| <b>REVENUES</b>                   |                                           |                     |                                                          |
| Perpetual care revenue            | \$ 18,000                                 | \$ 19,384           | \$ 1,384                                                 |
| Investment income                 | 9,688                                     | 7,046               | (2,642)                                                  |
| Total revenues                    | <u>27,688</u>                             | <u>26,430</u>       | <u>(1,258)</u>                                           |
| <b>EXPENDITURES</b>               | <u>-</u>                                  | <u>-</u>            | <u>-</u>                                                 |
| Excess revenues over expenditures | 27,688                                    | 26,430              | (1,258)                                                  |
| <b>OTHER FINANCING USES</b>       |                                           |                     |                                                          |
| Transfers out                     | <u>(9,688)</u>                            | <u>(6,409)</u>      | <u>3,279</u>                                             |
| Net change in fund balance        | 18,000                                    | 20,021              | 2,021                                                    |
| Fund balances - beginning         | <u>1,289,972</u>                          | <u>1,289,972</u>    | <u>-</u>                                                 |
| Fund balances - ending            | <u>\$ 1,307,972</u>                       | <u>\$ 1,309,993</u> | <u>\$ 2,021</u>                                          |



# NON-MAJOR PROPRIETARY FUNDS

## Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner Similar to private business enterprises - where the intent of the governing body is that the costs (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Solid Waste Removal Fund** ~ to account for the revenues and expenses associated with refuse collection within the city.

**Irrigation Fund** ~ to account for the resources and expenses associated with the operation of City-owned and leased parking facilities, as well as the enforcement of City parking regulations.

## Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

**Data Processing Fund** ~ to account for expenses associated with the operations of the data processing center that provides services to City agencies and the related charges for these Services.

**Equipment Fund** ~ to account for the expenses associated with the acquisition, operation and maintenance of City-owned vehicles and equipment, and the related charges for these services.

**Self-Insurance Fund** ~ to account for the expenses associated with providing workman's compensation and excess property and liability insurance coverage, and the related charges to the various department's within the City.

**Communications Center Fund** ~ to account for the expenses associated with the operations of the Grand Valley Combined Emergency 911 Communications Center, as well as the related charges for its operation to the various local governments using its services.



City of Grand Junction, Colorado  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
December 31, 2012

|                                                        | Business-Type Activities - Enterprise Funds |                     |                     |
|--------------------------------------------------------|---------------------------------------------|---------------------|---------------------|
|                                                        | Solid<br>Waste<br>Removal                   | Irrigation          | Total               |
| <b>ASSETS</b>                                          |                                             |                     |                     |
| Current assets:                                        |                                             |                     |                     |
| Cash and investments                                   | \$ 539,292                                  | \$ 86,772           | \$ 626,064          |
| Accounts receivable, net of allowance                  | 390,611                                     | 34,320              | 424,931             |
| Total current assets                                   | <u>929,903</u>                              | <u>121,092</u>      | <u>1,050,995</u>    |
| Noncurrent assets:                                     |                                             |                     |                     |
| Capital assets:                                        |                                             |                     |                     |
| Buildings, improvements, plant and system              | 114,852                                     | 3,430,124           | 3,544,976           |
| Equipment                                              | 1,255,139                                   | 5,297               | 1,260,436           |
| Less accumulated depreciation                          | <u>(936,927)</u>                            | <u>(2,531,962)</u>  | <u>(3,468,889)</u>  |
| Total capital assets (net of accumulated depreciation) | <u>433,064</u>                              | <u>903,459</u>      | <u>1,336,523</u>    |
| Total noncurrent assets                                | <u>433,064</u>                              | <u>903,459</u>      | <u>1,336,523</u>    |
| Total assets                                           | <u>1,362,967</u>                            | <u>1,024,551</u>    | <u>2,387,518</u>    |
| <b>LIABILITIES</b>                                     |                                             |                     |                     |
| Current liabilities:                                   |                                             |                     |                     |
| Accounts payable                                       | 84,157                                      | 1,526               | 85,683              |
| Accrued liabilities                                    | 21,196                                      | 1,644               | 22,840              |
| Compensated absences payable                           | 6,686                                       | 583                 | 7,269               |
| Due to other funds                                     | <u>80,489</u>                               | <u>-</u>            | <u>80,489</u>       |
| Total current liabilities                              | <u>192,528</u>                              | <u>3,753</u>        | <u>196,281</u>      |
| Noncurrent liabilities:                                |                                             |                     |                     |
| Compensated absences payable                           | 111,512                                     | 9,721               | 121,233             |
| Advances from other funds - general fund               | <u>842,914</u>                              | <u>-</u>            | <u>842,914</u>      |
| Total noncurrent liabilities                           | <u>954,426</u>                              | <u>9,721</u>        | <u>964,147</u>      |
| Total liabilities                                      | <u>1,146,954</u>                            | <u>13,474</u>       | <u>1,160,428</u>    |
| <b>NET POSITION</b>                                    |                                             |                     |                     |
| Net investment in capital assets                       | 433,064                                     | 903,459             | 1,336,523           |
| Unrestricted                                           | <u>(217,051)</u>                            | <u>107,618</u>      | <u>(109,433)</u>    |
| Total net position                                     | <u>\$ 216,013</u>                           | <u>\$ 1,011,077</u> | <u>\$ 1,227,090</u> |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
For the year ended December 31, 2012

|                                                         | Business-Type Activities - Enterprise Funds |              |              |
|---------------------------------------------------------|---------------------------------------------|--------------|--------------|
|                                                         | Solid<br>Waste<br>Removal                   | Irrigation   | Total        |
| <b>Operating revenues:</b>                              |                                             |              |              |
| Charges for sales and services, net of allowances       | \$ 3,311,362                                | \$ 216,915   | \$ 3,528,277 |
| <b>Operating expenses:</b>                              |                                             |              |              |
| Personal services                                       | 1,041,587                                   | 83,902       | 1,125,489    |
| Costs of sales and services                             | 2,057,317                                   | 132,774      | 2,190,091    |
| Depreciation and amortization                           | 64,558                                      | 84,994       | 149,552      |
| Total operating expenses                                | 3,163,462                                   | 301,670      | 3,465,132    |
| Operating income (loss)                                 | 147,900                                     | (84,755)     | 63,145       |
| <b>Nonoperating revenues (expenses):</b>                |                                             |              |              |
| Investment income                                       | 3,063                                       | 554          | 3,617        |
| Total nonoperating revenues (expenses)                  | 3,063                                       | 554          | 3,617        |
| <b>Income (loss) before contributions and transfers</b> | 150,963                                     | (84,201)     | 66,762       |
| Capital contributions - tap fees                        | -                                           | 520          | 520          |
| Change in net position                                  | 150,963                                     | (83,681)     | 67,282       |
| Net position - beginning                                | 65,050                                      | 1,094,758    | 1,159,808    |
| Net position - ending                                   | \$ 216,013                                  | \$ 1,011,077 | \$ 1,227,090 |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
For the year ended December 31, 2012

|                                                                                                       | Business-Type Activities - Enterprise Funds |                  |                   |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------|-------------------|
|                                                                                                       | Solid<br>Waste<br>Removal                   | Irrigation       | Total             |
| <b>Cash flows from operating activities:</b>                                                          |                                             |                  |                   |
| Cash received from customers and users                                                                | \$ 3,303,274                                | \$ 217,997       | \$ 3,521,271      |
| Cash paid to interfund                                                                                | (912,837)                                   | (25,180)         | (938,017)         |
| Cash paid to suppliers                                                                                | (1,145,873)                                 | (110,354)        | (1,256,227)       |
| Cash paid to employees                                                                                | (1,056,947)                                 | (82,513)         | (1,139,460)       |
| Net cash provided (used) by operating activities                                                      | <u>187,617</u>                              | <u>(50)</u>      | <u>187,567</u>    |
| <b>Cash flows from noncapital financing activities:</b>                                               |                                             |                  |                   |
| Increase (decrease) in amount due other funds                                                         | (8,535)                                     | -                | (8,535)           |
| Net cash provided (used) by noncapital financing activities                                           | <u>(8,535)</u>                              | <u>-</u>         | <u>(8,535)</u>    |
| <b>Cash flows from capital and related financing activities:</b>                                      |                                             |                  |                   |
| Tap fees                                                                                              | -                                           | 520              | 520               |
| Repayment of interfund capital loans                                                                  | (80,489)                                    | -                | (80,489)          |
| Purchase of capital assets                                                                            | (7,240)                                     | (24,127)         | (31,367)          |
| Net cash provided (used) in capital and related financing activities                                  | <u>(87,729)</u>                             | <u>(23,607)</u>  | <u>(111,336)</u>  |
| <b>Cash flows from investing activities:</b>                                                          |                                             |                  |                   |
| Investment income received                                                                            | 3,063                                       | 554              | 3,617             |
| Net cash provided (used) by investing activities                                                      | <u>3,063</u>                                | <u>554</u>       | <u>3,617</u>      |
| Net increase (decrease) in cash and cash equivalents                                                  | 94,416                                      | (23,103)         | 71,313            |
| Cash and cash equivalents, January 1                                                                  | 444,876                                     | 109,875          | 554,751           |
| Cash and cash equivalents, December 31                                                                | <u>\$ 539,292</u>                           | <u>\$ 86,772</u> | <u>\$ 626,064</u> |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |                                             |                  |                   |
| Operating income (loss)                                                                               | \$ 147,900                                  | \$ (84,755)      | \$ 63,145         |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                                             |                  |                   |
| Depreciation expense                                                                                  | 64,558                                      | 84,994           | 149,552           |
| (Increase) decrease in accounts receivable                                                            | (8,088)                                     | 1,082            | (7,006)           |
| Increase (decrease) in accounts payable                                                               | (1,393)                                     | (2,760)          | (4,153)           |
| Increase (decrease) in accrued liabilities and compensated absences payable                           | (15,360)                                    | 1,389            | (13,971)          |
| Total adjustments                                                                                     | <u>39,717</u>                               | <u>84,705</u>    | <u>124,422</u>    |
| Net cash provided (used) by operating activities                                                      | <u>\$ 187,617</u>                           | <u>\$ (50)</u>   | <u>\$ 187,567</u> |

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
December 31, 2012

|                                                        | Data<br>Processing  | Equipment            | Self-<br>Insurance  | Communications<br>Center | Total                |
|--------------------------------------------------------|---------------------|----------------------|---------------------|--------------------------|----------------------|
| <b>ASSETS</b>                                          |                     |                      |                     |                          |                      |
| Current assets:                                        |                     |                      |                     |                          |                      |
| Cash and investments                                   | \$ 2,088,096        | \$ 3,232,019         | \$ 3,699,116        | \$ 558,273               | \$ 9,577,504         |
| Accounts receivable, net of allowance                  | -                   | 5,512                | -                   | -                        | 5,512                |
| Intergovernmental receivable                           | 6,736               | 313,974              | -                   | 6,027                    | 326,737              |
| Prepaid items                                          | 43,021              | -                    | -                   | 230                      | 43,251               |
| Total current assets                                   | <u>2,137,853</u>    | <u>3,551,505</u>     | <u>3,699,116</u>    | <u>564,530</u>           | <u>9,953,004</u>     |
| Noncurrent assets:                                     |                     |                      |                     |                          |                      |
| Capital assets:                                        |                     |                      |                     |                          |                      |
| Buildings and improvements                             | -                   | 2,733,794            | -                   | 13,700                   | 2,747,494            |
| Equipment                                              | 3,629,989           | 19,655,119           | -                   | 8,102,529                | 31,387,637           |
| Construction in progress                               | -                   | -                    | -                   | 100                      | 100                  |
| Less accumulated depreciation                          | <u>(1,580,463)</u>  | <u>(14,246,387)</u>  | <u>-</u>            | <u>(2,065,251)</u>       | <u>(17,892,101)</u>  |
| Total capital assets (net of accumulated depreciation) | <u>2,049,526</u>    | <u>8,142,526</u>     | <u>-</u>            | <u>6,051,078</u>         | <u>16,243,130</u>    |
| Total assets                                           | <u>4,187,379</u>    | <u>11,694,031</u>    | <u>3,699,116</u>    | <u>6,615,608</u>         | <u>26,196,134</u>    |
| <b>LIABILITIES</b>                                     |                     |                      |                     |                          |                      |
| Current liabilities:                                   |                     |                      |                     |                          |                      |
| Accounts payable                                       | 130,711             | 129,259              | 149,396             | 70,156                   | 479,522              |
| Accrued liabilities                                    | 42,358              | 13,927               | 4,619               | 77,368                   | 138,272              |
| Compensated absences payable                           | 8,922               | 3,196                | 1,726               | 11,605                   | 25,449               |
| Claims payable                                         | -                   | -                    | 897,165             | -                        | 897,165              |
| Total current liabilities                              | <u>181,991</u>      | <u>146,382</u>       | <u>1,052,906</u>    | <u>159,129</u>           | <u>1,540,408</u>     |
| Noncurrent liabilities                                 |                     |                      |                     |                          |                      |
| Compensated absences payable                           | 148,802             | 53,300               | 28,785              | 193,534                  | 424,421              |
| Claims payable                                         | -                   | -                    | 1,441,712           | -                        | 1,441,712            |
| Total noncurrent liabilities                           | <u>148,802</u>      | <u>53,300</u>        | <u>1,470,497</u>    | <u>193,534</u>           | <u>1,866,133</u>     |
| Total liabilities                                      | <u>330,793</u>      | <u>199,682</u>       | <u>2,523,403</u>    | <u>352,663</u>           | <u>3,406,541</u>     |
| <b>NET POSITION</b>                                    |                     |                      |                     |                          |                      |
| Net investment in capital assets                       | 2,049,526           | 8,142,526            | -                   | 6,051,078                | 16,243,130           |
| Restricted for:                                        |                     |                      |                     |                          |                      |
| Public safety                                          | 181,785             | -                    | -                   | -                        | 181,785              |
| Unrestricted                                           | 1,625,275           | 3,351,823            | 1,175,713           | 211,867                  | 6,364,678            |
| Total net position                                     | <u>\$ 3,856,586</u> | <u>\$ 11,494,349</u> | <u>\$ 1,175,713</u> | <u>\$ 6,262,945</u>      | <u>\$ 22,789,593</u> |

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the year ended December 31, 2012

|                                                         | <u>Data<br/>Processing</u> | <u>Equipment</u>     | <u>Self-<br/>Insurance</u> | <u>Communications<br/>Center</u> | <u>Total</u>         |
|---------------------------------------------------------|----------------------------|----------------------|----------------------------|----------------------------------|----------------------|
| <b>Operating revenues:</b>                              |                            |                      |                            |                                  |                      |
| Charges for sales and services:                         | \$ 5,149,360               | \$ 4,119,861         | \$ 1,672,066               | \$ 3,702,446                     | \$ 14,643,733        |
| Miscellaneous                                           | 6,500                      | -                    | 2,740                      | 2,799                            | 12,039               |
| Total operating revenues                                | <u>5,155,860</u>           | <u>4,119,861</u>     | <u>1,674,806</u>           | <u>3,705,245</u>                 | <u>14,655,772</u>    |
| <b>Operating expenses:</b>                              |                            |                      |                            |                                  |                      |
| Personal services                                       | 2,060,583                  | 756,541              | 194,345                    | 3,858,072                        | 6,869,541            |
| Costs of sales and services                             | 2,383,333                  | 1,999,059            | 1,925,352                  | 1,289,255                        | 7,596,999            |
| Depreciation and amortization                           | 510,858                    | 1,186,188            | -                          | 885,081                          | 2,582,127            |
| Total operating expenses                                | <u>4,954,774</u>           | <u>3,941,788</u>     | <u>2,119,697</u>           | <u>6,032,408</u>                 | <u>17,048,667</u>    |
| Operating income (loss)                                 | <u>201,086</u>             | <u>178,073</u>       | <u>(444,891)</u>           | <u>(2,327,163)</u>               | <u>(2,392,895)</u>   |
| <b>Nonoperating revenues (expenses):</b>                |                            |                      |                            |                                  |                      |
| Intergovernmental                                       | 28,192                     | 375,000              | -                          | 348,273                          | 751,465              |
| Investment income                                       | 9,483                      | 17,754               | 19,843                     | -                                | 47,080               |
| Interest expense                                        | -                          | -                    | -                          | (2,162)                          | (2,162)              |
| Gain (loss) on disposition of<br>property and equipment | (33,145)                   | 12,345               | -                          | (1,582,494)                      | (1,603,294)          |
| Total nonoperating revenues (expenses)                  | <u>4,530</u>               | <u>405,099</u>       | <u>19,843</u>              | <u>(1,236,383)</u>               | <u>(806,911)</u>     |
| Income (loss) before transfers                          | 205,616                    | 583,172              | (425,048)                  | (3,563,546)                      | (3,199,806)          |
| Transfers in                                            | -                          | -                    | -                          | 3,161,556                        | 3,161,556            |
| Transfers out                                           | <u>(100,000)</u>           | <u>(95,536)</u>      | <u>-</u>                   | <u>-</u>                         | <u>(195,536)</u>     |
| Change in net position                                  | 105,616                    | 487,636              | (425,048)                  | (401,990)                        | (233,786)            |
| Net position - beginning                                | 3,750,970                  | 11,006,713           | 1,600,761                  | 6,664,935                        | 23,023,379           |
| Net position - ending                                   | <u>\$ 3,856,586</u>        | <u>\$ 11,494,349</u> | <u>\$ 1,175,713</u>        | <u>\$ 6,262,945</u>              | <u>\$ 22,789,593</u> |

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2012

|                                                                                                       | Data<br>Processing | Equipment    | Self -<br>Insurance | Communications<br>Center | Total          |
|-------------------------------------------------------------------------------------------------------|--------------------|--------------|---------------------|--------------------------|----------------|
| <b>Cash flows from operating activities:</b>                                                          |                    |              |                     |                          |                |
| Cash received from interfund                                                                          | \$ 5,051,522       | \$ 4,036,211 | \$ 1,672,066        | \$ 2,139,761             | \$ 12,899,560  |
| Cash received from customers and users                                                                | 91,112             | 73,698       | -                   | 1,562,216                | 1,727,026      |
| Cash paid to interfund                                                                                | (11,803)           | (154,821)    | (11,129)            | (745,355)                | (923,108)      |
| Cash paid to suppliers                                                                                | (2,368,226)        | (1,817,598)  | (1,470,432)         | (544,041)                | (6,200,297)    |
| Cash paid to employees                                                                                | (2,054,859)        | (748,425)    | (191,806)           | (3,828,162)              | (6,823,252)    |
| Miscellaneous receipts                                                                                | 6,500              | -            | 582,854             | 2,799                    | 592,153        |
| Net cash provided (used) by operating activities                                                      | 714,246            | 1,389,065    | 581,553             | (1,412,782)              | 1,272,082      |
| <b>Cash flows from noncapital financing activities:</b>                                               |                    |              |                     |                          |                |
| Transfers from other funds                                                                            | -                  | -            | -                   | 3,161,556                | 3,161,556      |
| Transfers to other funds                                                                              | (100,000)          | (95,536)     | -                   | -                        | (195,536)      |
| Intergovernmental revenue                                                                             | -                  | -            | -                   | 39,053                   | 39,053         |
| Net cash provided (used) by noncapital financing activities                                           | (100,000)          | (95,536)     | -                   | 3,200,609                | 3,005,073      |
| <b>Cash flows from capital and related financing activities:</b>                                      |                    |              |                     |                          |                |
| Intergovernmental receipts                                                                            | 28,192             | 75,000       | -                   | 201,110                  | 304,302        |
| Miscellaneous receipts                                                                                | -                  | -            | -                   | 33,876                   | 33,876         |
| Principal payments:                                                                                   |                    |              |                     |                          |                |
| Capital leases                                                                                        | -                  | -            | -                   | (20,596)                 | (20,596)       |
| Interest Paid                                                                                         | -                  | -            | -                   | (2,162)                  | (2,162)        |
| Proceeds from disposition of capital assets                                                           | -                  | 137,537      | -                   | -                        | 137,537        |
| Purchase of capital assets                                                                            | (186,155)          | (2,395,881)  | -                   | (2,412,456)              | (4,994,492)    |
| Net cash used in capital and related financing activities                                             | (157,963)          | (2,183,344)  | -                   | (2,200,228)              | (4,541,535)    |
| <b>Cash flows from investing activities:</b>                                                          |                    |              |                     |                          |                |
| Investment income (loss) received                                                                     | 9,483              | 17,754       | 19,843              | -                        | 47,080         |
| Net cash provided (used) by investing activities                                                      | 9,483              | 17,754       | 19,843              | -                        | 47,080         |
| Net increase in cash and cash equivalents                                                             | 465,766            | (872,061)    | 601,396             | (412,401)                | (217,300)      |
| Cash and cash equivalents, January 1                                                                  | 1,622,330          | 4,104,080    | 3,097,720           | 970,674                  | 9,794,804      |
| Cash and cash equivalents, December 31                                                                | \$ 2,088,096       | \$ 3,232,019 | \$ 3,699,116        | \$ 558,273               | \$ 9,577,504   |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>  |                    |              |                     |                          |                |
| Operating income (loss)                                                                               | \$ 201,086         | \$ 178,073   | \$ (444,891)        | \$ (2,327,163)           | \$ (2,392,895) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                    |              |                     |                          |                |
| Depreciation expense                                                                                  | 510,858            | 1,186,188    | -                   | 885,081                  | 2,582,127      |
| (Increase) decrease in accounts receivable                                                            | (6,726)            | (9,952)      | 580,114             | (469)                    | 562,967        |
| (Increase) decrease in prepaid items                                                                  | 1,608              | -            | -                   | (230)                    | 1,378          |
| Increase (decrease) in accounts payable                                                               | (14,522)           | 26,190       | 95,850              | 53,489                   | 161,007        |
| Increase (decrease) in claims payable                                                                 | -                  | -            | 347,941             | -                        | 347,941        |
| Increase (decrease) in accrued wages and compensated absences payable                                 | 5,724              | 8,116        | 2,539               | 29,910                   | 46,289         |
| (Increase) decrease in accounts payable due to purchase of capital assets on account                  | 16,218             | 450          | -                   | (53,400)                 | (36,732)       |
| Total adjustments                                                                                     | 513,160            | 1,210,992    | 1,026,444           | 914,381                  | 3,664,977      |
| Net cash provided (used) by operating activities                                                      | \$ 714,246         | \$ 1,389,065 | \$ 581,553          | \$ (1,412,782)           | \$ 1,272,082   |
| <b>Noncash Investing, Capital and Financing Activities</b>                                            |                    |              |                     |                          |                |
| Purchase of capital assets on account                                                                 | \$ 6,327           | \$ -         | \$ -                | \$ 54,000                | \$ 60,327      |
| Net book value of capital assets traded in on capital assets acquired                                 | -                  | 46,585       | -                   | -                        | 46,585         |
| Trade in value of disposed assets                                                                     | -                  | 47,000       | -                   | -                        | 47,000         |
| Intergovernmental receivable from capital financing activities                                        | -                  | 300,000      | -                   | -                        | 300,000        |
| Unearned revenue from capital financing activities                                                    | -                  | -            | -                   | 108,110                  | 108,110        |



# FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the City in a fiduciary capacity, or as an agent for individuals, private organizations, other governments, and/or other funds. These include Pension Trust, Private-Purpose Trust, Investment Trust and Agency Funds. Since the City has only one Investment Trust Fund, it is presented in the Basic Financial section of this report.

## **Private Purpose Trust Funds**

**Mesa County Valley School District 51 SLD Fee Fund** ~ to account for revenues and expenditures not included in other trust funds for which uses have been specified by parties outside the City government.

**General Trust Fund** ~ to account for revenues and expenditures not included in other trust funds for which uses have been specified by parties outside City government.

## **Pension Trust Funds**

**Police Old Hire Pension Trust Fund** ~ to account for assets for the Police Old Hire Defined Benefit Pension Plan invested in and administered by the Fire and Police Pension Association of Colorado for qualified firefighter retirees.

**Fire Old Hire Pension Trust Fund** ~ to account for assets for the Fire Old Hire Defined Benefit Pension Plan invested in and administered by the Fire and Police Pension Association of Colorado for qualified firefighter retirees.

## **Agency Funds**

**Park Improvement Advisory Board Fund** ~ to provide the custodial function of accounting for operations of the board.

**Sewer and Water Districts Clearing Account Fund** ~ to provide the billing and collection of charges for some districts outside the city.

**Rimrock Marketplace General Improvement District Fund** ~ to act as an agent for property owners in collection assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if applicable.

**Downtown Business Improvement District Fund** ~ to provide the custodial function of accounting for operations of the Downtown Business Improvement District.

City of Grand Junction, Colorado  
**COMBINING STATEMENTS OF NET POSITION**  
**PENSION TRUST FUNDS**  
December 31, 2012

---

|                                        | Police<br>Old Hire | Fire<br>Old Hire | Total         |
|----------------------------------------|--------------------|------------------|---------------|
| <b>ASSETS</b>                          |                    |                  |               |
| Cash and investments                   | \$ 3,266,363       | \$ 9,060,889     | \$ 12,327,252 |
| <b>LIABILITIES</b>                     |                    |                  |               |
|                                        | -                  | -                | -             |
| <b>NET POSITION HELD IN TRUST FOR:</b> |                    |                  |               |
| Pension benefits                       | \$ 3,266,363       | \$ 9,060,889     | \$ 12,327,252 |



City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
For the year ended December 31, 2012

|                                                              | Police<br>Old Hire  | Fire<br>Old Hire    | Total                |
|--------------------------------------------------------------|---------------------|---------------------|----------------------|
| <b>ADDITIONS</b>                                             |                     |                     |                      |
| Contributions:                                               |                     |                     |                      |
| City                                                         | \$ 426,798          | \$ 247,566          | \$ 674,364           |
| State government                                             | 87,581              | -                   | 87,581               |
| Total contributions                                          | <u>514,379</u>      | <u>247,566</u>      | <u>761,945</u>       |
| Investment income:                                           |                     |                     |                      |
| Net appreciation (depreciation) in fair value of investments | 299,341             | 876,079             | 1,175,420            |
| Interest                                                     | 65,658              | 189,012             | 254,670              |
| Net investment income                                        | <u>364,999</u>      | <u>1,065,091</u>    | <u>1,430,090</u>     |
| Total additions                                              | <u>879,378</u>      | <u>1,312,657</u>    | <u>2,192,035</u>     |
| <b>DEDUCTIONS</b>                                            |                     |                     |                      |
| Benefits                                                     | 519,182             | 1,073,008           | 1,592,190            |
| Administrative expense                                       | 28,134              | 80,428              | 108,562              |
| Total deductions                                             | <u>547,316</u>      | <u>1,153,436</u>    | <u>1,700,752</u>     |
| Change in net position                                       | 332,062             | 159,221             | 491,283              |
| <b>Net position - beginning</b>                              | 2,934,301           | 8,901,668           | 11,835,969           |
| <b>Net position - ending</b>                                 | <u>\$ 3,266,363</u> | <u>\$ 9,060,889</u> | <u>\$ 12,327,252</u> |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
December 31, 2012

---

|                                       | Mesa County<br>Valley School<br>District 51<br>SLD Fee | General<br>Trust            | Total                       |
|---------------------------------------|--------------------------------------------------------|-----------------------------|-----------------------------|
|                                       | <u>                    </u>                            | <u>                    </u> | <u>                    </u> |
| <b>ASSETS</b>                         |                                                        |                             |                             |
| Cash and investments                  | \$ 59,626                                              | \$ 468                      | \$ 60,094                   |
|                                       | <u>                    </u>                            | <u>                    </u> | <u>                    </u> |
| <b>LIABILITIES</b>                    | <u>                    </u>                            | <u>                    </u> | <u>                    </u> |
|                                       | -                                                      | -                           | -                           |
| <b>NET POSITION HELD IN TRUST FOR</b> |                                                        |                             |                             |
| Individuals, organizations and others | \$ 59,626                                              | \$ 468                      | \$ 60,094                   |
|                                       | <u>                    </u>                            | <u>                    </u> | <u>                    </u> |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
For the year ended December 31, 2012

|                               | Mesa County<br>Valley School<br>District 51<br>SLD Fee | General<br>Trust | Total            |
|-------------------------------|--------------------------------------------------------|------------------|------------------|
| <b>ADDITIONS</b>              |                                                        |                  |                  |
| Additions by participants     | \$ 112,300                                             | \$ -             | \$ 112,300       |
| Investment income             | 100                                                    | -                | 100              |
| Total additions               | <u>112,400</u>                                         | <u>-</u>         | <u>112,400</u>   |
| <b>DEDUCTIONS</b>             |                                                        |                  |                  |
| Distributions to participants | 116,853                                                | -                | 116,853          |
| Administrative expense        | 3,614                                                  | -                | 3,614            |
| Total deductions              | <u>120,467</u>                                         | <u>-</u>         | <u>120,467</u>   |
| Change in net position        | (8,067)                                                | -                | (8,067)          |
| Net position - beginning      | 67,693                                                 | 468              | 68,161           |
| Net position - ending         | <u>\$ 59,626</u>                                       | <u>\$ 468</u>    | <u>\$ 60,094</u> |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
For the year ended December 31, 2012

|                                                                | Balance<br>Beginning | Additions    | Deletions    | Balance<br>Ending |
|----------------------------------------------------------------|----------------------|--------------|--------------|-------------------|
| <b><u>PARK IMPROVEMENT ADVISORY BOARD</u></b>                  |                      |              |              |                   |
| <b>ASSETS</b>                                                  |                      |              |              |                   |
| Cash and investments                                           | \$ 155,494           | \$ 111,137   | \$ 141,616   | \$ 125,015        |
| <b>LIABILITIES</b>                                             |                      |              |              |                   |
| Due to other governments                                       | \$ 155,494           | \$ 111,137   | \$ 141,616   | \$ 125,015        |
| <b><u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u></b> |                      |              |              |                   |
| <b>ASSETS</b>                                                  |                      |              |              |                   |
| Cash and investments                                           | \$ 445,718           | \$ 288,460   | \$ 278,115   | \$ 456,063        |
| <b>LIABILITIES</b>                                             |                      |              |              |                   |
| Due to other governments                                       | \$ 445,718           | \$ 288,460   | \$ 278,115   | \$ 456,063        |
| <b><u>SEWER AND WATER DISTRICTS CLEARING</u></b>               |                      |              |              |                   |
| <b>ASSETS</b>                                                  |                      |              |              |                   |
| Cash and investments                                           | \$ 92,159            | \$ 1,220,833 | \$ 1,312,992 | \$ -              |
| Accounts receivable, net of allowance                          | 132,609              | 981,924      | 1,114,533    | -                 |
| Total assets                                                   | \$ 224,768           | \$ 2,202,757 | \$ 2,427,525 | \$ -              |
| <b>LIABILITIES</b>                                             |                      |              |              |                   |
| Accounts payable                                               | \$ 92,425            | \$ 1,220,567 | \$ 1,312,992 | \$ -              |
| Due to other governments                                       | 132,343              | 982,190      | 1,114,533    | -                 |
| Total liabilities                                              | \$ 224,768           | \$ 2,202,757 | \$ 2,427,525 | \$ -              |
| <b><u>DOWNTOWN BUSINESS IMPROVEMENT DISTRICT</u></b>           |                      |              |              |                   |
| <b>ASSETS</b>                                                  |                      |              |              |                   |
| Cash and investments                                           | \$ 126,654           | \$ 176,894   | \$ 177,430   | \$ 126,118        |
| <b>LIABILITIES</b>                                             |                      |              |              |                   |
| Accounts payable                                               | \$ 1,793             | \$ 107,788   | \$ 93,311    | \$ 16,270         |
| Due to other governments                                       | 124,861              | 69,106       | 84,119       | 109,848           |
| Total liabilities                                              | \$ 126,654           | \$ 176,894   | \$ 177,430   | \$ 126,118        |
| <b><u>TOTAL - ALL AGENCY FUNDS</u></b>                         |                      |              |              |                   |
| <b>ASSETS</b>                                                  |                      |              |              |                   |
| Cash and investments                                           | \$ 820,025           | \$ 1,797,324 | \$ 1,910,153 | \$ 707,196        |
| Accounts receivable, net of allowance                          | 132,609              | 981,924      | 1,114,533    | -                 |
| Total assets                                                   | \$ 952,634           | \$ 2,779,248 | \$ 3,024,686 | \$ 707,196        |
| <b>LIABILITIES</b>                                             |                      |              |              |                   |
| Accounts payable                                               | \$ 94,218            | \$ 1,328,355 | \$ 1,406,303 | \$ 16,270         |
| Due to other governments                                       | 858,416              | 1,450,893    | 1,618,383    | 690,926           |
| Total liabilities                                              | \$ 952,634           | \$ 2,779,248 | \$ 3,024,686 | \$ 707,196        |



# DOWNTOWN DEVELOPMENT AUTHORITY

## **A Component Unit of the City of Grand Junction, Colorado**

The Downtown Development Authority (DDA) was formed to improve the downtown area of the City of Grand Junction. Since this is the only component unit of the City, it reported on the Government-wide Financial Statement. However, since it does not issue its own financial report, the following fund information for the DDA is provided.

### **Special Revenue Funds**

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted or committed to expenditures for specified purposes.

**DDA Operations Special Revenue Fund** ~ to account for all revenues and expenditures associated with operating the Downtown Development Authority.

**DDA Tax Increment Special Revenue Fund** ~ to account for property tax revenues from the Downtown Tax Increment Financing District used principally to reduce debt incurred for downtown improvements.

### **Debt Service Funds**

**Debt Service Funds** are used to account for all resources being accumulated for general long-term debt principal and interest payments maturing in future years other than long-term debt accounted for in enterprise and internal service funds.

**DDA Debt Service Fund** ~ to account for those resources which are being accumulated for Long-term debt, principal and interest payments on Downtown Development Authority Tax Increment Bonds maturing in future years.

### **Capital Project Funds**

**Capital Projects Funds** are used to account for financial resources to be used for the acquisition of Construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**DDA TIF Capital Improvements Fund** ~ to account for capital improvements within the boundaries of the Downtown Development Authority (DDA), financed with the proceeds of Tax Increment Financing (TIF) Bonds.

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2012

|                                                                        | DDA Tax<br>Increment | DDA<br>Operations<br>Special<br>Revenue Fund | Capital<br>Improvements<br>Capital Projects<br>Fund | Total<br>Governmental<br>Funds |
|------------------------------------------------------------------------|----------------------|----------------------------------------------|-----------------------------------------------------|--------------------------------|
| <b>ASSETS</b>                                                          |                      |                                              |                                                     |                                |
| Cash and investments                                                   | \$ 126,534           | \$ 588,275                                   | \$ 3,068,047                                        | \$ 3,782,856                   |
| Property taxes receivable                                              | 1,142,056            | 261,320                                      | -                                                   | 1,403,376                      |
| Accounts receivable                                                    | -                    | 520                                          | -                                                   | 520                            |
| Prepaid items                                                          | -                    | 30,000                                       | -                                                   | 30,000                         |
| Total assets                                                           | <u>1,268,590</u>     | <u>880,115</u>                               | <u>3,068,047</u>                                    | <u>5,216,752</u>               |
| <b>LIABILITIES</b>                                                     |                      |                                              |                                                     |                                |
| Accounts payable                                                       | -                    | 6,333                                        | -                                                   | 6,333                          |
| Accrued liabilities                                                    | -                    | 2,683                                        | 208                                                 | 2,891                          |
| Compensated absences payable                                           | -                    | 349                                          | 26                                                  | 375                            |
| Total liabilities                                                      | <u>-</u>             | <u>9,365</u>                                 | <u>234</u>                                          | <u>9,599</u>                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                   |                      |                                              |                                                     |                                |
| Unavailable revenue-property taxes                                     | 1,142,056            | 261,320                                      | -                                                   | 1,403,376                      |
| Total deferred inflows of resources                                    | <u>1,142,056</u>     | <u>261,320</u>                               | <u>-</u>                                            | <u>1,403,376</u>               |
| <b>FUND BALANCES</b>                                                   |                      |                                              |                                                     |                                |
| Nonspendable:                                                          |                      |                                              |                                                     |                                |
| Inventories and prepaids                                               | -                    | 30,000                                       | -                                                   | 30,000                         |
| Restricted for:                                                        |                      |                                              |                                                     |                                |
| Debt service                                                           | 126,534              | -                                            | -                                                   | 126,534                        |
| Legends historical sculptures project                                  | -                    | 165,640                                      | -                                                   | 165,640                        |
| Urban development and housing                                          | -                    | 413,790                                      | 3,067,813                                           | 3,481,603                      |
| Total fund balances                                                    | <u>126,534</u>       | <u>609,430</u>                               | <u>3,067,813</u>                                    | <u>3,803,777</u>               |
| Total liabilities, deferred inflows of<br>resources, and fund balances | <u>\$ 1,268,590</u>  | <u>\$ 880,115</u>                            | <u>\$ 3,068,047</u>                                 |                                |

Amounts reported for the Component Unit - Downtown Development Authority on the statement of net position (page 31) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

4,402,788

Long-term liabilities such as bonds and notes payable, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds.

|                          |                |             |
|--------------------------|----------------|-------------|
| Bonds Payable            | \$ (7,125,000) |             |
| Accrued Interest payable | (13,120)       |             |
| Compensated absences     | <u>(6,261)</u> | (7,144,381) |

Net position -Component Unit - Downtown Development Authority. (page 31) \$ 1,062,184

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the year ended December 31, 2012

|                                                              | DDA Tax<br>Increment | DDA<br>Operations<br>Special<br>Revenue Fund | DDA<br>Debt Service<br>Fund | Capital<br>Improvements<br>Capital Project<br>Fund | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|----------------------|----------------------------------------------|-----------------------------|----------------------------------------------------|--------------------------------|
| <b>REVENUES</b>                                              |                      |                                              |                             |                                                    |                                |
| Taxes                                                        | \$ 1,761,643         | \$ 222,818                                   | \$ -                        | \$ -                                               | \$ 1,984,461                   |
| Intergovernmental                                            | 442,767              | -                                            | -                           | -                                                  | 442,767                        |
| Charges for services                                         | -                    | 4,608                                        | -                           | -                                                  | 4,608                          |
| Miscellaneous                                                | -                    | 115,831                                      | -                           | -                                                  | 115,831                        |
| Investment income                                            | 7,357                | 3,424                                        | -                           | 10,646                                             | 21,427                         |
| Total revenues                                               | <u>2,211,767</u>     | <u>346,681</u>                               | <u>-</u>                    | <u>10,646</u>                                      | <u>2,569,094</u>               |
| <b>EXPENDITURES</b>                                          |                      |                                              |                             |                                                    |                                |
| Current:                                                     |                      |                                              |                             |                                                    |                                |
| Urban development and housing                                | 29,690               | 363,991                                      | -                           | -                                                  | 393,681                        |
| Debt service:                                                |                      |                                              |                             |                                                    |                                |
| Principal retirement                                         | -                    | -                                            | 6,364,181                   | -                                                  | 6,364,181                      |
| Interest and fiscal charges                                  | -                    | -                                            | 141,613                     | -                                                  | 141,613                        |
| Bond issuance costs                                          | -                    | -                                            | 68,247                      | -                                                  | 68,247                         |
| Capital outlay                                               | -                    | -                                            | -                           | 517,068                                            | 517,068                        |
| Total expenditures                                           | <u>29,690</u>        | <u>363,991</u>                               | <u>6,574,041</u>            | <u>517,068</u>                                     | <u>7,484,790</u>               |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>2,182,077</u>     | <u>(17,310)</u>                              | <u>(6,574,041)</u>          | <u>(506,422)</u>                                   | <u>(4,915,696)</u>             |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                      |                                              |                             |                                                    |                                |
| Transfers in                                                 | -                    | 5,818                                        | 6,505,794                   | -                                                  | 6,511,612                      |
| Transfers out                                                | (2,738,195)          | -                                            | -                           | (3,773,417)                                        | (6,511,612)                    |
| Tax increment bond proceeds                                  | -                    | -                                            | 68,247                      | 7,056,753                                          | 7,125,000                      |
| Sale of capital assets                                       | -                    | -                                            | -                           | 290,899                                            | 290,899                        |
| Total other financing sources (uses)                         | <u>(2,738,195)</u>   | <u>5,818</u>                                 | <u>6,574,041</u>            | <u>3,574,235</u>                                   | <u>7,415,899</u>               |
| Net change in fund balances                                  | (556,118)            | (11,492)                                     | -                           | 3,067,813                                          | 2,500,203                      |
| Fund balances - beginning                                    | 682,652              | 620,922                                      | -                           | -                                                  | 1,303,574                      |
| <b>Fund balances - ending</b>                                | <u>\$ 126,534</u>    | <u>\$ 609,430</u>                            | <u>\$ -</u>                 | <u>\$ 3,067,813</u>                                | <u>\$ 3,803,777</u>            |

Amounts reported for Component Unit - Downtown Development Authority in the statement of activities (page 33) are different because:

Net change in fund balances - total governmental funds (above) \$ 2,500,203

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$256,585) exceeded capital outlays of \$118,749 in the current period. (137,836)

The net effect of transactions involving the sale of capital assets. (534,556)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, these transactions have no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

|                              |                |           |
|------------------------------|----------------|-----------|
| Issuance of long-term debt   | \$ (7,125,000) |           |
| Debt principal payments      | 6,364,181      |           |
| Increase in accrued interest | (9,120)        |           |
|                              |                | (769,939) |

Expenditures for compensated absences and longevity are measured by the amount of financial resources used (essentially, the amounts actually paid to employees), whereas in the statement of activities, they are measured as the benefits are earned by employees during the year.

Change in net position of the Component Unit - Downtown Development Authority (page 33) \$ 1,057,908

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DDA TAX INCREMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                         | Original and<br>Final Budgeted<br>Amounts | Actual             | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------------|-------------------------------------------|--------------------|-----------------------------------------------------------|
| <b>REVENUES</b>                         |                                           |                    |                                                           |
| Taxes                                   | \$ 1,749,271                              | \$ 1,761,643       | \$ 12,372                                                 |
| Intergovernmental                       | 339,539                                   | 442,767            | 103,228                                                   |
| Investment income                       | 1,800                                     | 7,357              | 5,557                                                     |
| Total revenues                          | <u>2,090,610</u>                          | <u>2,211,767</u>   | <u>121,157</u>                                            |
| <b>EXPENDITURES</b>                     |                                           |                    |                                                           |
| Current:                                |                                           |                    |                                                           |
| Urban development and housing           | <u>34,985</u>                             | <u>29,690</u>      | <u>5,295</u>                                              |
| Excess of revenues over<br>expenditures | 2,055,625                                 | 2,182,077          | 126,452                                                   |
| <b>OTHER FINANCING USES</b>             |                                           |                    |                                                           |
| Transfers out                           | <u>(2,735,625)</u>                        | <u>(2,738,195)</u> | <u>(2,570)</u>                                            |
| Net change in fund balance              | (680,000)                                 | (556,118)          | 123,882                                                   |
| Fund balances - beginning               | <u>682,652</u>                            | <u>682,652</u>     | <u>-</u>                                                  |
| Fund balances - ending                  | <u>\$ 2,652</u>                           | <u>\$ 126,534</u>  | <u>\$ 123,882</u>                                         |



**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DOWNTOWN DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                              | Budgeted Amounts  |                   |                   | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|----------------------------------------------|-------------------|-------------------|-------------------|-----------------------------------------------------------|
|                                              | Original          | Final             | Actual            |                                                           |
| <b>REVENUES</b>                              |                   |                   |                   |                                                           |
| Taxes                                        | \$ 223,588        | \$ 223,588        | \$ 222,818        | \$ (770)                                                  |
| Charges for services                         | 4,000             | 4,000             | 4,608             | 608                                                       |
| Miscellaneous                                | 55,300            | 79,300            | 115,831           | 36,531                                                    |
| Investment income                            | 2,000             | 2,000             | 3,424             | 1,424                                                     |
| Total revenues                               | <u>284,888</u>    | <u>308,888</u>    | <u>346,681</u>    | <u>37,793</u>                                             |
| <b>EXPENDITURES</b>                          |                   |                   |                   |                                                           |
| Current:                                     |                   |                   |                   |                                                           |
| Urban development and housing                | <u>363,483</u>    | <u>529,220</u>    | <u>363,991</u>    | <u>165,229</u>                                            |
| Deficiency of revenues<br>under expenditures | (78,595)          | (220,332)         | (17,310)          | 203,022                                                   |
| <b>OTHER FINANCING SOURCES</b>               |                   |                   |                   |                                                           |
| Transfers in                                 | <u>-</u>          | <u>-</u>          | <u>5,818</u>      | <u>5,818</u>                                              |
| Net change in fund balance                   | (78,595)          | (220,332)         | (11,492)          | 208,840                                                   |
| Fund balances - beginning                    | 620,922           | 620,922           | 620,922           | -                                                         |
| Fund balances - ending                       | <u>\$ 542,327</u> | <u>\$ 400,590</u> | <u>\$ 609,430</u> | <u>\$ 208,840</u>                                         |

**DOWNTOWN DEVELOPMENT AUTHORITY**

A Component Unit of the City of Grand Junction, Colorado

**DDA DEBT SERVICE FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**

For the year ended December 31, 2012

|                                              | Original and<br>Final Budgeted<br>Amounts | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|----------------------------------------------|-------------------------------------------|------------------|-----------------------------------------------------------|
| <b>REVENUES</b>                              | \$ -                                      | \$ -             | \$ -                                                      |
| <b>EXPENDITURES</b>                          |                                           |                  |                                                           |
| Debt service:                                |                                           |                  |                                                           |
| Principal retirement                         | 6,752,576                                 | 6,364,181        | 388,395                                                   |
| Interest and fiscal charges                  | 122,844                                   | 141,613          | (18,769)                                                  |
| Bond Issuance Costs                          | -                                         | 68,247           | (68,247)                                                  |
| Total expenditures                           | <u>6,875,420</u>                          | <u>6,574,041</u> | <u>301,379</u>                                            |
| Deficiency of revenues<br>under expenditures | (6,875,420)                               | (6,574,041)      | 301,379                                                   |
| <b>OTHER FINANCING SOURCES</b>               |                                           |                  |                                                           |
| Transfers in                                 | 6,875,420                                 | 6,505,794        | (369,626)                                                 |
| Tax increment bond proceeds                  | -                                         | 68,247           | 68,247                                                    |
| Total other financing sources                | <u>6,875,420</u>                          | <u>6,574,041</u> | <u>(301,379)</u>                                          |
| Net change in fund balance                   | -                                         | -                | -                                                         |
| Fund balances - beginning                    | -                                         | -                | -                                                         |
| Fund balances - ending                       | <u>\$ -</u>                               | <u>\$ -</u>      | <u>\$ -</u>                                               |

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DDA CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2012

|                                              | Original and<br>Final Budgeted<br>Amounts | Actual       | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|----------------------------------------------|-------------------------------------------|--------------|-----------------------------------------------------------|
| <b>REVENUES</b>                              |                                           |              |                                                           |
| Investment income                            | \$ -                                      | \$ 10,646    | \$ 10,646                                                 |
| <b>EXPENDITURES</b>                          |                                           |              |                                                           |
| Capital projects                             | 217,840                                   | 517,068      | (299,228)                                                 |
| Deficiency of revenues<br>under expenditures | (217,840)                                 | (506,422)    | (288,582)                                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>        |                                           |              |                                                           |
| Transfer out                                 | (4,139,795)                               | (3,773,417)  | 366,378                                                   |
| Tax increment bond proceeds                  | 4,050,000                                 | 7,056,753    | 3,006,753                                                 |
| Sale of capital assets                       | 310,000                                   | 290,899      | (19,101)                                                  |
| Total other financing<br>sources (uses)      | 220,205                                   | 3,574,235    | 3,354,030                                                 |
| Net change in fund balance                   | 2,365                                     | 3,067,813    | 3,065,448                                                 |
| Fund balances - beginning                    | -                                         | -            | -                                                         |
| Fund balances - ending                       | \$ 2,365                                  | \$ 3,067,813 | \$ 3,065,448                                              |



(This page intentionally left blank)



# STATISTICAL SECTION

This section of the City of Grand Junction Comprehensive Annual Financial Report represents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

| <b>Contents</b>                                                                                                                                                                                                                                    | <b>Pages</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <u>Financial Trends</u><br>These schedules contain trend information to help the reader understand how the City's financial condition has changed over time.                                                                                       | 127-131      |
| <u>Revenue Capacity</u><br>These schedules contain information to help the reader assess the City's largest revenue source, sales tax.                                                                                                             | 132-135      |
| <u>Debt Capacity</u><br>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.                            | 136-140      |
| <u>Demographic and Economic Information</u><br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.                                    | 141-142      |
| <u>Operating Information</u><br>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 143-144      |



(This page intentionally left blank)

TABLE 1  
City of Grand Junction, Colorado  
**NET POSITION**  
Last Ten Fiscal Years

|                                             | Fiscal Year    |                |                |                |                |                |                |                |                |                |
|---------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                             | 2003           | 2004           | 2005           | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           | 2012           |
| <b>Governmental Activities</b>              |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | \$ 201,219,442 | \$ 224,544,344 | \$ 256,934,469 | \$ 326,336,540 | \$ 408,037,121 | \$ 498,158,781 | \$ 529,106,956 | \$ 555,543,770 | \$ 581,854,487 | \$ 607,986,872 |
| Restricted                                  | 7,094,471      | 5,325,181      | 5,598,639      | 7,504,598      | 4,548,128      | 15,726,010     | 18,544,790     | 21,495,852     | 30,951,878     | 13,618,901     |
| Unrestricted                                | 31,969,627     | 38,061,750     | 48,107,386     | 59,014,985     | 60,693,788     | 40,514,664     | 28,682,910     | 28,430,021     | 26,937,580     | 26,568,548     |
| Total governmental activities net position  | \$ 240,283,540 | \$ 267,931,275 | \$ 310,640,494 | \$ 392,856,123 | \$ 473,279,037 | \$ 554,399,455 | \$ 576,334,656 | \$ 605,469,643 | \$ 639,743,945 | \$ 648,174,321 |
| <b>Business-type Activities</b>             |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | \$ 33,495,032  | \$ 34,071,610  | \$ 33,697,216  | \$ 36,518,897  | \$ 39,673,423  | \$ 44,539,563  | \$ 46,087,527  | \$ 47,807,739  | \$ 45,541,828  | \$ 45,880,136  |
| Restricted                                  | 1,787,120      | 905,137        | -              | 610,844        | -              | -              | -              | -              | -              | -              |
| Unrestricted                                | 3,044,687      | 3,350,735      | 5,286,462      | 4,114,096      | 4,176,474      | (271,321)      | (2,881,656)    | (4,987,177)    | (4,277,701)    | (4,545,053)    |
| Total business-type activities net position | \$ 38,326,839  | \$ 38,327,482  | \$ 38,983,678  | \$ 41,243,837  | \$ 43,849,897  | \$ 44,268,242  | \$ 43,205,871  | \$ 42,820,562  | \$ 41,264,127  | \$ 41,335,083  |
| <b>Primary Government</b>                   |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | \$ 234,714,474 | \$ 258,615,954 | \$ 290,631,685 | \$ 362,855,437 | \$ 447,710,544 | \$ 542,698,344 | \$ 575,194,483 | \$ 603,351,509 | \$ 627,396,315 | \$ 653,867,008 |
| Restricted                                  | 8,881,591      | 6,230,318      | 5,598,639      | 8,115,442      | 4,548,128      | 15,726,010     | 18,544,790     | 21,495,852     | 30,951,878     | 13,618,901     |
| Unrestricted                                | 35,014,314     | 41,412,485     | 53,393,848     | 63,129,081     | 64,870,262     | 40,243,343     | 25,801,254     | 23,442,844     | 22,659,879     | 22,023,495     |
| Total primary governmental net position     | \$ 278,610,379 | \$ 306,258,757 | \$ 349,624,172 | \$ 434,099,960 | \$ 517,128,934 | \$ 598,667,697 | \$ 619,540,527 | \$ 648,290,205 | \$ 681,008,072 | \$ 689,509,404 |
| <b>Component Unit:</b>                      |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | \$ 2,312,416   | \$ 877,836     | \$ 2,196,484   | \$ 1,873,613   | \$ 1,968,943   | \$ 5,999,915   | \$ 6,222,119   | \$ 5,697,948   | \$ 4,870,916   | \$ 4,295,348   |
| Restricted                                  | 270,910        | 850,062        | 1,340,387      | 1,325,219      | 834,551        | 3,334,219      | 2,810,117      | 1,462,300      | 1,278,049      | 955,845        |
| Unrestricted                                | (8,030)        | 1,948,887      | 1,341,467      | 2,213,997      | 34,939         | (5,713,208)    | (5,147,792)    | (5,468,141)    | (6,144,689)    | (4,189,009)    |
| Total component unit net position           | \$ 2,575,296   | \$ 3,676,785   | \$ 4,878,338   | \$ 5,412,829   | \$ 2,838,433   | \$ 3,620,926   | \$ 3,884,444   | \$ 1,692,107   | \$ 4,276       | \$ 1,062,184   |

Source: Current and prior years' financial statements

TABLE 2

City of Grand Junction, Colorado  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years

|                                                 | Fiscal Year   |               |               |               |               |               |                |               |               |                |
|-------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------------|
|                                                 | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009           | 2010          | 2011          | 2012           |
| <b>Expenses</b>                                 |               |               |               |               |               |               |                |               |               |                |
| Governmental Activities:                        |               |               |               |               |               |               |                |               |               |                |
| General Government                              | \$ 8,276,802  | \$ 9,548,713  | \$ 9,596,763  | \$ 8,775,975  | \$ 12,412,910 | \$ 16,143,424 | \$ 14,022,155  | \$ 11,591,395 | \$ 12,583,783 | \$ 12,735,595  |
| Public Safety                                   | 19,871,283    | 23,823,248    | 22,904,850    | 24,638,801    | 28,167,497    | 32,068,791    | 32,487,535     | 33,423,757    | 33,105,266    | 41,301,254     |
| Public Works                                    | 12,780,174    | 10,223,079    | 15,386,497    | 19,400,979    | 15,521,625    | 19,680,247    | 21,353,413     | 20,728,384    | 6,512,483     | 19,980,846     |
| Parks and Recreation                            | 5,318,756     | 6,684,183     | 5,175,343     | 4,743,303     | 7,419,519     | 7,965,933     | 8,924,292      | 8,771,342     | 8,425,816     | 10,281,037     |
| Urban Development and Housing                   | 622,802       | 347,218       | 415,306       | 110,694       | 565,373       | 545,715       | 572,726        | 561,457       | 645,572       | 477,886        |
| Interest of Long-Term Debt                      | 234,037       | 3,015,337     | 2,544,479     | 2,474,655     | 3,233,840     | 3,332,614     | 3,188,419      | 3,645,322     | 5,443,771     | 4,713,532      |
| Total Governmental Activities Expense           | 47,103,854    | 53,641,778    | 56,023,238    | 60,144,407    | 67,320,764    | 79,746,724    | 80,548,540     | 78,721,657    | 66,716,691    | 89,490,150     |
| Business-Type Activities:                       |               |               |               |               |               |               |                |               |               |                |
| Water                                           | 4,009,508     | 4,158,777     | 4,222,594     | 4,349,852     | 4,671,765     | 5,067,168     | 5,283,655      | 5,419,125     | 4,881,038     | 5,405,744      |
| Convention Center                               | 1,988,176     | 2,130,427     | 2,641,066     | 2,805,768     | 2,968,119     | 3,514,396     | 3,396,100      | 2,857,866     | 2,600,896     | 2,881,584      |
| Solid Waste Removal                             | 2,190,000     | 2,302,588     | 2,340,292     | 2,632,219     | 2,820,253     | 2,907,325     | 4,196,468      | 3,462,854     | 3,113,744     | 3,179,267      |
| Swimming Pools                                  | 815,682       | 826,992       | 919,684       | 1,015,665     | 991,685       | 1,014,976     | 1,025,401      | 1,038,563     | 983,212       | -              |
| Golf                                            | 1,919,148     | 2,040,033     | 1,898,642     | 1,966,353     | 2,123,769     | 2,285,777     | 2,472,997      | 2,266,394     | 2,181,540     | 2,072,890      |
| Cemeteries                                      | 339,191       | -             | -             | -             | -             | -             | -              | -             | -             | -              |
| Parking                                         | 272,728       | 244,869       | 321,282       | 693,381       | 402,916       | 1,829,547     | 531,711        | 480,383       | 415,355       | 405,744        |
| Irrigation Systems                              | 250,073       | 279,556       | 273,642       | 298,439       | 289,528       | 318,708       | 300,130        | 306,572       | 298,694       | 302,106        |
| Ambulance Transport                             | -             | -             | -             | 865,138       | 2,252,275     | 2,350,943     | 2,308,421      | 2,173,362     | 1,961,509     | -              |
| Total Business-Type Activities Expense          | 11,784,506    | 11,983,242    | 12,617,202    | 14,626,815    | 16,520,310    | 19,288,840    | 19,514,883     | 18,005,119    | 16,435,988    | 14,247,335     |
| Total Primary Government Expenses               | \$ 58,888,360 | \$ 65,625,020 | \$ 68,640,440 | \$ 74,771,222 | \$ 83,841,074 | \$ 99,035,564 | \$ 100,063,423 | \$ 96,726,776 | \$ 83,152,679 | \$ 103,737,485 |
| Total Component Unit Expenses                   | \$ 1,213,309  | \$ 464,709    | \$ 386,262    | \$ 1,378,932  | \$ 4,633,804  | \$ 2,117,208  | \$ 2,636,069   | \$ 4,826,697  | \$ 4,622,211  | \$ 1,511,186   |
| <b>Program Revenues</b>                         |               |               |               |               |               |               |                |               |               |                |
| Governmental Activities:                        |               |               |               |               |               |               |                |               |               |                |
| Charge for Service:                             |               |               |               |               |               |               |                |               |               |                |
| General Government                              | \$ 1,707,755  | \$ 2,072,365  | \$ 2,201,868  | \$ 2,350,160  | \$ 5,451,358  | \$ 2,929,275  | \$ 2,639,601   | \$ 3,274,890  | \$ 3,224,426  | \$ 3,002,193   |
| Public Safety                                   | 4,194,882     | 4,270,121     | 4,636,026     | 4,503,743     | 4,774,346     | 5,895,984     | 6,406,830      | 7,104,163     | 8,071,588     | 10,741,763     |
| Public Works                                    | 668,873       | 1,137,608     | 1,100,555     | 2,595,528     | 3,325,868     | 5,554,332     | 1,884,073      | 2,659,523     | 1,895,207     | 1,927,747      |
| Parks and Recreation                            | 799,011       | 1,187,450     | 1,294,737     | 1,070,852     | 3,199,673     | 2,286,100     | 1,423,145      | 1,461,584     | 1,456,400     | 2,069,864      |
| Operating Grants and Contributions              | 733,500       | 492,464       | 718,425       | 565,044       | 1,182,795     | 1,548,954     | 1,661,118      | 2,184,680     | 3,608,414     | 3,204,209      |
| Capital Grants and Contributions                | 16,358,934    | 20,628,819    | 34,104,271    | 66,735,306    | 56,633,477    | 63,431,598    | 23,963,787     | 26,800,939    | 12,816,892    | 9,936,906      |
| Total Governmental Activities Program Revenues  | 24,462,955    | 29,788,827    | 44,055,882    | 77,820,633    | 74,567,517    | 81,646,243    | 37,978,554     | 43,485,779    | 31,072,927    | 30,882,882     |
| Business-Type Activities:                       |               |               |               |               |               |               |                |               |               |                |
| Water                                           | 4,746,675     | 4,397,730     | 4,476,728     | 4,670,635     | 4,987,126     | 5,293,379     | 5,527,333      | 5,231,378     | 4,913,952     | 5,271,849      |
| Convention Center                               | 1,315,342     | 1,603,083     | 2,114,443     | 2,437,970     | 2,544,726     | 2,840,966     | 2,657,327      | 2,322,730     | 2,279,695     | 2,385,684      |
| Solid Waste Removal                             | 2,234,155     | 2,260,492     | 2,427,094     | 2,500,954     | 2,841,130     | 3,051,483     | 2,976,883      | 3,251,274     | 3,324,152     | 3,311,362      |
| Swimming Pools                                  | 431,336       | 394,625       | 628,073       | 691,810       | 697,770       | 680,496       | 760,756        | 590,332       | 532,456       | -              |
| Golf                                            | 1,641,313     | 1,648,009     | 1,802,903     | 1,956,584     | 2,106,921     | 2,221,204     | 2,147,161      | 1,901,601     | 1,949,258     | 1,980,120      |
| Cemeteries                                      | 173,935       | -             | -             | -             | -             | -             | -              | -             | -             | -              |
| Parking                                         | 384,785       | 355,546       | 326,381       | 338,286       | 343,471       | 504,766       | 540,054        | 412,578       | 487,517       | 491,203        |
| Irrigation Systems                              | 170,378       | 172,016       | 179,837       | 179,837       | 191,854       | 204,956       | 212,043        | 219,820       | 219,367       | 216,915        |
| Ambulance Transport                             | -             | -             | -             | 1,107,880     | 2,313,432     | 2,461,174     | 2,315,001      | 2,027,458     | 2,117,997     | -              |
| Operating Grants and Contributions              | 109,551       | 159,346       | -             | -             | -             | -             | -              | 595,361       | 148,215       | 85,190         |
| Capital Grants and Contributions                | 201,921       | 110,044       | 237,705       | 654,170       | 1,998,637     | 523,422       | 406,834        | 496,259       | 211,850       | 221,151        |
| Total Business-Type Activities Program Revenues | 11,409,391    | 11,100,891    | 12,192,036    | 14,538,126    | 18,025,067    | 17,781,846    | 17,543,392     | 17,048,791    | 16,184,459    | 13,963,474     |
| Total Primary Government Program Revenues       | \$ 35,872,346 | \$ 40,889,718 | \$ 56,247,918 | \$ 92,358,759 | \$ 92,592,584 | \$ 99,428,089 | \$ 55,521,946  | \$ 60,534,570 | \$ 47,257,386 | \$ 44,846,156  |
| Total Component Unit Program Revenues           | \$ 319,453    | \$ 298,779    | \$ 247,614    | \$ 315,417    | \$ 411,870    | \$ 712,232    | \$ 601,094     | \$ 439,960    | \$ 752,974    | \$ 563,206     |



TABLE 2 (Continued)

City of Grand Junction, Colorado  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years

|                                                      | Fiscal Year     |                 |                 |                |                |                |                 |                 |                 |                 |
|------------------------------------------------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
|                                                      | 2003            | 2004            | 2005            | 2006           | 2007           | 2008           | 2009            | 2010            | 2011            | 2012            |
| <b>Net (Expense)/ Revenue</b>                        |                 |                 |                 |                |                |                |                 |                 |                 |                 |
| Governmental Activities                              | \$ (22,640,899) | \$ (23,852,951) | \$ (11,967,356) | \$ 17,676,226  | \$ 7,246,753   | \$ 1,899,519   | \$ (42,569,986) | \$ (35,235,878) | \$ (35,643,764) | \$ (58,607,468) |
| Business-Type Activities                             | (375,115)       | (882,351)       | (425,166)       | (88,689)       | 1,504,757      | (1,506,994)    | (1,971,491)     | (956,328)       | (251,529)       | (283,861)       |
| Total Primary Government Net Expense                 | \$ (23,016,014) | \$ (24,735,302) | \$ (12,392,522) | \$ 17,587,537  | \$ 8,751,510   | \$ 392,525     | \$ (44,541,477) | \$ (36,192,206) | \$ (35,895,293) | \$ (58,891,329) |
| Total Component Unit Net Expense                     | \$ (893,856)    | \$ (165,930)    | \$ (138,648)    | \$ (1,063,515) | \$ (4,221,934) | \$ (1,404,976) | \$ (2,034,975)  | \$ (4,386,737)  | \$ (3,869,237)  | \$ (947,980)    |
| <b>Governmental Activities:</b>                      |                 |                 |                 |                |                |                |                 |                 |                 |                 |
| Taxes                                                |                 |                 |                 |                |                |                |                 |                 |                 |                 |
| Sales & Use Taxes                                    | \$ 37,422,678   | \$ 39,298,456   | \$ 42,825,135   | \$ 50,373,971  | \$ 56,583,254  | \$ 59,447,697  | \$ 46,856,622   | \$ 47,424,012   | \$ 50,312,521   | \$ 50,702,973   |
| Property Taxes                                       | 4,351,646       | 4,619,651       | 4,722,839       | 5,618,112      | 5,926,469      | 8,440,775      | 8,701,650       | 10,146,009      | 10,608,818      | 8,976,292       |
| Franchise Taxes                                      | 1,595,864       | 1,804,821       | 2,008,706       | 2,159,287      | 2,147,224      | 2,456,659      | 2,432,704       | 2,527,530       | 2,572,877       | 2,528,419       |
| Highway Users Tax                                    | 1,436,453       | 1,537,963       | 1,519,215       | 1,763,231      | 1,732,774      | 1,718,004      | 1,940,291       | 2,262,898       | 2,261,503       | 2,186,732       |
| Other Taxes                                          | 954,621         | 2,930,290       | 2,525,925       | 3,544,629      | 3,388,467      | 5,978,962      | 4,024,160       | 1,907,422       | 2,403,354       | 2,648,647       |
| Investment Income (Loss)                             | 824,981         | 2,000,765       | 1,961,415       | 3,093,381      | 4,185,692      | 2,789,072      | 1,299,123       | 635,807         | 435,929         | 329,469         |
| Gain (Loss) on Sale of Capital Assets                | -               | 54,451          | 26,713          | 81,053         | 88,000         | 85,329         | 75,592          | -               | -               | -               |
| Transfers                                            | (832,468)       | (745,711)       | (913,373)       | (2,094,261)    | (875,719)      | (1,695,599)    | (824,955)       | (532,813)       | 1,323,064       | (334,688)       |
| Total Governmental Activities                        | \$ 45,753,775   | \$ 51,500,686   | \$ 54,676,575   | \$ 64,539,403  | \$ 73,176,161  | \$ 79,220,899  | \$ 64,505,187   | \$ 64,370,865   | \$ 69,918,066   | \$ 67,037,844   |
| <b>Business-Type Activities:</b>                     |                 |                 |                 |                |                |                |                 |                 |                 |                 |
| Investment Income                                    | 81,100          | 142,378         | 167,989         | 254,587        | 225,584        | 229,740        | 84,165          | 38,206          | 18,158          | 20,129          |
| Gain (Loss) on Sale of Capital Assets                | -               | (5,095)         | -               | -              | -              | -              | -               | -               | -               | -               |
| Transfers                                            | 832,468         | 745,711         | 913,373         | 2,094,261      | 875,719        | 1,695,599      | 824,955         | 532,813         | (1,323,064)     | 334,688         |
| Total Business-Type Activities                       | \$ 913,568      | \$ 882,994      | \$ 1,081,362    | \$ 2,348,848   | \$ 1,101,303   | \$ 1,925,339   | \$ 909,120      | \$ 571,019      | \$ (1,304,906)  | \$ 354,817      |
| Total Primary Government Activities                  | \$ 46,667,343   | \$ 52,383,680   | \$ 55,757,937   | \$ 66,888,251  | \$ 74,277,464  | \$ 81,146,238  | \$ 65,414,307   | \$ 64,941,884   | \$ 68,613,160   | \$ 67,392,661   |
| <b>Component Unit Activities:</b>                    |                 |                 |                 |                |                |                |                 |                 |                 |                 |
| Property Taxes                                       | 1,172,239       | 1,167,670       | 1,327,496       | 1,445,856      | 1,498,752      | 2,081,840      | 2,179,436       | 2,192,121       | 2,203,253       | 1,984,461       |
| Investment Income (Loss)                             | 42,640          | 99,749          | 58,474          | 152,150        | 198,530        | 105,629        | 119,057         | 57,279          | (21,847)        | 21,427          |
| Gain (Loss) on Sale of Capital Assets                | -               | -               | (45,769)        | -              | (49,744)       | -              | -               | -               | -               | -               |
| Total Component Unit Activities                      | \$ 1,214,879    | \$ 1,267,419    | \$ 1,340,201    | \$ 1,598,006   | \$ 1,647,538   | \$ 2,187,469   | \$ 2,298,493    | \$ 2,249,400    | \$ 2,181,406    | \$ 2,005,888    |
| <b>Change in Net Position</b>                        |                 |                 |                 |                |                |                |                 |                 |                 |                 |
| Governmental Activities                              | \$ 23,112,876   | \$ 27,647,735   | \$ 42,709,219   | \$ 82,215,629  | \$ 80,422,914  | \$ 81,120,418  | \$ 21,935,201   | \$ 29,134,987   | \$ 34,274,302   | \$ 8,430,376    |
| Business-Type Activities                             | 538,453         | 643             | 656,196         | 2,260,159      | 2,606,060      | 418,345        | (1,062,371)     | (385,309)       | (1,556,435)     | 70,956          |
| Total Primary Government                             | \$ 23,651,329   | \$ 27,648,378   | \$ 43,365,415   | \$ 84,475,788  | \$ 83,028,974  | \$ 81,538,763  | \$ 20,872,830   | \$ 28,749,678   | \$ 32,717,867   | \$ 8,501,332    |
| Total Component Unit: Downtown Development Authority | \$ 321,023      | \$ 1,101,489    | \$ 1,201,553    | \$ 534,491     | \$ (2,574,396) | \$ 782,493     | \$ 263,518      | \$ (2,137,337)  | \$ (1,687,831)  | \$ 1,057,908    |

Source: Current and prior year's financial statements

TABLE 3

City of Grand Junction, Colorado  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years

|                                     | Fiscal Year   |               |               |               |               |               |               |               |               |               |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                     | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          |
| <b>General Fund</b>                 |               |               |               |               |               |               |               |               |               |               |
| Nonspendable                        | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 8,329,598  | \$ 7,498,417  |
| Restricted                          | -             | -             | -             | -             | -             | -             | -             | -             | 6,825,911     | 4,945,478     |
| Assigned                            | -             | -             | -             | -             | -             | -             | -             | -             | 1,802,875     | 7,362,016     |
| Unassigned                          | -             | -             | -             | -             | -             | -             | -             | -             | 13,193,886    | 10,535,731    |
| Reserved                            | 2,064,060     | 2,146,185     | 2,105,728     | 6,391,927     | 7,958,173     | 9,135,472     | 9,589,625     | 11,740,961    | -             | -             |
| Unreserved                          | 11,175,753    | 13,084,091    | 17,146,236    | 20,157,996    | 26,430,185    | 18,320,471    | 9,573,798     | 14,916,902    | -             | -             |
| Total General Fund                  | 13,239,813    | 15,230,276    | 19,251,964    | 26,549,923    | 34,388,358    | 27,455,943    | 19,163,423    | 26,657,863    | 30,152,270    | 30,341,642    |
| <b>All Other Governmental Funds</b> |               |               |               |               |               |               |               |               |               |               |
| Nonspendable, reported in:          |               |               |               |               |               |               |               |               |               |               |
| Special Revenue Funds               | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 13,605     | \$ 9,276      |
| Permanent Funds                     | -             | -             | -             | -             | -             | -             | -             | -             | 1,289,972     | 1,309,993     |
| Capital Projects Funds              | -             | -             | -             | -             | -             | -             | -             | -             | 20,157        | 91,149        |
| Restricted, reported in:            |               |               |               |               |               |               |               |               |               |               |
| Special Revenue Funds               | -             | -             | -             | -             | -             | -             | -             | -             | 4,095,089     | 3,192,341     |
| Debt Service Funds                  | -             | -             | -             | -             | -             | -             | -             | -             | 19,245,569    | 4,238,829     |
| Capital Projects Funds              | -             | -             | -             | -             | -             | -             | -             | -             | 23,437,299    | 3,598,365     |
| Committed, reported in:             |               |               |               |               |               |               |               |               |               |               |
| Special Revenue Funds               | -             | -             | -             | -             | -             | -             | -             | -             | 1,353,572     | 1,299,165     |
| Capital Projects Funds              | -             | -             | -             | -             | -             | -             | -             | -             | 571,214       | 924,099       |
| Assigned, reported in:              |               |               |               |               |               |               |               |               |               |               |
| Capital Projects Funds              | -             | -             | -             | -             | -             | -             | -             | -             | 458,557       | 253,027       |
| Reserved                            | 3,803,737     | 54,425,376    | 37,456,559    | 6,659,252     | 1,517,413     | 10,916,914    | 14,581,790    | 18,168,718    | -             | -             |
| Unreserved, reported in:            |               |               |               |               |               |               |               |               |               |               |
| Special Revenue Funds               | 4,089,208     | 3,447,242     | 4,362,767     | 5,640,048     | 4,716,567     | 5,378,544     | 4,569,216     | 4,086,536     | -             | -             |
| Debt Service Funds                  | -             | -             | -             | -             | 150           | (3,420)       | -             | -             | -             | -             |
| Capital Projects Funds              | 6,525,614     | 12,818,435    | 15,981,722    | 19,384,444    | 11,513,358    | 2,482,529     | 1,532,966     | 41,078,067    | -             | -             |
| Total All Other Governmental Funds  | 14,418,559    | 70,691,053    | 57,801,048    | 31,683,744    | 17,747,488    | 18,774,567    | 20,683,972    | 63,333,321    | 50,485,034    | 14,916,244    |
| <b>Total Governmental Funds</b>     | \$ 27,658,372 | \$ 85,921,329 | \$ 77,053,012 | \$ 58,233,667 | \$ 52,135,846 | \$ 46,230,510 | \$ 39,847,395 | \$ 89,991,184 | \$ 80,637,304 | \$ 45,257,886 |

Note: The City of Grand Junction implemented GASB 54 as of December 31, 2011

Source: Current and prior year's financial statements.

TABLE 4

City of Grand Junction, Colorado  
**CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years

|                                                         | Fiscal Year   |               |                |                 |                |                |                |               |                |                 |
|---------------------------------------------------------|---------------|---------------|----------------|-----------------|----------------|----------------|----------------|---------------|----------------|-----------------|
|                                                         | 2003          | 2004          | 2005           | 2006            | 2007           | 2008           | 2009           | 2010          | 2011           | 2012            |
| <b>Revenues</b>                                         |               |               |                |                 |                |                |                |               |                |                 |
| Taxes                                                   | \$ 45,761,262 | \$ 50,191,182 | \$ 53,601,820  | \$ 63,459,234   | \$ 69,778,188  | \$ 78,042,097  | \$ 63,955,427  | \$ 64,267,871 | \$ 68,159,073  | \$ 67,043,063   |
| Licenses, Fees, and Permits                             | 118,616       | 111,452       | 114,921        | 101,165         | 113,224        | 129,993        | 121,783        | 118,128       | 116,930        | 110,618         |
| Intergovernmental                                       | 1,961,442     | 3,065,737     | 2,002,220      | 3,535,141       | 4,260,519      | 12,009,672     | 4,955,308      | 4,476,793     | 5,131,948      | 5,096,820       |
| Charges for Services                                    | 5,488,457     | 5,884,254     | 6,077,290      | 11,513,267      | 8,633,619      | 8,997,208      | 8,311,362      | 9,923,697     | 9,940,383      | 12,462,603      |
| Fines and Forfeitures                                   | 564,294       | 701,941       | 546,162        | 1,001,569       | 1,152,790      | 1,094,388      | 945,666        | 1,234,810     | 1,296,959      | 1,533,575       |
| Special Assessments                                     | 34,230        | 148,289       | 65,949         | 75,103          | 146,610        | 24,493         | 92,198         | 49,372        | 32,868         | 15,814          |
| Investment Earnings                                     | 488,268       | 1,547,469     | 1,622,584      | 2,982,954       | 3,270,125      | 1,968,465      | 984,031        | 553,700       | 423,863        | 289,435         |
| Other Income                                            | 2,012,121     | 1,237,322     | 2,646,942      | 1,185,987       | 902,798        | 283,116        | 136,935        | 130,638       | 47,399         | 45,683          |
| Other Contributions                                     | 11,891        | 192,283       | 49,232         | 70,874          | 1,063,174      | 873,869        | 196,833        | 176,607       | 456,452        | 1,273,521       |
| Total Revenues                                          | 56,440,581    | 63,079,929    | 66,727,120     | 83,925,294      | 89,321,047     | 103,423,301    | 79,699,543     | 80,931,616    | 85,605,875     | 87,871,132      |
| <b>Expenditures</b>                                     |               |               |                |                 |                |                |                |               |                |                 |
| General Government                                      | \$ 8,288,652  | \$ 8,716,681  | \$ 9,207,102   | \$ 10,404,115   | \$ 12,336,103  | \$ 15,596,506  | \$ 13,793,482  | \$ 10,301,970 | \$ 10,692,566  | \$ 10,922,302   |
| Public Safety                                           | 18,553,410    | 19,977,861    | 20,490,870     | 22,930,060      | 25,791,977     | 29,657,426     | 29,092,018     | 27,193,471    | 28,691,061     | 33,791,689      |
| Public Works                                            | 7,564,156     | 8,049,960     | 8,185,303      | 8,865,640       | 9,562,091      | 10,779,300     | 9,954,111      | 9,686,215     | 10,035,622     | 9,752,185       |
| Parks and Recreation                                    | 4,731,828     | 5,378,915     | 5,302,211      | 5,795,820       | 6,432,863      | 7,273,190      | 7,347,609      | 7,067,698     | 7,083,898      | 8,421,297       |
| Urban Development and Housing                           | 622,802       | 347,218       | 593,786        | 249,847         | 565,373        | 545,715        | 572,726        | 561,457       | 645,572        | 477,886         |
| Debt Service                                            | -             | -             | -              | -               | -              | -              | -              | -             | -              | 17,812,681      |
| Advance Refunding Escrow                                | 826,281       | 869,787       | 1,914,672      | 2,216,032       | 2,584,661      | 3,907,232      | 3,883,479      | 4,073,479     | 4,275,000      | 5,130,000       |
| Principal Retirement                                    | 239,118       | 1,538,367     | 2,829,739      | 2,757,618       | 3,254,707      | 3,693,947      | 3,508,632      | 3,317,358     | 5,858,657      | 5,268,794       |
| Interest and Fiscal Charges                             | -             | 723,626       | -              | -               | 163,569        | -              | -              | 364,048       | -              | 146,923         |
| Bond Issuance Costs                                     | -             | -             | -              | -               | -              | -              | -              | -             | -              | -               |
| Capital Outlay: Construction                            | 10,555,511    | 19,983,688    | 25,615,550     | 46,927,452      | 55,168,305     | 36,484,253     | 16,879,724     | 9,916,907     | 26,126,955     | 28,376,550      |
| Total Expenditures                                      | 51,381,758    | 65,586,103    | 74,139,233     | 100,146,584     | 115,859,649    | 107,937,569    | 85,031,781     | 72,482,603    | 93,409,331     | 120,100,307     |
| <b>Other Financing Sources (Uses)</b>                   |               |               |                |                 |                |                |                |               |                |                 |
| Transfers In                                            | 3,787,288     | 8,278,967     | 7,907,490      | 13,272,934      | 25,222,052     | 41,941,154     | 24,695,090     | 15,000,174    | 13,823,542     | 13,491,409      |
| Transfers Out                                           | (5,921,856)   | (7,949,841)   | (9,651,371)    | (16,525,948)    | (28,794,574)   | (43,974,059)   | (25,745,967)   | (15,652,330)  | (15,453,966)   | (16,792,117)    |
| Bonds Issued                                            | -             | 57,075,000    | -              | 654,860         | 22,925,000     | -              | -              | -             | -              | 30,645,000      |
| Bond Premium                                            | -             | 3,652,683     | -              | -               | 997,936        | -              | -              | -             | -              | 5,512,594       |
| Payment to Refunded Bond Escrow Agent                   | -             | -             | -              | -               | -              | -              | -              | -             | -              | (36,007,129)    |
| Certificates of Participation Issued                    | -             | -             | -              | -               | -              | -              | -              | 42,670,000    | -              | -               |
| Discount on Certificates of Participation               | -             | -             | -              | -               | -              | -              | -              | (422,392)     | -              | -               |
| Sale of Capital Assets                                  | -             | -             | -              | -               | -              | -              | -              | 99,324        | 80,000         | -               |
| Total Other Financing Sources(Uses)                     | (2,134,568)   | 61,056,809    | (1,743,881)    | (2,598,054)     | 20,440,781     | (1,391,068)    | (1,050,877)    | 41,694,776    | (1,550,424)    | (3,150,243)     |
| Net Change In Fund Balances                             | \$ 2,924,255  | \$ 58,550,635 | \$ (9,155,994) | \$ (18,819,344) | \$ (6,097,821) | \$ (5,905,336) | \$ (6,383,115) | \$ 50,143,789 | \$ (9,353,880) | \$ (35,379,418) |
| Debt Service as a Percentage of Noncapital Expenditures | 2.6%          | 5.3%          | 9.8%           | 9.3%            | 9.7%           | 10.8%          | 10.9%          | 11.9%         | 18.7%          | 11.3%           |

Source: Current and prior year's financial statements.

TABLE 5

City of Grand Junction, Colorado  
**SALES TAX REVENUE BY TYPE OF INDUSTRY<sup>1</sup>**  
 Last Ten Fiscal Years

| Fiscal Year | Auto & Campers | Building Materials | Clothing/ Department Stores | Drug Stores | Furniture & Appliances | Grocery Stores | Liquor Stores | Motels & Hotels | Other      | Restaurants | Service Stations | Total Sales Tax | Total Direct Tax Rate |
|-------------|----------------|--------------------|-----------------------------|-------------|------------------------|----------------|---------------|-----------------|------------|-------------|------------------|-----------------|-----------------------|
| 2003        | 3,477,295      | 3,640,993          | 7,213,733                   | 169,377     | 743,664                | 744,133        | 558,225       | 793,845         | 9,644,774  | 3,053,336   | 237,627          | 30,277,002      | 2.75%                 |
| 2004        | 4,281,235      | 3,813,959          | 7,109,518                   | 139,758     | 398,699                | 606,240        | 580,068       | 811,876         | 11,230,952 | 3,274,269   | 247,399          | 32,493,973      | 2.75%                 |
| 2005        | 4,588,778      | 4,075,360          | 7,531,171                   | 147,299     | 481,625                | 599,540        | 627,954       | 940,652         | 12,097,267 | 3,526,455   | 294,708          | 34,910,809      | 2.75%                 |
| 2006        | 5,671,555      | 4,847,206          | 8,340,443                   | 193,003     | 533,528                | 636,540        | 699,893       | 1,083,818       | 14,843,131 | 3,817,821   | 340,162          | 41,007,100      | 2.75%                 |
| 2007        | 6,330,907      | 5,850,932          | 8,976,739                   | 259,764     | 566,242                | 694,839        | 790,822       | 1,335,710       | 16,074,066 | 4,242,729   | 366,202          | 45,488,952      | 2.75%                 |
| 2008        | 6,413,694      | 5,867,638          | 8,876,297                   | 258,197     | 497,265                | 737,283        | 885,924       | 1,502,984       | 17,004,461 | 4,548,239   | 434,299          | 47,026,281      | 2.75%                 |
| 2009        | 4,864,852      | 4,073,914          | 7,879,172                   | 211,381     | 358,332                | 728,805        | 919,756       | 1,169,215       | 13,363,210 | 4,287,052   | 377,156          | 38,232,845      | 2.75%                 |
| 2010        | 5,231,731      | 3,631,602          | 7,861,591                   | 177,262     | 326,914                | 733,309        | 919,192       | 1,123,008       | 14,303,709 | 4,173,373   | 328,080          | 38,809,771      | 2.75%                 |
| 2011        | 5,208,289      | 3,814,687          | 8,158,366                   | 185,270     | 421,465                | 834,335        | 952,648       | 1,171,954       | 14,422,094 | 4,334,807   | 386,957          | 39,890,872      | 2.75%                 |
| 2012        | 5,381,939      | 3,645,309          | 8,129,361                   | 167,731     | 566,656                | 890,774        | 996,043       | 1,217,866       | 14,352,409 | 4,572,975   | 380,283          | 40,301,346      | 2.75%                 |

<sup>1</sup> Excludes use tax and the city's share of county sales tax. Refer to Table 8 for total sales and use tax collections.

Source: City Financial Operations Department: Sales Tax Reports

## 2012 Sales Tax Revenue by Type of Industry

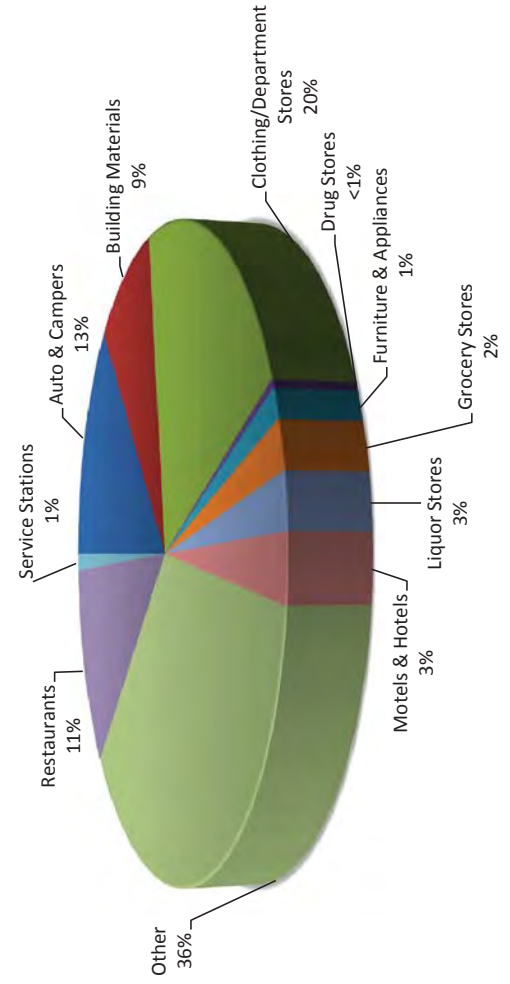


TABLE 6

City of Grand Junction, Colorado  
**DIRECT AND OVERLAPPING SALES TAX RATES**  
 Last Ten Fiscal Years

---

| Fiscal<br>Year | City Direct Rate             |                                   | Overlapping Rates |                      | Total<br>Overlapping<br>Sales Tax<br>Rate |
|----------------|------------------------------|-----------------------------------|-------------------|----------------------|-------------------------------------------|
|                | City of<br>Grand<br>Junction | Total Direct<br>Sales Tax<br>Rate | Mesa<br>County    | State of<br>Colorado |                                           |
| 2003           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2004           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2005           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2006           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2007           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2008           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2009           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2010           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2011           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2012           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |

Notes:           The City's sales tax rate may be increased only by a majority vote of the City's residents.

Source:           City Financial Operations Department: Sales Tax Reports

---

TABLE 7

City of Grand Junction, Colorado  
**PRINCIPAL SALES TAX PAYERS**  
 Last Ten Fiscal Years

|                                                   | 2003                 | 2004                 | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 |
|---------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Aggregate Top Ten Filers <sup>1,2</sup>           | \$ 8,081,004         | \$ 8,587,499         | \$ 9,200,730         | \$ 10,330,320        | \$ 10,843,864        | \$ 11,216,552        | \$ 9,889,256         | \$ 9,964,913         | \$ 9,809,972         | \$ 9,742,148         |
| Aggregate All Other Filers <sup>2</sup>           | 22,195,998           | 23,906,474           | 25,710,079           | 30,676,780           | 34,645,088           | 35,809,729           | 28,343,589           | 28,844,858           | 30,080,900           | 30,559,198           |
| Total Sales Tax                                   | <u>\$ 30,277,002</u> | <u>\$ 32,493,973</u> | <u>\$ 34,910,809</u> | <u>\$ 41,007,100</u> | <u>\$ 45,488,952</u> | <u>\$ 47,026,281</u> | <u>\$ 38,232,845</u> | <u>\$ 38,809,771</u> | <u>\$ 39,890,872</u> | <u>\$ 40,301,346</u> |
| Top Ten Filers as a Percentage of Total Sales Tax | 26.69%               | 26.43%               | 26.35%               | 25.19%               | 23.84%               | 23.85%               | 25.87%               | 25.68%               | 24.59%               | 24.17%               |

<sup>1</sup> Colorado State Statutes and the City of Grand Junction Ordinances prohibit disclosure of individual sales tax returns, therefore the current year top ten filers are listed in alphabetical order as follows: Best Buy, Cabela's, Home Depot, Lowes, Mesa County Colorado, Sams Club, Target Stores, Walmart-North Avenue, Walmart-Rimrock and Xcel Energy.

<sup>2</sup> Excludes use tax and the city's share of county sales tax. Refer to Table 8 for total sales and use tax collections.

Source: City Financial Operations Department: Sales Tax Reports

**Top Ten Filers as a Percentage of Total Sales Tax**

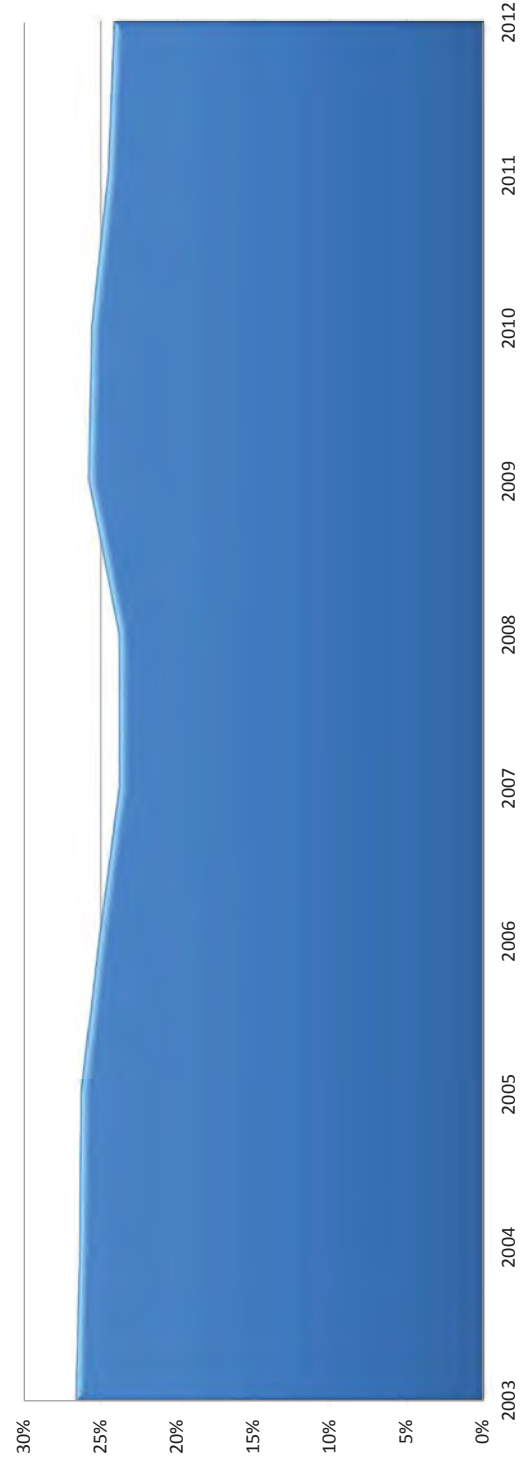


TABLE 8

City of Grand Junction, Colorado  
**SALES AND USE TAX COLLECTIONS**  
 Last Ten Fiscal Years

| Fiscal Year | City<br>Sales Tax | City<br>Use Tax | City Share<br>of County<br>Sales Tax | Lodging<br>Tax | Total      |
|-------------|-------------------|-----------------|--------------------------------------|----------------|------------|
| 2003        | 30,277,002        | 1,780,922       | 4,594,439                            | 770,315        | 37,422,678 |
| 2004        | 32,493,973        | 1,183,845       | 4,830,477                            | 790,161        | 39,298,456 |
| 2005        | 34,910,809        | 1,599,762       | 5,386,015                            | 928,549        | 42,825,135 |
| 2006        | 41,007,100        | 2,165,095       | 6,120,684                            | 1,081,096      | 50,373,975 |
| 2007        | 45,488,952        | 2,690,355       | 7,080,141                            | 1,323,806      | 56,583,254 |
| 2008        | 47,026,281        | 3,696,770       | 7,216,665                            | 1,507,981      | 59,447,697 |
| 2009        | 38,232,845        | 1,711,356       | 5,721,514                            | 1,190,907      | 46,856,622 |
| 2010        | 38,809,771        | 2,110,934       | 5,354,386                            | 1,148,921      | 47,424,012 |
| 2011        | 39,890,872        | 3,560,160       | 5,727,861                            | 1,133,628      | 50,312,521 |
| 2012        | 40,301,346        | 3,230,026       | 5,959,563                            | 1,212,038      | 50,702,973 |

Source: City Financial Operations Department: Sales Tax Reports

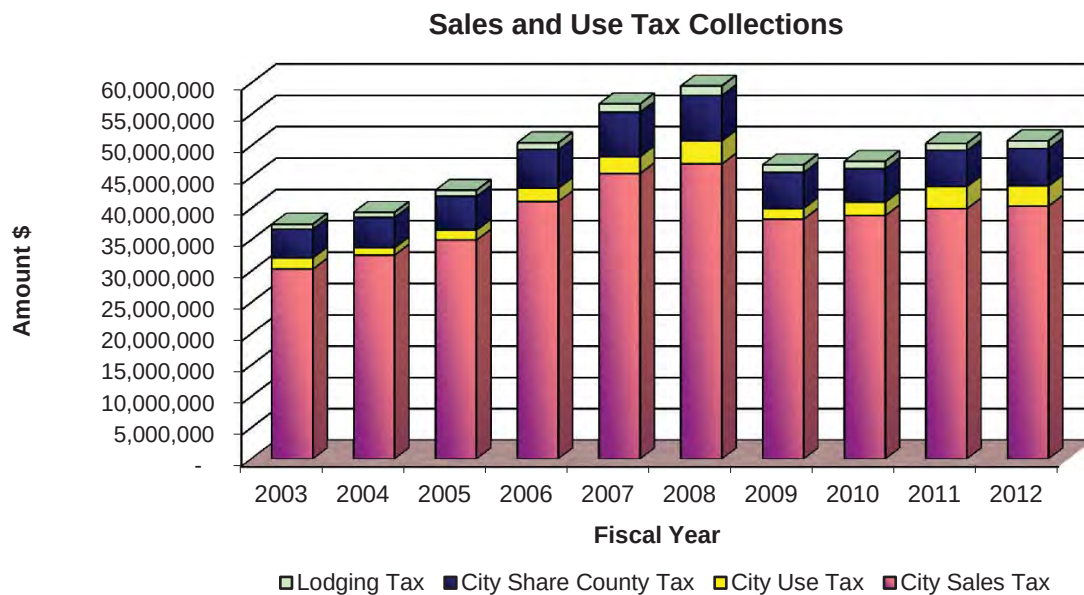


TABLE 9

City of Grand Junction, Colorado  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**TO PERSONAL INCOME AND OUTSTANDING DEBT PER CAPITA<sup>1</sup>**  
 Last Ten Fiscal Years

| Fiscal Year | Population <sup>A</sup> | Personal Income In Thousands <sup>C</sup> | Governmental Activities               |               |                  | Business-Type Activities |                  |              |                          | Ratio of Outstanding Debt to Personal Income |  | Outstanding Debt Per Capita |
|-------------|-------------------------|-------------------------------------------|---------------------------------------|---------------|------------------|--------------------------|------------------|--------------|--------------------------|----------------------------------------------|--|-----------------------------|
|             |                         |                                           | General Obligation Bonds <sup>1</sup> | Revenue Bonds | Promissory Notes | Capital Leases           | Promissory Notes | Loan Payable | Total Primary Government |                                              |  |                             |
| 2003        | 46,861                  | 1,209,108                                 | 2,171,383                             | -             | 159,213          | 1,882,737                | 115,474          | 3,490,034    | 7,818,841                | 0.47%                                        |  | 121                         |
| 2004        | 48,325                  | 1,318,403                                 | 1,927,348                             | 60,604,780    | 133,134          | 1,283,063                | 107,346          | 3,347,672    | 67,403,343               | 4.97%                                        |  | 1,355                       |
| 2005        | 49,420                  | 1,425,965                                 | 1,668,791                             | 59,359,891    | 104,448          | 655,636                  | 98,812           | 3,200,316    | 65,087,894               | 4.45%                                        |  | 1,283                       |
| 2006        | 51,569                  | 1,656,035                                 | 1,389,950                             | 57,867,070    | 72,893           | -                        | 89,850           | 3,052,921    | 62,472,684               | 3.69%                                        |  | 1,184                       |
| 2007        | 53,662                  | 1,874,682                                 | 1,090,000                             | 79,664,693    | 38,181           | -                        | 80,441           | 2,900,164    | 83,773,479               | 4.41%                                        |  | 1,541                       |
| 2008        | 55,189                  | 2,060,868                                 | 935,000                               | 75,815,801    | -                | -                        | 70,561           | 2,747,362    | 79,568,724               | 3.82%                                        |  | 1,425                       |
| 2009        | 56,446                  | 1,963,813                                 | 770,000                               | 71,838,039    | -                | -                        | -                | 2,589,193    | 75,197,232               | 3.79%                                        |  | 1,319                       |
| 2010        | 58,566                  | 2,084,423                                 | 595,000                               | 67,723,497    | -                | 42,286,843               | -                | 6,201,050    | 116,806,390              | 5.58%                                        |  | 1,984                       |
| 2011        | 58,702                  | 2,038,310                                 | 410,000                               | 63,459,413    | -                | 42,097,628               | -                | 5,864,020    | 111,831,061              | 5.47%                                        |  | 1,898                       |
| 2012        | 60,170 <sup>B</sup>     | 2,169,008 <sup>D</sup>                    | 210,000                               | 43,920,951    | -                | 41,266,270               | -                | 5,534,201    | 90,931,422               | 4.18%                                        |  | 1,508                       |

<sup>1</sup> The general obligation bonds consist of the Ridges Metropolitan District debt and the Grand Junction West Water and Sanitation District debt which are excluded from our ratio of outstanding debt to personal income calculation and our debt per capita calculation because they are to be paid with special property tax levies on property within these Districts only.

Source: Current and prior year's financial statements

<sup>A</sup> Colorado DOLA Demography Section - All other City Financial Operations Department

<sup>B</sup> Estimate, Colorado Department of Local Affairs, State Demography Office

<sup>C</sup> Bureau of Economic Analysis

<sup>D</sup> Estimate, based on prior year data and Bureau of Economic Analysis



TABLE 10

City of Grand Junction, Colorado  
**RATIO OF NET GENERAL BONDED DEBT  
 TO PERSONAL INCOME AND NET BONDED DEBT PER CAPITA<sup>1</sup>**  
 Last Ten Fiscal Years

| Fiscal Year | Popu-lation <sup>A</sup> | Personal Income in Thousands <sup>C</sup> | Revenue Bonded Debt | Debt Service Monies Avail-able | Debt Payable From Enterprise Revenues | Net Bonded Debt | Ratio of Net Bonded Debt to Personal Income | Bonded Debt Per Capita |
|-------------|--------------------------|-------------------------------------------|---------------------|--------------------------------|---------------------------------------|-----------------|---------------------------------------------|------------------------|
| 2003        | 46,861                   | 1,209,108                                 | -                   | -                              | -                                     | -               | 0.00%                                       | -                      |
| 2004        | 48,325                   | 1,318,403                                 | 60,604,780          | 52,948,731                     | -                                     | 7,656,049       | 0.58%                                       | 158                    |
| 2005        | 49,420                   | 1,425,965                                 | 59,359,891          | 36,917,477                     | -                                     | 22,442,414      | 1.57%                                       | 454                    |
| 2006        | 51,569                   | 1,656,035                                 | 57,867,070          | 6,240,215                      | -                                     | 51,626,855      | 3.12%                                       | 1,001                  |
| 2007        | 53,662                   | 1,874,682                                 | 79,664,693          | 3,568,205                      | -                                     | 76,096,488      | 4.06%                                       | 1,418                  |
| 2008        | 55,189                   | 2,060,868                                 | 75,815,801          | 9,374,254                      | -                                     | 66,441,547      | 3.22%                                       | 1,204                  |
| 2009        | 56,446                   | 1,963,813                                 | 71,838,039          | 12,186,977                     | -                                     | 59,651,062      | 3.04%                                       | 1,057                  |
| 2010        | 58,566                   | 2,084,423                                 | 67,723,497          | 15,100,529                     | -                                     | 52,622,968      | 2.52%                                       | 899                    |
| 2011        | 58,702                   | 2,038,310                                 | 63,459,413          | 19,079,054                     | -                                     | 44,380,359      | 2.18%                                       | 756                    |
| 2012        | 60,170 <sup>B</sup>      | 2,169,008 <sup>D</sup>                    | 43,920,951          | 4,117,083                      | -                                     | 39,803,868      | 1.84%                                       | 662                    |

Notes: Details regarding the city's outstanding debt can be found in note 7 of the financial statements.

The general obligation bonds consist of Ridges Metropolitan District debt and the Grand Junction West Water and Sanitation District debt which are excluded because they are to be paid with special property tax levys on property within these Districts only.

Source:

<sup>A</sup> Colorado DOLA Demography Section - All other City Financial Operations Department

<sup>B</sup> Estimate, Colorado Department of Local Affairs, State Demography Office

<sup>C</sup> Bureau of Economic Analysis

<sup>D</sup> Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 11

City of Grand Junction, Colorado  
**COMPUTATION OF LEGAL DEBT MARGIN**  
 December 31, 2012

---

|                                                                                                                           |                              |                       |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------|
| Estimated actual value as determined by Assessor <sup>A</sup>                                                             |                              | \$ 6,637,671,630      |
|                                                                                                                           |                              | <u>6,637,671,630</u>  |
| Debt limit - 3% of actual value                                                                                           |                              | \$ 199,130,149        |
| <br>Total General Obligation Debt <sup>B</sup>                                                                            | <br>\$ 210,000               |                       |
| Less: Ridges Metropolitan District bonds<br>supported by a special tax levy paid<br>only within the District <sup>B</sup> | <br><br><br><u>(210,000)</u> |                       |
| <br>Total amount of debt applicable to debt limit                                                                         |                              | <br><u>-</u>          |
| Legal debt margin                                                                                                         |                              | \$ <u>199,130,149</u> |
| <br>Source:                                                                                                               |                              |                       |
| <sup>A</sup> Mesa County Assessor                                                                                         |                              |                       |
| <sup>B</sup> City Financial Operations Department                                                                         |                              |                       |

---

TABLE 12

City of Grand Junction, Colorado  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT <sup>1</sup>**  
 December 31, 2012

| <u>Jurisdiction</u>                                    | <u>Net Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable<br/>to City of<br/>Grand Junction</u> | <u>Amount<br/>Applicable<br/>to City of<br/>Grand Junction</u> |
|--------------------------------------------------------|---------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------|
| Direct:                                                |                                 |                                                                    |                                                                |
| City of Grand Junction <sup>A</sup>                    | \$ 80,355,000                   | 100.00%                                                            | \$ 80,355,000                                                  |
| Overlapping:                                           |                                 |                                                                    |                                                                |
| Mesa County Valley School District No. 51 <sup>B</sup> | 102,060,000                     | 50.04%                                                             | 51,069,413                                                     |
| Mesa County <sup>C</sup>                               | 18,045,000                      | 50.04%                                                             | 9,029,469                                                      |
| Total                                                  |                                 |                                                                    | <u>\$ 140,453,882</u>                                          |

## Notes:

<sup>1</sup> Computation of overlapping debt includes only the three major governmental units and excludes several special districts that partially overlap the City. For the purposes of GASB Statement 44, certificates of participation are included in the overlapping debt calculation. However, certificates of participation do not constitute a general obligation or other indebtedness or multiple fiscal year financial obligations within the meaning of any constitutional or statutory debt limitation.

## Source:

- <sup>A</sup> City Financial Operations Department  
<sup>B</sup> Mesa County Valley School District No. 51 Finance Department  
<sup>C</sup> Mesa County Financial Services Department

TABLE 13

City of Grand Junction, Colorado  
**REVENUE BOND COVERAGE**  
**WATER BONDS**  
 Last Ten Fiscal Years

| Fiscal<br>Year | Gross<br>Revenue | Direct<br>Operating<br>Expense | Net Revenue<br>Available for<br>Debt Service | Debt Service Requirements |          |       |          |
|----------------|------------------|--------------------------------|----------------------------------------------|---------------------------|----------|-------|----------|
|                |                  |                                |                                              | Principal                 | Interest | Total | Coverage |
| 2003           | 4,811,215        | 3,285,692                      | 1,525,523                                    | -                         | -        | -     | -        |
| 2004           | 4,507,115        | 3,369,394                      | 1,137,721                                    | -                         | -        | -     | -        |
| 2005           | 4,616,835        | 3,444,021                      | 1,172,814                                    | -                         | -        | -     | -        |
| 2006           | 5,003,881        | 3,506,330                      | 1,497,551                                    | -                         | -        | -     | -        |
| 2007           | 5,319,132        | 3,794,036                      | 1,525,096                                    | -                         | -        | -     | -        |
| 2008           | 5,950,066        | 4,129,193                      | 1,820,873                                    | -                         | -        | -     | -        |
| 2009           | 5,977,671        | 4,299,638                      | 1,678,033                                    | -                         | -        | -     | -        |
| 2010           | 5,771,565        | 4,283,596                      | 1,487,969                                    | -                         | -        | -     | -        |
| 2011           | 5,241,766        | 3,860,748                      | 1,381,018                                    | -                         | -        | -     | -        |
| 2012           | 5,578,993        | 4,196,685                      | 1,382,308                                    | -                         | -        | -     | -        |

Source: City Financial Operations Department

TABLE 14

City of Grand Junction, Colorado  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Fiscal Years

| Fiscal Year | City <sup>A</sup><br>Population | County <sup>A</sup><br>Population | Personal<br>Income in<br>Thousands <sup>C</sup> | Per<br>Capita<br>Income <sup>C</sup> | School <sup>B</sup><br>Enrollment | Unemployment Rate <sup>D, E</sup> |                      |
|-------------|---------------------------------|-----------------------------------|-------------------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|----------------------|
|             |                                 |                                   |                                                 |                                      |                                   | Grand<br>Junction MSA             | State of<br>Colorado |
| 2003        | 46,861                          | 125,072                           | 1,209,108                                       | 25,802                               | 20,170                            | 5.6%                              | 6.1%                 |
| 2004        | 48,325                          | 127,808                           | 1,318,403                                       | 27,282                               | 20,207                            | 5.5%                              | 5.6%                 |
| 2005        | 49,420                          | 129,630                           | 1,425,965                                       | 28,854                               | 20,660                            | 5.0%                              | 5.1%                 |
| 2006        | 51,569                          | 135,468                           | 1,656,035                                       | 32,113                               | 20,877                            | 4.0%                              | 4.3%                 |
| 2007        | 53,662                          | 140,416                           | 1,874,682                                       | 34,935                               | 21,396                            | 3.2%                              | 3.8%                 |
| 2008        | 55,189                          | 144,440                           | 2,060,868                                       | 37,342                               | 22,272                            | 3.9%                              | 4.8%                 |
| 2009        | 56,446                          | 147,522                           | 1,963,813                                       | 34,791                               | 22,147                            | 9.3%                              | 8.1%                 |
| 2010        | 58,566                          | 146,723                           | 2,084,423                                       | 35,591                               | 22,203                            | 10.8%                             | 9.0%                 |
| 2011        | 58,702                          | 149,556                           | 2,038,310                                       | 34,723                               | 22,531                            | 9.9%                              | 8.6%                 |
| 2012        | 60,170 <sup>F</sup>             | 147,753 <sup>F</sup>              | 2,169,008                                       | 36,048 <sup>G</sup>                  | 21,827                            | 9.2%                              | 8.0%                 |

Note:

School enrollment is for Mesa County Valley School District No. 51 which includes the majority of Mesa County.

Source:

- <sup>A</sup> US Census Bureau and Colorado DOLA Demography Office
- <sup>B</sup> Mesa County Valley School District No. 51 - District wide enrollment
- <sup>C</sup> Bureau of Economic Analysis
- <sup>D</sup> US Department of Labor, Bureau of Labor Statistics, Non Seasonally Adjusted
- <sup>E</sup> Prior year reports reflected unemployment rates for Mesa County; those have been replaced in the current year report with unemployment rates for the Grand Junction Metropolitan Statistical Area
- <sup>F</sup> Colorado Department of Local Affairs, State Demography Office
- <sup>G</sup> Estimate, based on prior year data and Bureau of Economic Analysis

## Population, Income and School Enrollment Trend

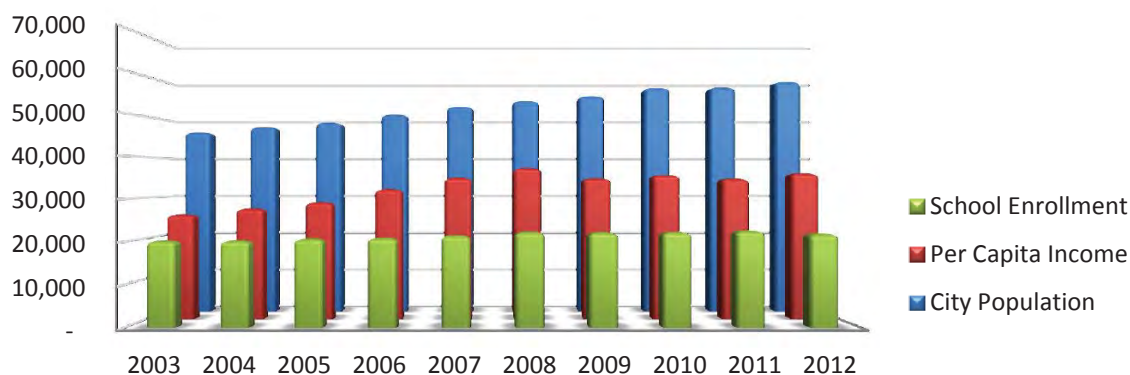


TABLE 15

City of Grand Junction, Colorado  
**TOP 10 PRINCIPAL EMPLOYERS**  
 December 31, 2012  
 Last Ten Fiscal Years

| Employer                            | Type of Business    | 2003 <sup>a</sup> | Percentage of Total Employees | 2004 <sup>a</sup> | Percentage of Total Employees | 2005 <sup>a</sup> | Percentage of Total Employees | 2006 <sup>a</sup> | Percentage of Total Employees | 2007 <sup>a</sup> | Percentage of Total Employees | 2008 <sup>a</sup> | Percentage of Total Employees | 2009 <sup>a</sup> | Percentage of Total Employees | 2010 <sup>a</sup> | Percentage of Total Employees | 2011 <sup>a</sup> | Percentage of Total Employees | 2012 <sup>a</sup> | Percentage of Total Employees |
|-------------------------------------|---------------------|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|
| School District #51                 | Schools             | 2,646             | 4.20%                         | 2,786             | 4.32%                         | 2,429             | 3.62%                         | 2,600             | 3.61%                         | 3,133             | 4.10%                         | 3,200             | 4.06%                         | 3,000             | 4.08%                         | 3,000             | 4.29%                         | 2,554             | 3.53%                         | 2,348             | 3.17%                         |
| St. Mary's Hospital                 | Medical             | 2,073             | 3.29%                         | 1,965             | 3.08%                         | 2,014             | 3.00%                         | 2,000             | 2.78%                         | 2,235             | 2.93%                         | 2,235             | 2.83%                         | 2,191             | 2.98%                         | 2,068             | 2.96%                         | 1,494             | 2.07%                         | 1,548             | 2.09%                         |
| Mesa County                         | Government          | 869               | 1.38%                         | 872               | 1.35%                         | 927               | 1.38%                         | 925               | 1.29%                         | 977               | 1.28%                         | 982               | 1.24%                         | 978               | 1.33%                         | 980               | 1.40%                         | 962               | 1.33%                         | 987               | 1.33%                         |
| State of Colorado                   | Government          | 580               | 0.92%                         | 922               | 1.43%                         | 969               | 1.45%                         | 982               | 1.37%                         | 982               | 1.29%                         | 1,197             | 1.52%                         | 1,212             | 1.65%                         | 995               | 1.42%                         | 973               | 1.35%                         | 902               | 1.22%                         |
| Star Tek USA                        | Services            | 550               | 0.87%                         |                   |                               |                   |                               | 600               | 0.83%                         | 625               | 0.82%                         |                   |                               | 595               | 0.81%                         | 600               | 0.86%                         |                   |                               | 860               | 1.16%                         |
| VA Medical Center                   | Medical             |                   |                               | 1,015             | 1.57%                         | 900               | 1.34%                         | 808               | 1.12%                         | 968               | 1.27%                         | 1,202             | 1.52%                         | 1,219             | 1.66%                         | 672               | 0.96%                         | 600               | 0.83%                         | 648               | 0.87%                         |
| City of Grand Junction              | Government Services | 570               | 0.90%                         |                   |                               |                   |                               |                   |                               |                   |                               |                   |                               |                   |                               |                   |                               | 625               | 0.86%                         | 636               | 0.86%                         |
| Hilltop Community Resources         | Services            |                   |                               | 1,440             | 2.23%                         | 1,177             | 1.76%                         | 1,250             | 1.74%                         | 1,440             | 1.89%                         | 1,259             | 1.60%                         | 718               | 0.98%                         | 699               | 1.00%                         | 583               | 0.81%                         | 576               | 0.78%                         |
| Colorado Mesa University            | Schools             | 1,194             | 1.90%                         | 415               | 0.64%                         | 414               | 0.62%                         | 589               | 0.82%                         | 590               | 0.77%                         | 574               | 0.73%                         | 588               | 0.80%                         | 565               | 0.81%                         | 1,656             | 2.29%                         | 416               | 0.56%                         |
| Community Hospital                  | Medical             | 420               | 0.67%                         | 600               | 0.93%                         | 400               | 0.60%                         | 589               | 0.82%                         | 800               | 1.05%                         | 650               | 0.82%                         | 677               | 0.92%                         | 700               | 1.00%                         | 855               | 1.18%                         |                   |                               |
| City Markets, Inc.                  | Retail              | 600               | 0.95%                         |                   |                               | 415               | 0.62%                         | 700               | 0.97%                         | 800               | 1.05%                         | 977               | 1.24%                         |                   |                               |                   |                               |                   |                               |                   |                               |
| Halliburton Energy                  | Services            |                   |                               | 860               | 1.33%                         | 865               | 1.29%                         | 910               | 1.27%                         | 865               | 1.13%                         | 860               | 1.09%                         | 980               | 1.33%                         | 859               | 1.23%                         | 775               | 1.07%                         |                   |                               |
| Walmart                             | Retail              | 1,000             | 1.59%                         | 386               | 0.60%                         |                   |                               |                   |                               |                   |                               |                   |                               |                   |                               |                   |                               |                   |                               |                   |                               |
| Rocky Mountain Health Plans         | Insurance           |                   |                               |                   |                               |                   |                               |                   |                               |                   |                               |                   |                               |                   |                               |                   |                               |                   |                               |                   |                               |
| Other                               |                     | 52,485            | 83.33%                        | 53,645            | 83.12%                        | 56,523            | 84.32%                        | 60,571            | 84.20%                        | 63,729            | 83.48%                        | 66,627            | 84.44%                        | 62,286            | 84.78%                        | 59,645            | 85.30%                        | 64,541            | 89.23%                        | 64,572            | 89.27%                        |
| Total of All Employees <sup>a</sup> |                     | 62,987            |                               | 64,540            |                               | 67,033            |                               | 71,935            |                               | 76,344            |                               | 78,903            |                               | 73,464            |                               | 69,924            |                               | 72,332            |                               | 74,086            |                               |

Source:

<sup>a</sup> Grand Junction Chamber of Commerce (includes Part-Time and Seasonal Employees)  
<sup>b</sup> Grand Junction Economic Partnership (includes Part-Time and Seasonal Employees)

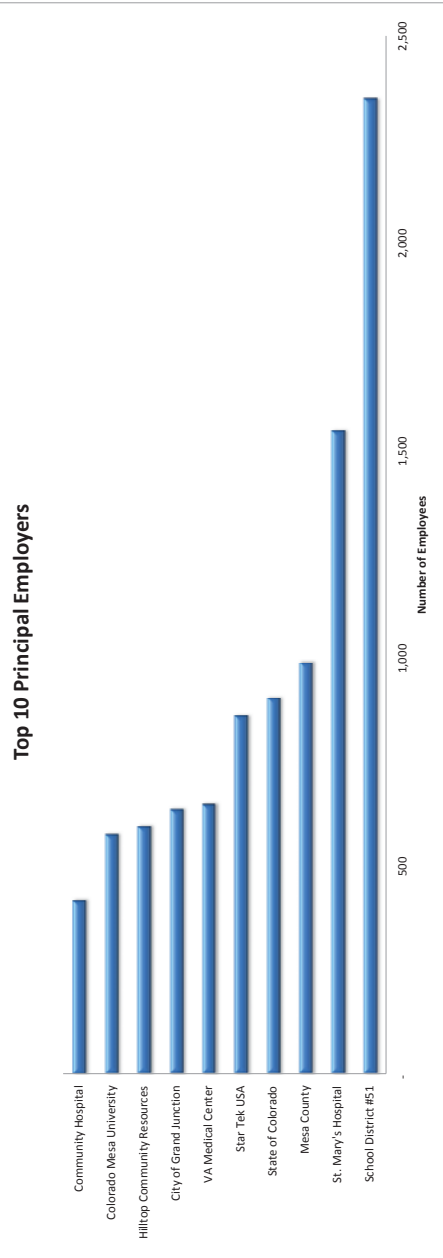


TABLE 16

City of Grand Junction, Colorado  
**MISCELLANEOUS STATISTICS**  
Last Ten Fiscal Years

Date of incorporation: July 19, 1882 <sup>A</sup>

Date charter adopted: September 14, 1909 <sup>A</sup>

Form of government: Council/Manager <sup>A</sup>

City of Grand Junction Employees By Function (FTEs) <sup>E</sup>

| Function             | 2003 | 2004 | 2005 | 2006 | 2007 | 2008  | 2009 | 2010 | 2011 | 2012 |
|----------------------|------|------|------|------|------|-------|------|------|------|------|
| General Government   | 100  | 101  | 102  | 119  | 113  | #REF! | 122  | 115  | 114  | 115  |
| Fire Protection      | 79   | 79   | 83   | 98   | 98   | 99    | 99   | 95   | 96   | 103  |
| Parks and Recreation | 71   | 72   | 70   | 70   | 74   | 87    | 73   | 67   | 68   | 67   |
| Police Protection    |      |      |      |      |      |       |      |      |      |      |
| Sworn                | 85   | 81   | 83   | 91   | 100  | 102   | 107  | 90   | 102  | 103  |
| Non-Sworn            | 63   | 62   | 60   | 70   | 65   | 78    | 80   | 82   | 72   | 80   |
| Public Works         | 172  | 175  | 170  | 161  | 187  | 197   | 187  | 160  | 153  | 156  |
| Total                | 570  | 570  | 568  | 609  | 637  | 679   | 668  | 609  | 605  | 624  |

Building permits: <sup>B</sup>

| Building permits: <sup>B</sup> |          |             | Elections: <sup>A</sup> |                   |                                |            |
|--------------------------------|----------|-------------|-------------------------|-------------------|--------------------------------|------------|
| Year                           | # Issued | Value       | Year                    | Registered Voters | Votes in last General Election | Percentage |
| 2003                           | 2,068    | 163,176,153 | 2003                    | 19,890            | 8,256                          | 41.51%     |
| 2004                           | 2,080    | 158,746,233 | 2004                    | 25,780            | 8,417                          | 32.65%     |
| 2005                           | 2,250    | 234,133,308 | 2005                    | 25,650            | 8,417                          | 32.81%     |
| 2006                           | 2,205    | 286,484,081 | 2006                    | 21,677            | 8,756                          | 40.39%     |
| 2007                           | 2,183    | 323,358,687 | 2007                    | 21,677            | 8,756                          | 40.39%     |
| 2008                           | 1,762    | 254,912,474 | 2008                    | 34,774            | 27,508                         | 79.11%     |
| 2009                           | 984      | 89,935,667  | 2009                    | 27,977            | 8,579                          | 30.66%     |
| 2010                           | 929      | 128,551,321 | 2010                    | 24,558            | 21,463                         | 87.40%     |
| 2011                           | 881      | 96,498,756  | 2011                    | 23,928            | 13,786                         | 57.61%     |
| 2012                           | 899      | 90,830,317  | 2012                    | 29,989            | 29,039                         | 96.83%     |

Education:

| Type                                                               | 2003  | 2004  | 2005  | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   |
|--------------------------------------------------------------------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| Mesa County Valley School District No. 51 Enrollment: <sup>C</sup> |       |       |       |        |        |        |        |        |        |        |
| Elementary                                                         | 9,232 | 9,274 | 9,482 | 10,153 | 10,147 | 10,783 | 10,710 | 10,753 | 10,857 | 10,644 |
| Middle                                                             | 4,664 | 4,765 | 4,872 | 4,751  | 4,729  | 4,882  | 4,868  | 4,860  | 4,946  | 4,807  |
| High                                                               | 5,817 | 6,168 | 6,306 | 5,973  | 6,520  | 6,607  | 6,569  | 6,590  | 6,728  | 6,376  |
| Colorado Mesa University Enrollment: <sup>D</sup>                  | 5,725 | 5,725 | 6,235 | 5,938  | 6,127  | 6,205  | 6,665  | 7,746  | 8,826  | 9,010  |

Source:

- <sup>A</sup> City Clerk
- <sup>B</sup> City Planning Division/Mesa County Building Department
- <sup>C</sup> Mesa County Valley School District No. 51
- <sup>D</sup> Colorado Mesa University
- <sup>E</sup> City Personnel Department

TABLE 17

City of Grand Junction, Colorado  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
 Last Ten Fiscal Years

| Function                              | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Police <sup>B</sup>                   |        |        |        |        |        |        |        |        |        |        |
| Stations                              | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Vehicular Patrol Units                | 30     | 30     | 30     | 31     | 33     | 35     | 38     | 39     | 39     | 40     |
| Canine Units                          | 4      | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 3      |
| Motorcycles Units                     | 4      | 4      | 4      | 6      | 6      | 6      | 8      | 8      | 8      | 8      |
| Bicycles (Attached to Patrol Units)   | 18     | 18     | 18     | 23     | 23     | 26     | 20     | 17     | 22     | 22     |
| Fire Stations <sup>C</sup>            | 4      | 5      | 5      | 5      | 5      | 5      | 5      | 5      | 5      | 5      |
| Public Works <sup>A</sup>             |        |        |        |        |        |        |        |        |        |        |
| Area (Sq Miles)                       | 33.12  | 34.25  | 34.65  | 35.47  | 36.90  | 37.46  | 37.84  | 38.05  | 39.10  | 39.18  |
| Paved Streets (Centerline Miles)      | 284.00 | 304.10 | 318.50 | 333.50 | 342.60 | 353.70 | 357.10 | 360.60 | 361.80 | 362.54 |
| Unpaved Streets (Centerline Miles)    | 3.40   | 3.70   | 3.70   | 3.80   | 3.50   | 4.20   | 4.20   | 4.20   | 5.40   | 5.44   |
| Total Streets (Centerline Miles)      | 287.40 | 307.80 | 322.20 | 337.30 | 346.10 | 357.90 | 361.30 | 364.80 | 367.20 | 367.98 |
| Parks and Recreation <sup>D</sup>     |        |        |        |        |        |        |        |        |        |        |
| Developed Parks (Acres)               | 357.72 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 |
| Undeveloped Parks (Acres)             | 396.50 | 389.00 | 389.00 | 389.00 | 389.00 | 389.00 | 389.00 | 389.00 | 389.00 | 514.11 |
| Total Parks (Acres)                   | 754.22 | 754.22 | 754.22 | 754.22 | 754.22 | 754.22 | 754.22 | 754.22 | 754.22 | 879.33 |
| Swimming Pools                        | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Waterslides                           | 1      | 1      | 1      | 1      | 1      | 2      | 2      | 2      | 2      | 2      |
| Tennis Courts                         | 10     | 16     | 16     | 16     | 16     | 22     | 22     | 22     | 22     | 22     |
| Shelters                              | 18     | 18     | 18     | 18     | 18     | 18     | 18     | 18     | 18     | 19     |
| Baseball Stadiums(Lighted)            | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Baseball Stadiums(Unlighted)          | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Football/Track Stadium (Lighted)      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Softball Fields(Lighted)              | 6      | 6      | 6      | 6      | 6      | 6      | 6      | 6      | 6      | 6      |
| Softball Fields(Unlighted)            | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Golf Courses                          | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Golf Courses (Acres)                  | 156    | 156    | 156    | 156    | 156    | 156    | 156    | 156    | 156    | 156    |
| Outdoor Basketball Courts (Lighted)   | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Outdoor Basketball Courts (Unlighted) | 7      | 7      | 7      | 7      | 7      | 10     | 10     | 10     | 10     | 10     |
| Multi-purpose Fields (Lighted)        |        |        | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Multi-purpose Fields (Unlighted)      |        |        | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 12     |
| Auditorium                            | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Senior Recreation Center              | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Riverfront Trail (Miles)              | 14.80  | 14.80  | 14.80  | 14.80  | 14.80  | 18.70  | 18.70  | 19.07  | 19.07  | 21.47  |
| Skateparks                            | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Activity Center                       |        |        |        | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Utilities <sup>E</sup>                |        |        |        |        |        |        |        |        |        |        |
| Storm sewers (Miles)                  | 88.00  | 136.00 | 166.83 | 135.24 | 216.07 | 138.57 | 161.37 | 185.03 | 186.63 | 192.17 |
| Sanitary sewer (Miles)                | 498.00 | 589.00 | 316.14 | 502.57 | 537.64 | 589.70 | 597.81 | 595.27 | 594.68 | 598.35 |

Source:

<sup>A</sup> City Administration GIS Department<sup>B</sup> City Police Department<sup>C</sup> City Fire Department<sup>D</sup> City Parks and Recreation Department<sup>E</sup> City Public Works Department





# **SINGLE AUDIT**



(This page intentionally left blank)

**INDEPENDENT AUDITOR'S REPORT**

June 20, 2013

To the City Council  
City of Grand Junction, Colorado

We have audited the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of and for the year ended December 31, 2012, and our report thereon dated June 20, 2013, which expressed unmodified opinions on those financial statements, appears on page 17. Our audit was conducted for the purpose of forming opinions on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*



(This page intentionally left blank)

City of Grand Junction, Colorado  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended December 31, 2012

| Federal Grantor/Pass Through Grantor/Program Title                                                          | Federal<br>CFDA<br>Number | Award<br>Amount | 2012<br>Amount<br>of Award<br>Expended |
|-------------------------------------------------------------------------------------------------------------|---------------------------|-----------------|----------------------------------------|
| <b>U.S. DEPARTMENT OF HOUSING AND<br/>URBAN DEVELOPMENT</b>                                                 |                           |                 |                                        |
| Community Development Block Grants/<br>Entitlement Grants                                                   | 14.218                    | \$ 700,102      | \$ 171,858                             |
| <b>U.S.DEPARTMENT OF ENERGY</b>                                                                             |                           |                 |                                        |
| Energy Efficiency and Conservation Block Grant-ARRA<br>Passed Through the Colorado Governor's Energy Office | 81.128                    | 229,800         | 41,710                                 |
| Energy Efficiency and Conservation Block Grant-ARRA                                                         | 81.128                    | 78,114          | <u>36,475</u>                          |
| Total U.S. Department of Energy                                                                             |                           |                 | 78,185                                 |
| <b>U.S.DEPARTMENT OF JUSTICE</b>                                                                            |                           |                 |                                        |
| Public Safety Partnership and Community<br>Policing Grants                                                  | 16.710                    | 998,368         | 248,536                                |
| Public Safety Partnership and Community<br>Policing Grants-ARRA                                             | 16.710                    | 1,319,660       | 396,243                                |
| Passed Through the Colorado Department of Revenue<br>Enforcing Underage Drinking Laws Program               | 16.727                    | 40,000          | 27,166                                 |
| Passed Through the Colorado Division of Criminal Justice<br>Edward Byrne Memorial Justice Asst. Grant       | 16.738                    | 50,629          | 40,196                                 |
| Edward Byrne Memorial Formula Grant                                                                         | 16.579                    | 56,384          | <u>28,192</u>                          |
| Total U.S. Department of Justice                                                                            |                           |                 | 740,333                                |
| <b>U.S.DEPARTMENT OF HEALTH AND<br/>HUMAN SERVICES</b>                                                      |                           |                 |                                        |
| Early Retiree Reinsurance Program                                                                           | 93.546                    | 136,323         | 68,831                                 |
| Passed Through Mesa County, Colorado<br>The Drug Free Community Support Program                             | 93.276                    | 37,270          | <u>37,270</u>                          |
| Total U.S. Department of Health and Human Services                                                          |                           |                 | 106,101                                |
| <b>U.S. DEPARTMENT OF TRANSPORTATION</b>                                                                    |                           |                 |                                        |
| Passed Through the Colorado Department of Transportation<br>Highway Planning and Construction               | 20.205                    | 828,000         | 670,950                                |
| <b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>                                                                 |                           |                 |                                        |
| Assistance to Firefighters Grant                                                                            | 97.044                    | 922,007         | <u>288,723</u>                         |
| Total Federal Award Expenditures                                                                            |                           |                 | <u>\$ 2,056,150</u>                    |

The accompanying notes are an integral part of this schedule.

City of Grand Junction, Colorado

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

December 31, 2012

---

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Grand Junction, Colorado and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**NOTE B – SUB-RECIPIENTS**

Of the federal expenditures presented in the schedule the City of Grand Junction, Colorado provided federal awards to sub-recipients as follows:

| <u>Program Title</u>                                      | <u>CFDA #</u> | <u>Amount Provided<br/>to Sub-recipient</u> |
|-----------------------------------------------------------|---------------|---------------------------------------------|
| Community Development Block Grants/<br>Entitlement Grants | 14.218        | \$ 151,935                                  |
| Assistance to Firefighters Grant                          | 97.044        | \$ 74,631                                   |



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

June 20, 2013

To the City Council  
City of Grand Junction, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of and for the year ended December 31, 2012, and the related notes to the financial statements which collectively comprise the City of Grand Junction's basic financial statements, and have issued our report thereon dated June 20, 2013.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

To the City Council  
June 20, 2013

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

*Chadwick, Steinbrenner, Davis & Co., P.C.*





REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

June 20, 2013

To the City Council  
City of Grand Junction, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited the City of Grand Junction, Colorado's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2012. The City of Grand Junction's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City of Grand Junction, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

To the City Council  
June 20, 2013

### **Report on Internal Control Over Compliance**

Management of the City of Grand Junction, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses deficiencies or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Chadwick, Steinhilber, Davis & G., P.C.*

City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2012

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified

not considered to be material weaknesses?

\_\_\_\_\_ yes ✓ none reported

Noncompliance material to financial statements  
noted?

\_\_\_\_\_ yes ✓ no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified

not considered to be material weaknesses?

\_\_\_\_\_ yes ✓ none reported

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

Unqualified Opinion

Any audit findings disclosed that are required  
to be reported in accordance with  
Circular A-133, Section .510(a)?

\_\_\_\_\_ yes ✓ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

20.205

Highway Planning and Construction

16.710

Public Safety Partnership and Community Policing Grants - ARRA

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

✓ yes \_\_\_\_\_ no

City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2012

---

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no financial statement findings.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are findings or no questioned costs required to be reported under OMB Circular A-133.

City of Grand Junction, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2012

---

Prior year findings:

There were no prior year findings.



(This page intentionally left blank)



## **OTHER SUPPLEMENTAL INFORMATION**



(This page intentionally left blank)





REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON OTHER SUPPLEMENTAL INFORMATION

June 20, 2013

To the City Council  
City of Grand Junction, Colorado

We have audited the basic financial statements of the City of Grand Junction, Colorado as of and for the year ended December 31, 2012, and our report thereon dated June 20, 2013, which expressed unmodified opinions on those financial statements, appears on page 17. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grand Junction, Colorado's basic financial statements as a whole. The accompanying Local Highway Finance Report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 basic financial statements as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*



(This page intentionally left blank)

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

|                                                                          |              |                                |
|--------------------------------------------------------------------------|--------------|--------------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b>                                      |              | City or County:                |
|                                                                          |              | City of Grand Junction         |
|                                                                          |              | YEAR ENDING :<br>December 2012 |
| This Information From The Records Of (example - City of _ or County of ) | Prepared By: | Aeron White                    |
|                                                                          | Phone:       | *(970) 256-4012                |

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

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

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

| ITEM                                                     | AMOUNT     | ITEM                                              | AMOUNT     |
|----------------------------------------------------------|------------|---------------------------------------------------|------------|
| <b>A. Receipts from local sources:</b>                   |            | <b>A. Local highway disbursements:</b>            |            |
| 1. Local highway-user taxes                              |            | 1. Capital outlay (from page 2)                   | 3,504,954  |
| a. Motor Fuel (from Item I.A.5.)                         |            | 2. Maintenance:                                   | 2,869,709  |
| b. Motor Vehicle (from Item I.B.5.)                      |            | 3. Road and street services:                      |            |
| c. Total (a.+b.)                                         |            | a. Traffic control operations                     | 670,757    |
| 2. General fund appropriations                           | 7,480,975  | b. Snow and ice removal                           | 100,540    |
| 3. Other local imposts (from page 2)                     | 1,318,917  | c. Other                                          |            |
| 4. Miscellaneous local receipts (from page 2)            | 913,135    | d. Total (a. through c.)                          | 771,297    |
| 5. Transfers from toll facilities                        |            | 4. General administration & miscellaneous         | 222,728    |
| 6. Proceeds of sale of bonds and notes:                  |            | 5. Highway law enforcement and safety             |            |
| a. Bonds - Original Issues                               |            | 6. Total (1 through 5)                            | 7,368,688  |
| b. Bonds - Refunding Issues                              |            | <b>B. Debt service on local obligations:</b>      |            |
| c. Notes                                                 |            | 1. Bonds:                                         |            |
| d. Total (a. + b. + c.)                                  | 0          | a. Interest                                       | 1,324,915  |
| 7. Total (1 through 6)                                   | 9,713,027  | b. Redemption                                     | 4,105,000  |
| <b>B. Private Contributions</b>                          |            | c. Total (a. + b.)                                | 5,429,915  |
| <b>C. Receipts from State government (from page 2)</b>   | 2,414,626  | 2. Notes:                                         |            |
| <b>D. Receipts from Federal Government (from page 2)</b> | 670,950    | a. Interest                                       |            |
| <b>E. Total receipts (A.7 + B + C + D)</b>               | 12,798,603 | b. Redemption                                     |            |
|                                                          |            | c. Total (a. + b.)                                | 0          |
|                                                          |            | 3. Total (1.c + 2.c)                              | 5,429,915  |
|                                                          |            | <b>C. Payments to State for highways</b>          |            |
|                                                          |            | <b>D. Payments to toll facilities</b>             |            |
|                                                          |            | <b>E. Total disbursements (A.6 + B.3 + C + D)</b> | 12,798,603 |

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

|                              | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|------------------------------|--------------|---------------|-------------|--------------|
| <b>A. Bonds (Total)</b>      | 61,495,000   | 30,645,000    | 53,445,000  | 38,695,000   |
| 1. Bonds (Refunding Portion) |              | 30,645,000    | 49,340,000  |              |
| <b>B. Notes (Total)</b>      |              |               |             | 0            |

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

|  | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
|  |                      | 12,798,603        | 12,798,603             |                   | 0                 |

Notes and Comments:

|                                                                 |                                         |                                                             |                           |
|-----------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|---------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b>                             |                                         | STATE:<br>Colorado<br>YEAR ENDING (mm/yy):<br>December 2012 |                           |
| <b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>       |                                         |                                                             |                           |
| <b>ITEM</b>                                                     | <b>AMOUNT</b>                           | <b>ITEM</b>                                                 | <b>AMOUNT</b>             |
| <b>A.3. Other local imposts:</b>                                |                                         | <b>A.4. Miscellaneous local receipts:</b>                   |                           |
| a. Property Taxes and Assessments                               | 15,471                                  | a. Interest on investments                                  | 7,036                     |
| b. Other local imposts:                                         |                                         | b. Traffic Fines & Penalties                                |                           |
| 1. Sales Taxes                                                  |                                         | c. Parking Garage Fees                                      |                           |
| 2. Infrastructure & Impact Fees                                 |                                         | d. Parking Meter Fees                                       |                           |
| 3. Liens                                                        |                                         | e. Sale of Surplus Property                                 |                           |
| 4. Licenses                                                     |                                         | f. Charges for Services                                     | 49,359                    |
| 5. Specific Ownership &/or Other                                | 1,303,446                               | g. Other Misc. Receipts                                     |                           |
| 6. Total (1. through 5.)                                        | 1,303,446                               | h. Other                                                    | 856,740                   |
| c. Total (a. + b.)                                              | 1,318,917                               | i. Total (a. through h.)                                    | 913,135                   |
|                                                                 | (Carry forward to page 1)               |                                                             | (Carry forward to page 1) |
|                                                                 |                                         |                                                             |                           |
| <b>ITEM</b>                                                     | <b>AMOUNT</b>                           | <b>ITEM</b>                                                 | <b>AMOUNT</b>             |
| <b>C. Receipts from State Government</b>                        |                                         | <b>D. Receipts from Federal Government</b>                  |                           |
| 1. Highway-user taxes                                           | 2,186,732                               | 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                                  | 227,894                                 | d. Federal Transit Admin                                    |                           |
| d. Other (Specify) - DOLA Grant                                 |                                         | e. U.S. Corps of Engineers                                  |                           |
| e. Other (Specify)                                              |                                         | f. Other Federal                                            | 670,950                   |
| f. Total (a. through e.)                                        | 227,894                                 | g. Total (a. through f.)                                    | 670,950                   |
| 4. Total (1. + 2. + 3.f)                                        | 2,414,626                               | 3. Total (1. + 2.g)                                         |                           |
|                                                                 |                                         |                                                             | (Carry forward to page 1) |
|                                                                 |                                         |                                                             |                           |
| <b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b> |                                         |                                                             |                           |
|                                                                 | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a) | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b)                    | TOTAL<br>(c)              |
| <b>A.1. Capital outlay:</b>                                     |                                         |                                                             |                           |
| a. Right-Of-Way Costs                                           | 514,414                                 |                                                             | 514,414                   |
| b. Engineering Costs                                            | 143,396                                 | 155,279                                                     | 298,675                   |
| c. Construction:                                                |                                         |                                                             |                           |
| (1). New Facilities                                             |                                         | 57,890                                                      | 57,890                    |
| (2). Capacity Improvements                                      | 16,112                                  | 0                                                           | 16,112                    |
| (3). System Preservation                                        |                                         | 1,830,576                                                   | 1,830,576                 |
| (4). System Enhancement & Operation                             |                                         | 787,287                                                     | 787,287                   |
| (5). Total Construction (1) + (2) + (3) + (4)                   | 16,112                                  | 2,675,753                                                   | 2,691,865                 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)             | 673,922                                 | 2,831,032                                                   | 3,504,954                 |
|                                                                 |                                         |                                                             | (Carry forward to page 1) |
|                                                                 |                                         |                                                             |                           |
| <b>Notes and Comments:</b>                                      |                                         |                                                             |                           |
|                                                                 |                                         |                                                             |                           |

# *Downtown*





(This page intentionally left blank)



# 2013

FISCAL YEAR ENDED DECEMBER 31, 2013



## Comprehensive Annual Financial Report



About our cover...

Lincoln Park, one of Grand Junction's oldest and most beloved parks, is found in the heart of Grand Junction. The relatively small park, 42 acres without the golf course, accommodates activities from the highly competitive to the purely passive, and everything in between. There is a competitive baseball, football, and track facility used by the local university, four high schools, the National Junior College World Series, and a plethora of other user groups, in addition to other typical park amenities such as restrooms, open grass, a playground, shelters, and a swimming pool. This extremely diverse usage means Lincoln Park is a neighborhood park, as well as the premier regional park on the Western Slope serving tens of thousands of city, county, and regional residents. It is safe to say that Lincoln Park is the most intensely used park in the City.

Thanks to a \$250,000 Great Outdoors Colorado grant and community-wide support, the playground and park underwent a major renovation with a new, all inclusive and accessible playground, new trails, removal of an unsafe road cutting through the park, and an educational arboretum trail highlighting 69 different tree species found in the park. This renovation earned the park a 2013 Colorado Lottery Starburst Award and a Colorado Parks and Recreation Association Columbine Award for Design.





# Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2013

Prepared by:

Financial Operations Department

Jodi Romero, Financial Operations Director



# TABLE OF CONTENTS

|                                                                                                                                                     | <u>Page</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>INTRODUCTORY SECTION</b>                                                                                                                         |             |
| Letter of Transmittal .....                                                                                                                         | 3           |
| Certificate of Achievement for Excellence in Financial Reporting.....                                                                               | 11          |
| City Organization Chart .....                                                                                                                       | 12          |
| City Map, Election District Boundaries .....                                                                                                        | 13          |
| List of City Officials .....                                                                                                                        | 13          |
| <b>FINANCIAL SECTION</b>                                                                                                                            |             |
| <b>Report of Independent Certified Public Accountants .....</b>                                                                                     | <b>17</b>   |
| <b>Management’s Discussion and Analysis.....</b>                                                                                                    | <b>19</b>   |
| <b>Basic Financial Statements.....</b>                                                                                                              | <b>29</b>   |
| Government-wide Financial Statements:                                                                                                               |             |
| Statement of Net Position.....                                                                                                                      | 31          |
| Statement of Activities .....                                                                                                                       | 32          |
| Fund Financial Statements:                                                                                                                          |             |
| Balance Sheet – Governmental Funds .....                                                                                                            | 34          |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net<br>Position .....                                                 | 35          |
| Statement of Revenues, Expenditures and Changes in Fund Balances –<br>Governmental Funds.....                                                       | 36          |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund<br>Balances of Governmental Funds to the Statement of Activities..... | 37          |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and<br>Actual (Non-GAAP Budgetary Basis) – General Fund.....              | 38          |
| Statement of Net Position – Proprietary Funds.....                                                                                                  | 39          |
| Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary<br>Funds.....                                                        | 40          |
| Statement of Cash Flows – Proprietary Funds.....                                                                                                    | 41          |
| Statement of Fiduciary Net Position – Fiduciary Funds .....                                                                                         | 42          |
| Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....                                                                              | 43          |
| Notes To Financial Statements .....                                                                                                                 | 45          |
| <b>Required Supplementary Information</b>                                                                                                           |             |
| Schedule of Funding Progress for Police Old Hire Pension Plan.....                                                                                  | 77          |
| Schedule of Funding Progress for Fire Old Hire Pension Plan .....                                                                                   | 77          |
| Schedule of Funding Progress for Other Post Employment Healthcare Plan .....                                                                        | 77          |
| <b>Combining and Individual Fund Statements and Schedules:</b>                                                                                      |             |
| Non-Major Governmental Funds .....                                                                                                                  | 79          |
| Combining Balance Sheet – Non-Major Governmental Funds .....                                                                                        | 82          |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-<br>Major Governmental Funds .....                                 | 84          |
| Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and<br>Actual:                                                            |             |
| Visitors and Convention Bureau.....                                                                                                                 | 86          |
| Enhanced 911 Special Revenue Fund.....                                                                                                              | 87          |
| Parkland Expansion Special Revenue Fund .....                                                                                                       | 88          |
| Conservation Trust Special Revenue Fund .....                                                                                                       | 89          |

## TABLE OF CONTENTS

### Page

#### FINANCIAL SECTION (continued)

|                                                                                                          |     |
|----------------------------------------------------------------------------------------------------------|-----|
| Community Development Special Revenue Fund .....                                                         | 90  |
| Ridges Debt Service Fund.....                                                                            | 91  |
| Grand Junction Public Finance Corporation Debt Service Fund.....                                         | 92  |
| General Debt Service Fund .....                                                                          | 93  |
| Parkway Debt Retirement Debt Service Fund .....                                                          | 94  |
| Sales Tax Capital Improvements Capital Projects Fund .....                                               | 95  |
| Major Capital Projects Improvement Fund.....                                                             | 96  |
| Storm Drainage Development Capital Projects Fund .....                                                   | 97  |
| Street Assessments Capital Projects Fund .....                                                           | 98  |
| Facilities Capital Projects Fund .....                                                                   | 99  |
| Cemetery Perpetual Care Permanent Trust Fund.....                                                        | 100 |
| Non-Major Proprietary Funds .....                                                                        | 101 |
| Combining Statement of Net Position – Non-Major Proprietary Funds.....                                   | 103 |
| Combining Statement of Revenues, Expenses and Changes in Net Position – Non-Major Proprietary Funds..... | 104 |
| Combining Statement of Cash Flows – Non-Major Proprietary Funds .....                                    | 105 |
| Combining Statement of Net Position – Internal Service Funds .....                                       | 106 |
| Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds.....      | 107 |
| Combining Statement of Cash Flows – Internal Service Funds.....                                          | 108 |
| Fiduciary Funds.....                                                                                     | 109 |
| Combining Statement of Fiduciary Net Position – Pension Trust Funds .....                                | 110 |
| Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds .....                     | 111 |
| Combining Statement of Fiduciary Net Position – Private-Purpose Trust Funds.....                         | 112 |
| Combining Statement of Changes in Fiduciary Net Position – Private-Purpose Trust Funds.....              | 113 |
| Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds.....                   | 114 |
| Downtown Development Authority – A Component Unit.....                                                   | 115 |
| Balance Sheet – Governmental Funds .....                                                                 | 116 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....               | 117 |
| Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual:                     |     |
| DDA Tax Increment Special Revenue Fund.....                                                              | 118 |
| Downtown Development Authority Special Revenue Fund .....                                                | 119 |
| DDA TIF Debt Service Fund .....                                                                          | 120 |
| DDA Capital Improvements Capital Projects .....                                                          | 121 |

#### STATISTICAL SECTION

|                                                              |     |
|--------------------------------------------------------------|-----|
| Table 1 - Net Position .....                                 | 125 |
| Table 2 - Changes in Net Position.....                       | 126 |
| Table 3 - Fund Balances, Governmental Funds.....             | 128 |
| Table 4 - Changes in Fund Balances, Governmental Funds ..... | 129 |
| Table 5 - Sales Tax Revenue by Type of Industry .....        | 130 |
| Table 6 - Direct and Overlapping Sales Tax Rates.....        | 131 |
| Table 7 - Principal Sales Tax Payers .....                   | 132 |
| Table 8 - Sales & Use Tax Collections .....                  | 133 |

## TABLE OF CONTENTS

---

|                                                             | <u>Page</u> |
|-------------------------------------------------------------|-------------|
| Table 9 - Ratio of Outstanding Debt by Type .....           | 134         |
| Table 10 - Ratio of Net General Bonded Debt .....           | 135         |
| Table 11 - Computation of Legal Debt Margin .....           | 136         |
| Table 12 - Computation of Direct and Overlapping Debt ..... | 137         |
| Table 13 - Revenue Bond Coverage .....                      | 138         |
| Table 14 - Demographic and Economic Statistics.....         | 139         |
| Table 15 - Top 10 Principal Employers.....                  | 140         |
| Table 16 - Miscellaneous Statistics .....                   | 141         |
| Table 17 - Capital Asset Statistics by Function.....        | 142         |

### **SINGLE AUDIT**

---

#### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular**

|                                                  |     |
|--------------------------------------------------|-----|
| <b>A-133</b> .....                               | 145 |
| Schedule of Expenditures of Federal Awards ..... | 147 |

|                                                                                                                                                                                                                                         |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| <b>Independent Auditor's Report on Internal Control Over Financial Reporting and on<br/>Compliance and Other Matters Based on an Audit of Financial Statements<br/>Performed in Accordance With Government Auditing Standards</b> ..... | 149 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

|                                                                                                                                                           |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| <b>Independent Auditor's Report on Compliance For Each Major Program and on<br/>Internal Control Over Compliance Required by OMB Circular A-133</b> ..... | 151 |
| Schedule of Findings and Questioned Costs .....                                                                                                           | 153 |
| Summary Schedule of Prior Audit Findings.....                                                                                                             | 155 |

### **OTHER SUPPLEMENTAL INFORMATION**

---

|                                                                             |     |
|-----------------------------------------------------------------------------|-----|
| <b>Independent Auditor's Report on Other Supplemental Information</b> ..... | 159 |
| Schedule of Revenues and Expenditures for Roads, Bridges and Streets .....  | 161 |



(This page intentionally left blank)



# **INTRODUCTORY SECTION**





(This page intentionally left blank)





## Financial Operations Department

---

250 North 5<sup>th</sup> Street ♦ Grand Junction, Colorado 81501-2668 ♦ (970) 244-1515 ♦ fax (970) 256-4078

June 27, 2014

To the Honorable Mayor, Members of the City Council,  
City Manager and Citizens of the City of Grand Junction:

It is with great pleasure that the Comprehensive Annual Financial Report (CAFR) for the City of Grand Junction for the year ended December 31, 2013, is presented. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed public accountants. This Comprehensive Annual Financial Report is hereby issued and submitted to you for the fiscal year ended December 31, 2013, in accordance with these requirements.

This report consists of management's representations concerning the finances of the City of Grand Junction. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control framework that is designed to both protect the assets of the City from loss, theft, or misuse and to allow for the compiling of sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control procedures have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Grand Junction's financial statements have been audited by Chadwick, Steinkirchner, Davis & Co., P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Grand Junction for the fiscal year ended December 31, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Grand Junction's financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Grand Junction was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards.

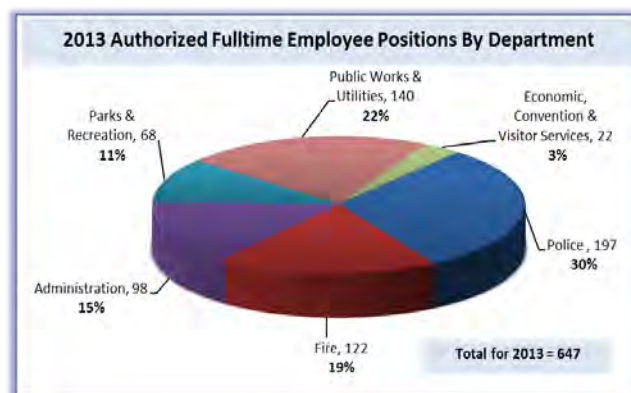
Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Grand Junction's MD&A can be found immediately following the report of the independent auditors.

## PROFILE OF THE GOVERNMENT

The City was first settled in 1881 and was incorporated in 1882. It became a home rule city in 1909 by adopting its own charter pursuant to Article XX of the Constitution of the State of Colorado. The City operates using the Council-Manager form of government.

The City provides a full range of services including public safety (police, fire, emergency medical services and ambulance transport), public works (highways, streets, sanitation and water), culture-recreation (parks, cemeteries, swimming pools, golf courses, and general recreation), planning, visitor and convention, and general administrative services. The relative department sizes are depicted in the chart in terms of personnel.

Blended component units, although legally separate entities, are in substance part of the primary government's operations and are included as part of the primary government. Accordingly, the Ridges Metropolitan District and Grand Junction Public Finance Corporation are reported as debt service funds of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Downtown Development Authority is reported as a discretely presented component unit.



The City of Grand Junction currently occupies a land area of 39.4 square miles and serves an estimated population of 60,000. The City of Grand Junction is granted the authority to levy a property tax on both real and personal business properties located within its boundaries and to establish and collect its own sales and use tax. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

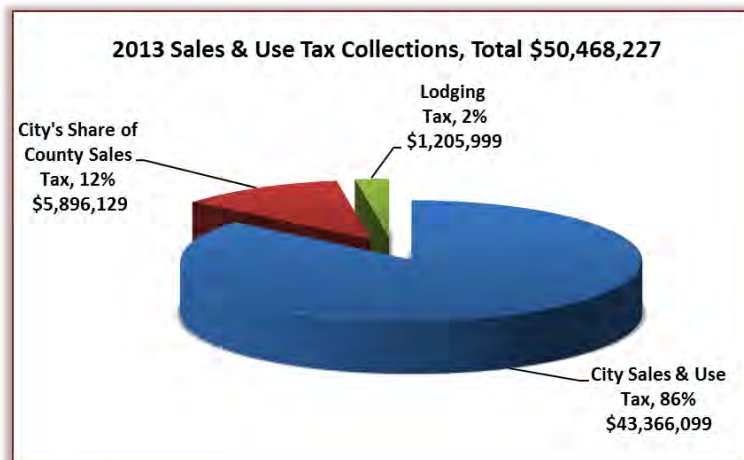
Policy-making and legislative authority are vested in a City Council consisting of seven members, one of which is elected mayor each year. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing boards and commissions, and hiring the City Manager, City Attorney, and Municipal Court Judge. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three or four council members elected every two years. Five of the council members must live in one of the five districts but are elected city-wide. The two remaining council members are elected at large.

As a supplement to internal controls, the City maintains comprehensive budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, and internal service funds are included in the annual appropriated budget ordinance. Appropriations for all funds lapse at year-end. Even though the budget enacted by the City Council is at the fund level, the City prepares a line item budget by department for control at the line item level. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Department heads have the authority to reallocate the distribution of budget amounts within the major category of operating expenditures within their department. Budget reallocations between major expenditure categories or within the major categories of personnel and capital require City Manager approval. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are not an actual use of appropriations. Therefore, open encumbrances at year-end for which the expenditure has not yet occurred either become expenditures against the new year's appropriation or are canceled.

Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 38 as part of the basic financial statements for the governmental funds. For other major governmental funds (and non-major) this comparison is presented in the governmental fund subsection of this report, which starts on page 79.

## FACTORS AFFECTING FINANCIAL CONDITION

The City of Grand Junction is located on the I-70 corridor, about 250 miles west of Denver and 27 miles east of the Utah border. The City lies in a valley formed at the junction of the Gunnison and Colorado Rivers, surrounded by majestic mesas. As the largest city in western Colorado, Grand Junction is the major service center for western Colorado and eastern Utah. Correspondingly Grand Junction is the regional hub for retail, banking and financial services, health care, higher education, social services, and public safety for a large population. Established by years of community economic development and private enterprise marketing, the area is home to manufacturing, agricultural, recreational, and service and energy exploration industries which provide for a diverse economic base.



The mild climate and close proximity to a great variety of outdoor activities year-round have made Grand Junction both a vacation destination and a retirement community. A 3% lodging tax passed by the voters and implemented in 1990 is funding promotion of the Grand Valley as a tourism destination.

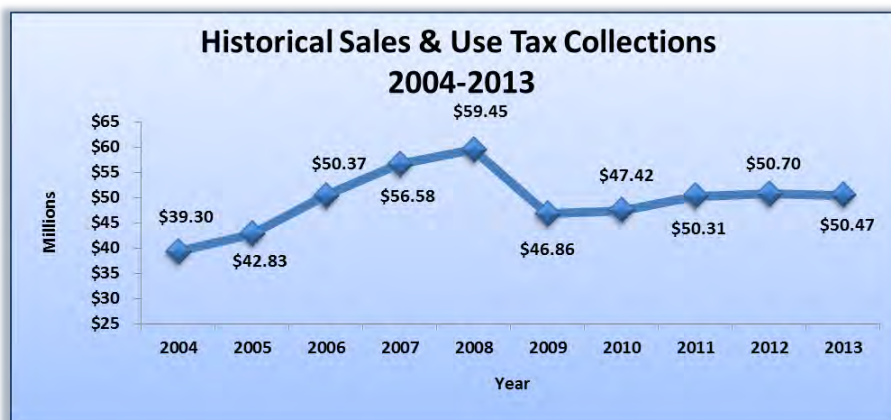
As in the past, city management and leadership continue to finance current operations with current operating revenues, while debt has been kept to a minimum. The three-quarter cent increase in city sales and use taxes, effective January 1, 1988, provides funds for capital investment. The sales and use tax revenues allocated to the General Fund account for 57% of its revenues and fund

general government operations such as police, fire, streets, and parks, as well as economic development and community partnerships. The Sales and Use Tax Collections graph shows the elements of sales and use taxes and their proportionate size while the Historical Sales and Use Tax graph below shows the historical collections and growth since 2004. These tax revenues slightly decreased from 2012 to 2013 continuing to reflect a slow recovery of the local economy from the recession. After falling significantly in 2009, tax revenues are holding between 2006 and 2007 levels.

The Grand Junction Metropolitan Statistical Area (MSA), which is the greater metro area inside Mesa County, has experienced a population growth averaging nearly 3% since its inception in 1995. In 2008, the Grand Junction MSA was growing in population, jobs, personal income, and gross metropolitan product. However, as a result of the national recession, a significant reduction of oil and gas exploration in the area, and a substantial decline in development and construction,

Grand Junction experienced a 14 % job loss since peak levels in October 2008, and in the three years since has recovered 17% of those jobs with an average unemployment rate during 2013 of 8.1%. This job loss along with a reduction in population and workforce has restricted consumer spending resulting in significant declines in retail activity and sales and use tax revenues during the recession followed by a slow recovery in spending during 2012 and 2013.

The City has continued to work toward diversifying its economic base and business climate. The quality of life offered in Grand Junction, which is critical to the attraction, motivation and retention of skilled and talented workers, is appealing to businesses, individuals and tourists alike. Spectacular scenery and recreational opportunities, excellent climate and air quality, low crime rates, higher education opportunities, and quality medical services make the Grand Junction area a good choice for relocation.



The City leveraged public and private partnerships as well as grant dollars to make significant capital investments in the community in 2013:

- The City completed the remodel of an existing facility for the Fire Administration operations and expanded Fire Station #2. This brings the City's total investment in public safety infrastructure and facilities over a three-year period to \$33 million.
- By leveraging conservation trust funds, the City invested over \$2 million in the improvements to parks, playground systems, and pools including a major renovation to one of the City's largest and most established parks. The City also continued planning and development of new parks for Las Colonias along the riverfront, and Matchett Park in the northeast section of the City.
- Together with the Downtown Development Authority and the Avalon Theatre Foundation, the City began what will now be a \$9.65 million major renovation of the historic Avalon Theatre in downtown Grand Junction set to be completed in late 2014.
- In 2013 the City began a \$4.3 million realignment of a major transportation corridor which will increase traffic capacity as well as provide needed infrastructure for the new construction of two truck stops in the area. This project is in concert with a \$4 million Colorado Department of Transportation project constructing a diverging diamond interchange. Together the projects improve the quality and capacity of vehicle and truck access to I-70 while improving local commuter traffic flow as well.
- In 2013 the Regional Communication Center began planning and acquiring radio equipment for two new communication towers that upon completion will enhance radio coverage and improve emergency communications and service delivery.
- The City invested \$2.8 million in 2013 for street infrastructure through a variety of maintenance, preservation and road resurfacing techniques.
- The City's water and sewer enterprises invested \$2.8 million in replacements of pipelines and improvements to the water and sewer plants.

## **FUTURE OUTLOOK**

---

The City remains committed to providing high quality services and investing in infrastructure for our citizens. The City's goal is to serve its citizenry in the long-term while maintaining a sound financial position. Priorities shaping future planning are public safety, economic development, investments in infrastructure and adherence to the Comprehensive Plan.

The Comprehensive Plan was formally adopted in 2010 after a three-year staff and community effort. This plan plays a critical role in guiding the future growth and development of the City of Grand Junction and the larger Mesa County area. In addition, the Comprehensive Plan serves as a compass for City Council in decision making and policy planning. One specific goal of the Comprehensive Plan is consistency in implementation between the City, Mesa County, and other service providers. Another is to support the continued development of the downtown area of the City Center as a vibrant and growing area with jobs, housing and tourist attractions. To that purpose the City will continue to review the Comprehensive Plan, the adopted Downtown Plan and South Downtown Plan to remove barriers to development opportunities which will allow for consistent implementation of the vision as established by the City and County in the Comprehensive Plan. A review and update of the Comprehensive plan is scheduled to begin in 2015.

The City continues to take a lead role in promoting and funding economic development in the area. The City Council recently developed and adopted the Economic Development Plan that firmly establishes the Council's commitment to improving business conditions and attracting and retaining employers while confirming the City's standing as a viable, healthy and safe community. The City has a department dedicated to convention and visitor services. The 3% lodging tax is utilized for advertising the community, promoting tourism, and attracting conferences and conventions. The City also works closely with the community partners in economic development including the Grand Junction Area Chamber of Commerce, Grand Junction Economic Partnership, Business Incubator, and Colorado Mesa University.

The higher educational opportunities provided by Colorado Mesa University (CMU) is pivotal to the economic diversity and quality of life enjoyed by the residents of Grand Junction and the surrounding community. Over the last decade, CMU has embarked on a multi-year, multi-million dollar campus expansion and renovation project. The City of Grand Junction has supported this project through economic development contributions of \$4.5 million through 2013. Council has also committed support for a new academic classroom built in 2013.

The City has a long standing record of collaborative management and resource sharing with other agencies in the community, and is committed to continuing and growing those relationships in the future. There are numerous examples of these alliances that result in added value to services as well as the highest and best use of resources. Public Safety: the City is the manager and a major partner agency in the E911 Regional Communication Center which serves more than twenty-two law enforcement, fire and emergency medical service responder agencies; the City of Grand Junction Police Department joins forces with the Mesa County Sheriff's Office and the Federal Drug Enforcement Agency on the Western Colorado Drug Task Force, a partnership designed to fight the battles of drugs and drug related crimes on the frontlines; the City, Mesa County, the City of Fruita and School District #51 provide a School Resource Officer Program to the schools in the valley. Public Utility: the City and Mesa County have a jointly owned and managed sewer system that provides wastewater services to the larger urban area. Public Parks: the City, Mesa County, School District #51, and Colorado Mesa University make use of and contribute towards improvements of the sports complex and stadium in the heart of Grand Junction. Public Transportation: the City assists Mesa County in the support of the Grand Valley Transit system, a limited fixed route "circulator" which began servicing the core areas of the valley and the outlying municipalities in 2000; currently this transit system has over 1 million passenger trips per year. Recently the City has contracted to provide maintenance and repair services for the CNG transit busses. Animal Control, Building Services: Mesa County is contracted by the City to provide professional services in animal control services as well as contractor licensing, building permitting and inspection services. Procurement: The City contracts with Mesa County to provide professional procurement services.

One of the City's ongoing and major priorities is the preservation and improvement of the transportation infrastructure. The City's continuing infrastructure improvements are funded to a great extent by the three-quarter percent increase in the sales tax rate in 1988. This dedicated revenue stream is used for long-range capital planning efforts; however, because the City is still growing and the related infrastructure is not complete, the capital needs far outweigh the capital resources.

The most significant capital project in the history of the City is the Riverside Parkway. The project entailed building a loop around the City that extends from 24 Road/Redlands Parkway to the intersection of 29 Road and D Road. The lower section of the Parkway extends from 4<sup>th</sup> Avenue to the intersection of 27½ and D Road. The most recently completed section extends from Highway 50 on Orchard Mesa over the I-70 Business Loop with the 29 Road viaduct. The final connection will extend to a new interchange at I-70. This loop is designed to provide interconnectivity to and around the City, as well as between different demographical areas of the valley, effectively connecting residential areas with jobs and services. In addition to this major transportation loop, the City has over 1,100 lane miles to maintain in streets infrastructure. The City has a sophisticated pavement management program that evaluates the condition of the roadways and designs an overlay schedule accordingly. Recently the City contracted to have the condition of the pavement evaluated in order to determine the best use of resources for street maintenance and reconstruction.

As indicated by surveys and through dialogue with the Grand Junction community, public safety is recognized as one of the key foundations to a livable community and one of the primary responsibilities of local government. Public Safety facility needs are being addressed through the recent construction of the Public Safety Complex, Fire Station #1, Fire Administration building, and the remodel of Fire Station #2. The City Council remains committed towards addressing future public safety needs and in particular improvements in fire and emergency medical services (ems) coverage. Plans are progressing for the move of Fire Station #4 to better serve the southeast area of the community, and discussions are taking place regarding the potential consolidation of fire and ems services.

The City continues the commitment to parks development. A riverfront park area and trail system along the Colorado River is backed by the City through resources of personnel time, direct funding and facilitating grants from federal, state and private sources. The City has purchased land for this park and the riverfront trail system. Much of this property was the site of wrecking yards, which have now been removed. The park objectives are to provide additional recreational facilities, beautify the entrance to the City and improve flood control for the area. Several trails have been completed and are open to the public. In addition, the City Council has committed funding for major maintenance and improvement projects for the City's existing 30 developed parks. The City has also partnered with Mesa Land Trust in the acquisition of land to facilitate the development of a walking and bike trails along Monument Road.

The purchase and development of the 103-acre regional Canyon View Park began in 1996 with major softball and soccer facilities. Development continued with the construction of a baseball field in 1998, new tennis courts in 2008 and new restroom facilities in 2009. This park serves as the main venue for team sporting events for school and community leagues of all ages; with over 320 days of use a year and an average of 10 events per day. With nearly 1 million visits to the park facility each year, it is clearly a significant asset to the regional community and the City's park system. In 2013 and 2014 Council approved funding for the master planning of two more regional parks; with community involvement,



input, and partnerships the City will update and formulate master plans for the future development of the 207-acre Matchett Park in the northeast area of the City and the 101-acre Las Colonias Park in south downtown along the Colorado River.

The City in partnership with the Downtown Development Authority and the Avalon Theatre Foundation Board are proceeding in a \$9.65 million renovation to revitalize the 90 year old historic Avalon Theatre. The theatre is owned and operated by the City and is one of the “book ends” of Main Street in the heart of downtown Grand Junction. The finished construction project will include safety and accessibility amenities as well as an expansion that will significantly expand the size and scope of the facility and its uses for performing arts.

The City of Grand Junction is actively committed to energy efficiency and water conservation efforts and continually strives to implement strategies that preserve resources and increase efficiencies. One area of particular focus is the City’s Compressed Natural Gas (CNG) Program. The City’s CNG Program is threefold: transitioning the City’s fleet into natural gas vehicles, construction of a CNG fueling station, and the Persigo Wastewater Treatment Plant component which began in 2006 and is the concept of converting methane into CNG. As a byproduct of treating the wastewater, excess digester gas (methane) is generated daily and currently being flared into the atmosphere. After conducting extensive studies, it has been determined that this excess gas can be captured and converted into compressed natural gas (CNG) that can be used as a vehicle fuel (biogas). The program is well underway with the continued purchase of City CNG vehicles, the completion of the fueling station, and the partnership with Grand Valley Transit to maintain and repair their new CNG public transportation buses. The Persigo Biogas project received authorization by City Council and the County Commissioners to proceed in 2014 with the construction of the infrastructure to convert the methane to compressed natural gas and the pipeline to transport it to the City’s fleet operations.

## **FINANCIAL POLICIES**

---

The City Council provides policy direction to the City Manager who guides the financial decisions of the organization. City Council’s policy direction is to further economic development by taking a more proactive role while continuing to coordinate with all the community partners; invest in public infrastructure; continue to provide the essential services of public safety; operate within existing revenues; and preserve at least \$18.5 million in General Fund reserves. City management has been successful in following City Council’s policy direction through responsive, conservative, and sound financial decisions. The City has financial policies and practices that guide budget, investments, debt, revenue, purchasing, risk management and reserves.

## **COMPLIANCE WITH THE TAXPAYER BILL OF RIGHTS**

---

The Colorado Constitutional Amendment passed in November 1992 (known as the TABOR – Taxpayer Bill of Rights amendment), restricts growth in governmental revenues and property tax revenues to amounts adjusted for inflation and a local growth factor. In 2013, the City did not exceed the overall revenue limitation, but did exceed the property tax revenue limitation. However, in April 2007, City of Grand Junction voters approved the retention by the City of all revenues exceeding the spending limit for 2006 and subsequent years until the bonded debt for the Riverside Parkway is paid in full. Therefore, the excess will be transferred to a debt service fund designated for payment of the Riverside Parkway bonds. The City also is subject to other TABOR requirements. For example, TABOR requires that no real estate transfer tax or income tax be imposed and that the City reserve 3% of its spending as an emergency reserve. The City is in compliance with these provisions. Finally, TABOR requires that the City have elections if it wishes to change its tax policy or issue general government debt.

## **AWARDS**

---

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the twenty-ninth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

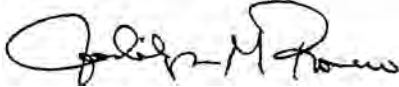
## **ACKNOWLEDGEMENTS**

---

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Financial Operations Department. I would like to express my appreciation of all members of the Department who assisted in and contributed to its preparation. It should be noted that staff from other departments provide great assistance in the preparation of the report and their work is also appreciated. I thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

The City's external auditors, Chadwick, Steinkirchner, Davis & Co., P.C., are also commended for their comprehensive and efficient examination of the various funds of the City for the fiscal year ended December 31, 2013.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jodi Romero", is positioned above the printed name.

Jodi Romero  
Financial Operations Director







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

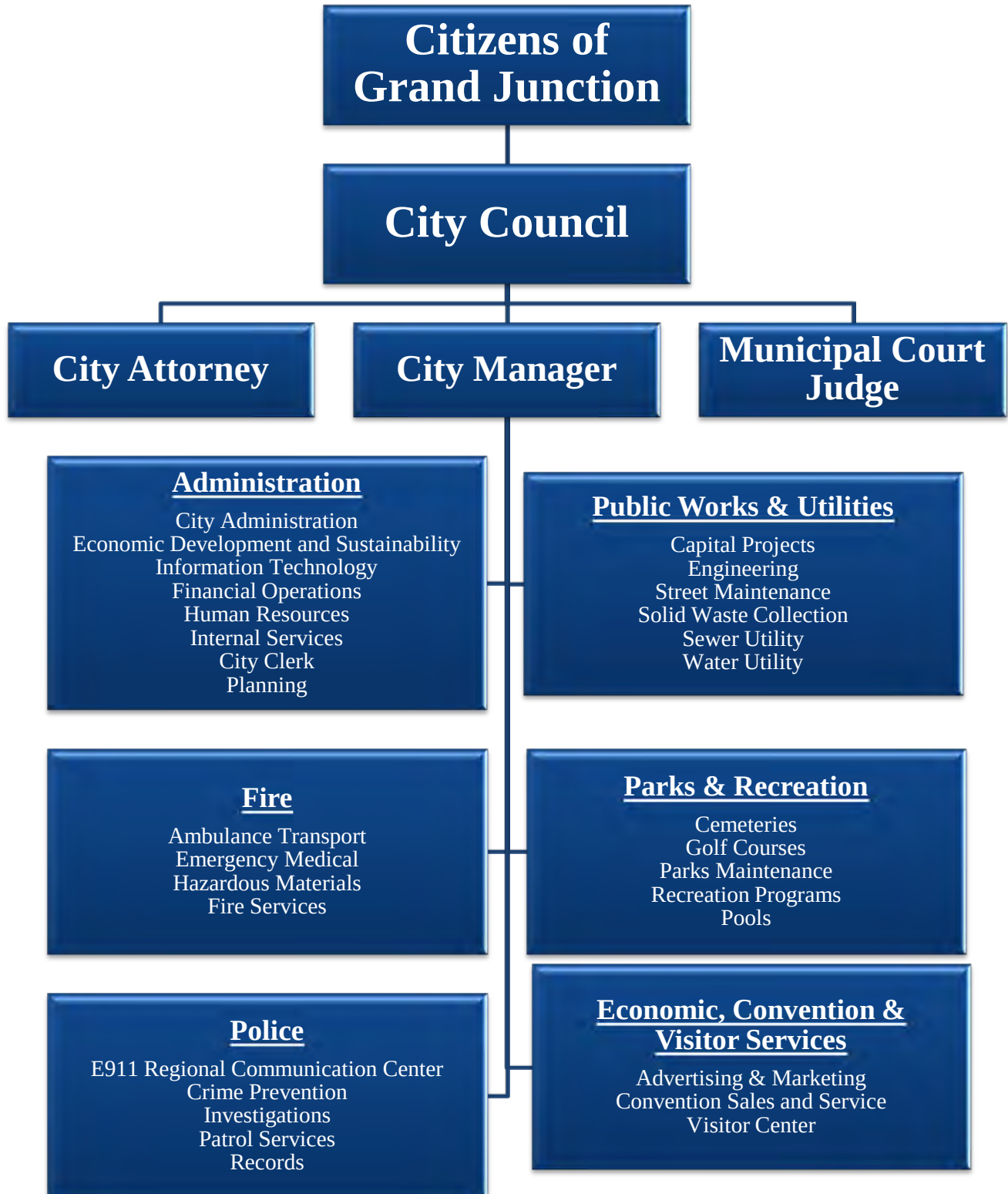
**City of Grand Junction  
Colorado**

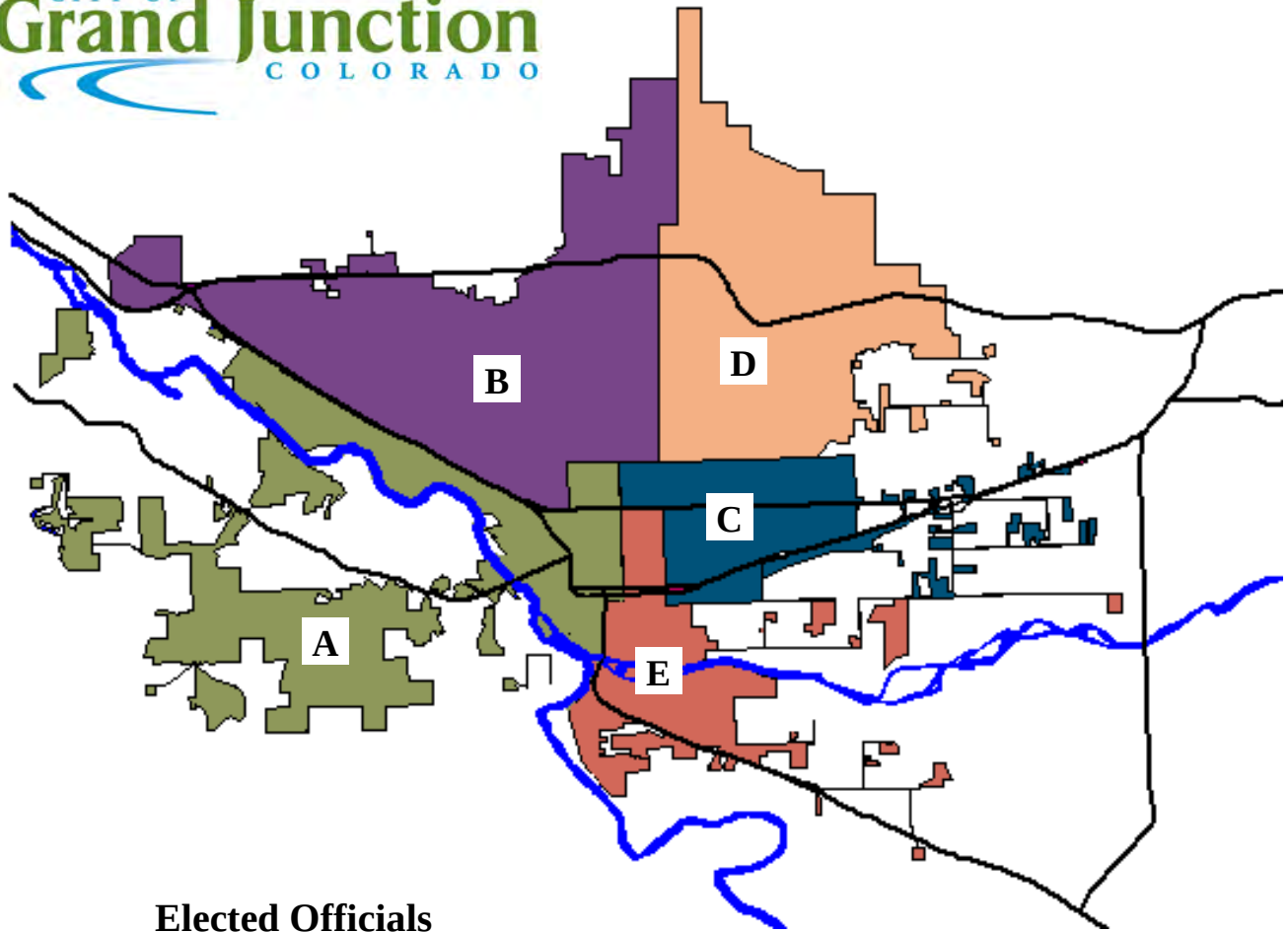
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

A handwritten signature in black ink, reading "Jeffrey R. Evers". The signature is written in a cursive, flowing style.

Executive Director/CEO





**Elected Officials**

| <b><u>City Council</u></b>                      | <b><u>Expires</u></b> |
|-------------------------------------------------|-----------------------|
| Phyllis Norris, Mayor – District A.....         | May 2017              |
| Marty Chazen, Mayor Pro Tem – District D.....   | May 2017              |
| Sam Susuras – District B.....                   | May 2015              |
| Bennett Boeschstein – District C.....           | May 2015              |
| Duncan McArthur - District E .....              | May 2015              |
| Barbara Traylor Smith – District at Large ..... | May 2015              |
| Jim Doody – District at Large .....             | May 2015              |

**Election District  
Boundaries**

**Appointed Officials**

|                |                 |
|----------------|-----------------|
| Rich Englehart | City Manager    |
| John P. Shaver | City Attorney   |
| Caré McInnis   | Municipal Judge |

**Department Directors**

Tim Moore, Deputy City Manager – Administration  
 Jodi Romero – Financial Operations  
 Claudia Hazelhurst – Human Resources  
 Debbie Kovalik – Economic, Convention & Visitor Services  
 Ken Watkins – Fire Chief  
 Rob Schoeber – Parks & Recreation  
 John Camper – Police Chief  
 Greg Lanning – Public Works & Utilities



(This page intentionally left blank)



**FINANCIAL SECTION**



(This page intentionally left blank)



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

June 24, 2014

To the City Council  
City of Grand Junction, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of and for the year ended December 31, 2013, 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.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress 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.

To the City Council  
June 24, 2014

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grand Junction, Colorado's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, component unit financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, and component unit financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, and component unit financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the City's internal control over financial reporting and compliance.

*Chadwick, StenKirchner, Davis & Co., P.C.*



## MANAGEMENT'S DISCUSSION & ANALYSIS

Our discussion and analysis of the City of Grand Junction's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2013. Please read it in conjunction with the transmittal letter on page 3 and the City's financial statements, which begin on page 31.

### FINANCIAL HIGHLIGHTS

---

- The assets and deferred outflows of resources of the City of Grand Junction exceeded its liabilities and deferred inflows of resources at the close of 2013 by \$697 million (net position) primarily due to annexations. Of this amount, \$19 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City of Grand Junction General Fund revenues, on a budgetary basis, decreased by 4.7% in 2013 after increases in some revenues (charges for service and other taxes) and decreases in others (property taxes, sales and use taxes, severance taxes, intergovernmental and fines and forfeitures). In total, General Fund revenues were \$63.7 million, still significantly below 2008 but showing recovery since 2009.
- At the end of 2013, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$12.5 million, or 19.5% of the total General Fund expenditures. This is down \$5.4 million from 2012 which was 29.1% of General Fund expenditures. The overall General Fund balance decreased due to a planned spending of the fund balance for capital improvements and reduced resources.
- The City invested over \$22.8 million in capital projects in 2013. These projects included street construction, machinery, buildings, park development, and communications systems.
- At the close of 2013, the City had \$6.5 million accumulated for the early retirement of the Riverside Parkway Revenue Bonds. In 2012, \$19 million from the fund together with proceeds from the 2012 Revenue Refunding Bonds issuance were used to advance refund \$43.9 million of the 2004 Riverside Parkway Revenue Bonds.

### OVERVIEW OF FINANCIAL STATEMENTS

---

This discussion and analysis are intended to serve as an introduction to the City of Grand Junction's basic financial statements. The City of Grand Junction's basic financial statements comprise three components: 1) the 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 themselves.

#### Government-Wide Financial Statements

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

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

**The statement of activities** presents information showing how the City of Grand Junction'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 reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid time off).

Both of the government-wide financial statements distinguish functions of the City of Grand Junction that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The *Governmental Activities* of the City of Grand Junction include general government, public safety (police and fire), public works, parks and recreation, and urban development and housing. The *Business-type Activities* of the City of Grand Junction include Water, Convention Center, Solid Waste, Golf Courses, Parking, and Irrigation.

The government-wide financial statements include not only the City of Grand Junction but also a legally separate Grand Junction Downtown Development Authority, for which the City is financially accountable. Financial information for this component is reported separately from the financial information presented for the City itself.

The government-wide financial statements can be found on pages 31 through 33 of this report.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

---

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 of Grand Junction also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

1. **Governmental Funds** – These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

The City of Grand Junction maintains 16 governmental funds, of which (as determined by generally accepted accounting principles) the only major funds are the General Fund, Sales Tax Capital Improvement Fund, Major Capital Improvements Fund, General Debt Service Fund, and Parkway Debt Retirement Fund. The balances of the other 11 governmental funds are determined to be non-major and are included in the combining statements within this report.

The City of Grand Junction adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget. The General Fund budgetary comparison is presented as part of the basic governmental fund financial statements which can be found on pages 34 through 38 of this report. All other required budgetary comparisons, including the Sales Tax Capital Improvement Fund, Major Capital Improvements Fund, General Debt Service Fund, and Parkway Debt Retirement Fund, can be found on pages 86 through 100 of this report.

2. **Proprietary Funds** – The City of Grand Junction maintains two different types of proprietary funds. The first type is enterprise funds which are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Grand Junction uses enterprise funds to account for its Water Utility, Convention Center, Solid Waste, Golf Courses, Parking, and Irrigation.

As determined by generally accepted accounting principles, the Water, Two Rivers Convention Center, Golf Courses and Parking enterprise funds meet the criteria of major fund classification. All other funds are classified as non-major and are included in the combining statements within this report.

The second type is internal service funds which are an accounting device used to accumulate and allocate costs internally among the City of Grand Junction's various functions. The City uses internal service funds for data processing, equipment maintenance, self insurance and the communication center operations. Because these services primarily benefit governmental activities, they have been included with governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 39 through 41.

3. **Fiduciary Funds** – These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for these funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 42 through 43.

**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 45 through 74 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 of Grand Junction's Police Old Hire Pension Plan, Fire Old Hire Pension Plan, and Other Post Employment Healthcare Plan found on page 77 of this report. It also presents other supplemental information concerning the City's Local Highway Finance Report. This supplemental information can be found on pages 161-162 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major proprietary funds, internal service funds and fiduciary funds are presented immediately following the required notes to financial statements. Combining and individual fund statements and schedules can be found beginning on page 82 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the City of Grand Junction, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$697 million at the close of fiscal year 2013.

By far, the largest portion (95.2%) of the City of Grand Junction's total net position reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that 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.

### **STATEMENT OF NET POSITION (in Thousands)**

|                                      | Governmental<br>Activities |           | Business-type<br>Activities |           | Total Primary<br>Government |           |
|--------------------------------------|----------------------------|-----------|-----------------------------|-----------|-----------------------------|-----------|
|                                      | 2013                       | 2012      | 2013                        | 2012      | 2013                        | 2012      |
| Current and other assets             | \$61,120                   | \$67,516  | \$(3,076)                   | \$(3,039) | \$58,044                    | \$64,477  |
| Capital assets                       | 692,182                    | 684,780   | 50,919                      | 51,414    | 743,101                     | 736,194   |
| Total assets                         | 753,302                    | 752,296   | 47,843                      | 48,375    | 801,145                     | 800,671   |
| Total deferred outflows of resources | 2,216                      | 2,553     | -                           | -         | 2,216                       | 2,553     |
| Long-term debt outstanding           | 87,253                     | 93,227    | 5,748                       | 6,088     | 93,001                      | 99,315    |
| Other liabilities                    | 5,335                      | 5,376     | 523                         | 952       | 5,858                       | 6,328     |
| Total liabilities                    | 92,588                     | 98,603    | 6,271                       | 7,040     | 98,859                      | 105,643   |
| Total deferred inflows of resources  | 7,669                      | 8,072     | -                           | -         | 7,669                       | 8,072     |
| Net position:                        |                            |           |                             |           |                             |           |
| Net investment in capital assets     | 617,382                    | 607,987   | 45,721                      | 45,880    | 663,103                     | 653,867   |
| Restricted                           | 14,512                     | 13,619    | -                           | -         | 14,512                      | 13,619    |
| Unrestricted                         | 23,367                     | 26,568    | (4,149)                     | (4,545)   | 19,218                      | 22,023    |
| Total net position                   | \$655,261                  | \$648,174 | \$41,572                    | \$41,335  | \$696,833                   | \$689,509 |

An additional portion of the City of Grand Junction's net position, 2.1%, represents resources that are subject to external restrictions on how they may be used.

## Changes in Net Position

The City's total revenues of \$109.4 million exceeded program expenses of \$102.1 million for an increase in net position of \$7.3 million.

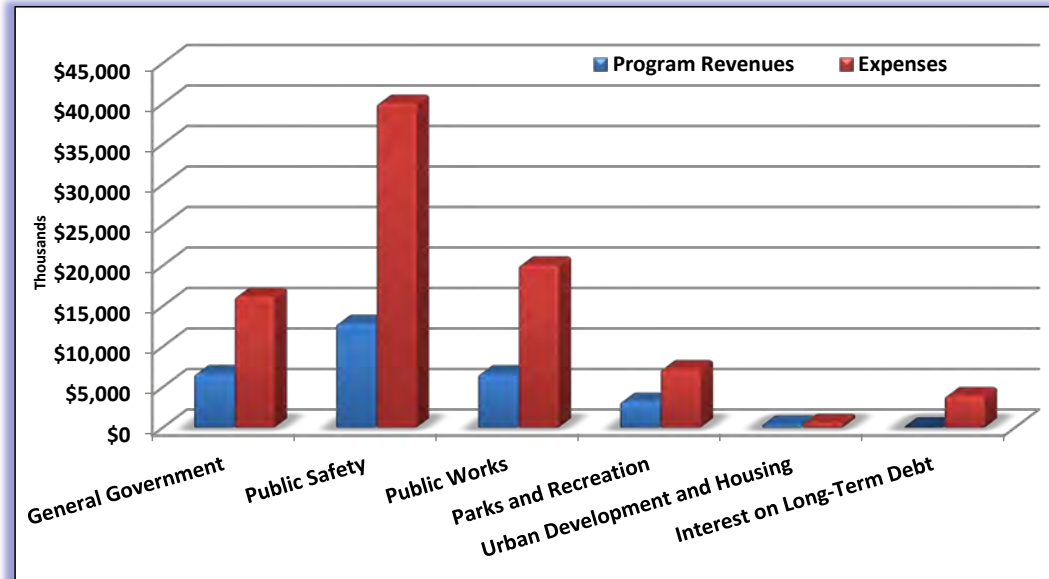
### CHANGES IN NET POSITION (in Thousands)

|                               | Governmental Activities |                  | Business-type Activities |                 | Total Primary Government |                  |
|-------------------------------|-------------------------|------------------|--------------------------|-----------------|--------------------------|------------------|
|                               | <u>2013</u>             | <u>2012</u>      | <u>2013</u>              | <u>2012</u>     | <u>2013</u>              | <u>2012</u>      |
| <b>Revenues:</b>              |                         |                  |                          |                 |                          |                  |
| Program revenues:             |                         |                  |                          |                 |                          |                  |
| Charges for services          | \$ 18,697               | \$ 17,742        | \$ 13,072                | \$ 13,657       | \$ 31,769                | \$ 31,399        |
| Operating grants              | 3,951                   | 3,204            | 80                       | 85              | 4,031                    | 3,289            |
| Capital grants                | 7,190                   | 9,937            | 340                      | 221             | 7,530                    | 10,158           |
| General revenues:             |                         |                  |                          |                 |                          |                  |
| Property taxes                | 8,838                   | 8,976            | -                        | -               | 8,838                    | 8,976            |
| Sales and use taxes           | 50,468                  | 50,703           | -                        | -               | 50,468                   | 50,703           |
| Other taxes                   | 6,723                   | 7,364            | -                        | -               | 6,723                    | 7,364            |
| Other general revenues        | 77                      | 329              | (8)                      | 20              | 69                       | 349              |
| Total revenues                | <u>95,944</u>           | <u>98,255</u>    | <u>13,484</u>            | <u>13,983</u>   | <u>109,428</u>           | <u>112,238</u>   |
| <b>Expenses:</b>              |                         |                  |                          |                 |                          |                  |
| General government            | 16,206                  | 12,736           | -                        | -               | 16,206                   | 12,736           |
| Public safety                 | 40,054                  | 41,301           | -                        | -               | 40,054                   | 41,301           |
| Public works                  | 20,093                  | 19,981           | -                        | -               | 20,093                   | 19,981           |
| Parks and recreation          | 7,279                   | 10,281           | -                        | -               | 7,279                    | 10,281           |
| Urban development and housing | 592                     | 478              | -                        | -               | 592                      | 478              |
| Interest on long-term debt    | 3,953                   | 4,713            | -                        | -               | 3,953                    | 4,713            |
| Water                         | -                       | -                | 5,421                    | 5,406           | 5,421                    | 5,406            |
| Convention Center             | -                       | -                | 2,591                    | 2,881           | 2,591                    | 2,881            |
| Solid Waste Removal           | -                       | -                | 3,131                    | 3,179           | 3,131                    | 3,179            |
| Golf                          | -                       | -                | 2,064                    | 2,073           | 2,064                    | 2,073            |
| Parking                       | -                       | -                | 405                      | 406             | 405                      | 406              |
| Irrigation systems            | -                       | -                | 315                      | 302             | 315                      | 302              |
| Total expenses                | <u>88,177</u>           | <u>89,490</u>    | <u>13,927</u>            | <u>14,247</u>   | <u>102,104</u>           | <u>103,737</u>   |
| Excess before transfers       | 7,767                   | 8,765            | (443)                    | (264)           | 7,324                    | 8,501            |
| Transfers                     | (680)                   | (335)            | 680                      | 335             | -                        | -                |
| Increase in net position      | <u>7,087</u>            | <u>8,430</u>     | <u>237</u>               | <u>71</u>       | <u>7,324</u>             | <u>8,501</u>     |
| <b>Net position 1/1/13</b>    | <b>648,174</b>          | <b>639,744</b>   | <b>41,335</b>            | <b>41,264</b>   | <b>689,509</b>           | <b>681,008</b>   |
| <b>Net position 12/31/13</b>  | <b>\$655,261</b>        | <b>\$648,174</b> | <b>\$41,572</b>          | <b>\$41,335</b> | <b>\$696,833</b>         | <b>\$689,509</b> |

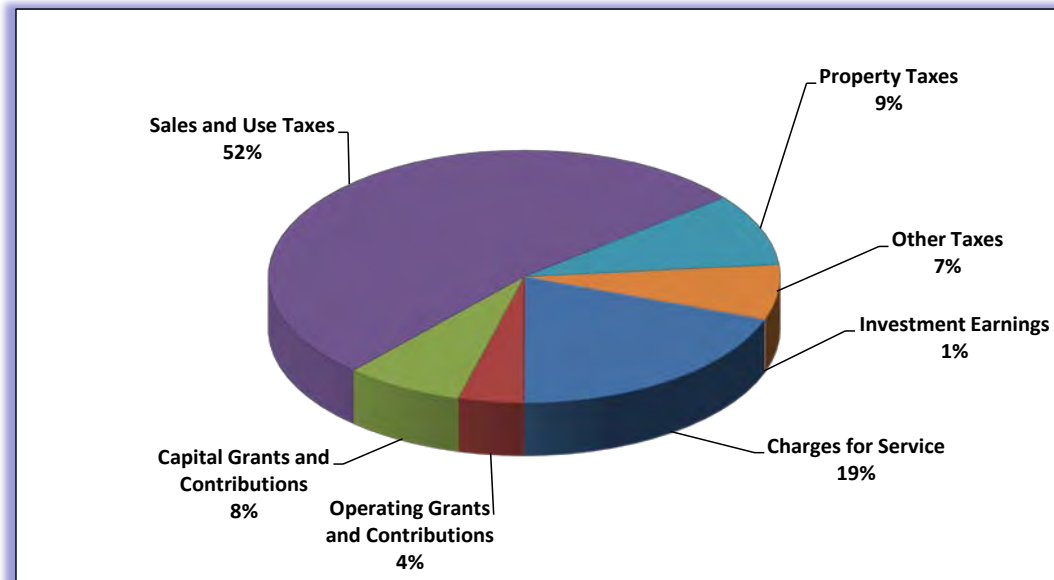
## Governmental Activities

Governmental Activities increased the City of Grand Junction's net position by \$7.1 million. Following are illustrative summaries of Governmental Activities breaking out revenues and expenses.

## EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES



## REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



The national recession combined with a significant decline in the energy, construction, and development industries has continued to impact jobs and consumer spending in the local economy. As a result the City's tax revenues have continued to be impacted in 2013. Sales and use tax revenue decreased slightly, \$235 thousand, compared to 2012. Property tax revenue decreased by \$138 thousand, or 1.5%, during the year. This decrease was attributed to decreasing valuations of existing properties and minimal new construction. The mill levy has remained constant since 1992. Other tax revenues, including severance tax and federal mineral leasing, have decreased by \$641 thousand, or 8.7%, compared to 2012.

Charges for services revenue increased by \$955 thousand compared to 2012. This increase was a result of fees associated with several large commercial developments in 2013.

Capital grants and contributions decreased by \$2.7 million, or 27.6%, compared to 2012. This is a result of continued reductions in local development and infrastructure annexations.

## Business-type Activities

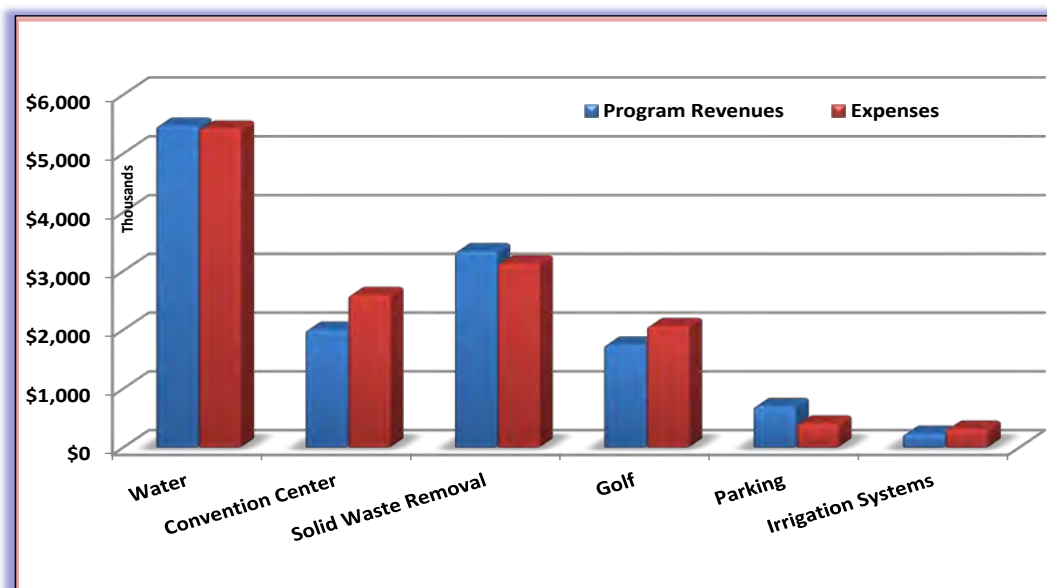
Net position in the Business-type activities increased slightly by \$237 thousand because fees to customers have remained set at levels needed to cover the costs of operation, including depreciation. Business-type activities include Water, Convention Center, Solid Waste, Golf Courses, Parking, and Irrigation.

The Two Rivers Convention Center and Golf Fund received transfers from the Visitors and Convention Bureau Fund, Conservation Trust Fund and General Fund to subsidize operations and fund capital improvements.

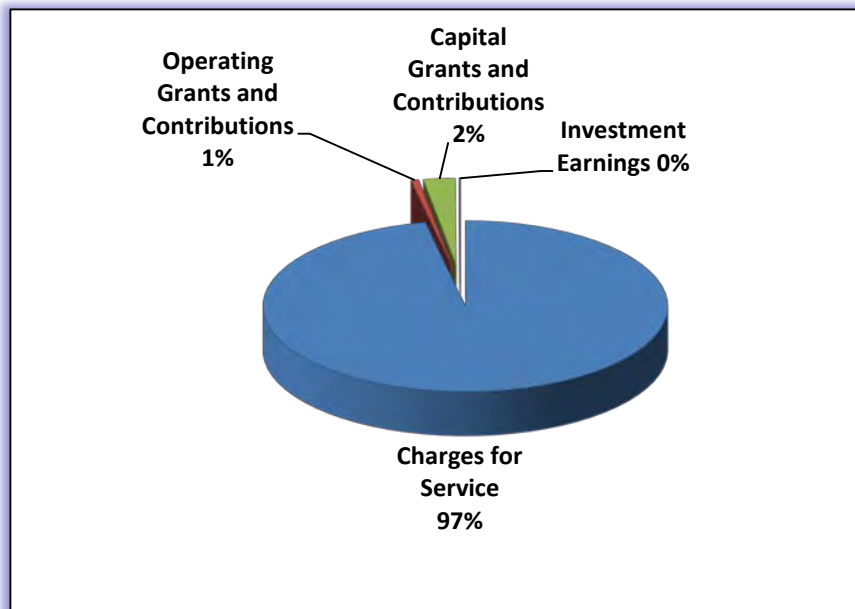
Unrestricted net position at the end of the year for business-type activities amounted to (\$4.1) million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Grand Junction business-type activities.

The following chart demonstrates the current level of recovery for the City's business-type activities:

**EXPENSE AND PROGRAM REVENUES – BUSINESS-TYPE ACTIVITIES**



**REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES**



## **FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS**

---

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

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.

As of December 31, 2013, the City's governmental funds (general, special revenue, debt service, capital projects and permanent) reported combined fund balances of \$38.6 million. This represents a decrease of \$6.7 million under last year's ending balances. The reasons for significant changes in fund balances are described below.

Revenues, on a budgetary basis, in the General Fund decreased 4.7% under 2012 while expenditures increased 2.4%. The majority of these decreases are from reductions in the energy industry resulting in declines in property taxes, use taxes and severance taxes. The General Fund's total fund balance, on a budgetary basis, decreased \$6.1 million from last year. The General Fund expenditures (including transfers) of \$69.9 million were 1.10% of General Fund revenues. During 2013, the General Fund transferred \$4.5 million to fund several capital improvement projects. The City of Grand Junction has continued to manage its expenditures to operate within its current financial resources.

The total fund balance in the Major Capital Improvements Fund decreased \$1 million during the year ended December 31, 2013. All of the remaining certificates of participation proceeds issued in 2010 were used for the construction and renovation of Public Safety Buildings. Also included in the fund are local and Downtown Development Authority contributions and City sales and use tax revenues to be used for improvements and expansion of the Avalon Theatre to be completed in 2014.

The fund balance in the Parkway Debt Retirement Fund increased by nearly \$2.4 million from the General Fund transfer of TABOR revenue excess to be set aside for the payment of the outstanding Riverside Parkway bonded debt, as approved by the voters in April 2007.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

---

During the year, the General Fund budget was amended from an original appropriation total of \$73.5 million to a final budget of \$74.1 million. All recommended revisions for budget changes came through the Financial Operations Department and City Manager to City Council as required. Any budget revisions that require supplemental appropriations at the fund level are presented to City Council via Ordinance and enactment requiring a public hearing and the opportunity for public discussion. The City does allow small intra-departmental budget changes that modify line items within departments within the same fund. The original and final adopted budgets for the General Fund are presented on page 38.

For the General Fund, the original budget for revenues was \$65.0 million while the final budgeted amount was \$63.9 million, reflecting a decrease in the projection for tax revenues and fines and forfeitures. Actual revenues, on a budgetary basis, for 2013 came in nearly \$229 thousand less than the final budget at \$63.7 million. This was primarily due to various tax revenues performing worse than expected, offset slightly by an increase in ambulance transport and wildland fire collections.

Actual General Fund expenditures (including transfers) totaled \$69.9 million. General Fund expenditures (including transfers) were approximately \$4.2 million, 5.6%, less than the final budget. This was due to achieving higher than expected budget savings in the department operating budgets from unfilled positions and continued prudent spending as well as significant savings in transfers out for capital expenditures for the 22 Road at Highway 6 Realignment project.

The year-end budgetary basis fund balance of \$24.4 million was \$4.0 million above the final budgeted amount. This was due to several capital improvement projects not completed in 2013, carried forward and re-appropriated in 2014 as well as department-wide operational savings.

The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds, either by state or local ordinance or by a desire to maintain a matching of revenues and expenses, are accounted for in this fund. Revenues exceeded expenditures in the General Fund by \$845 thousand during the year. The General Fund's total fund balance decreased \$6.1 million from last year. An analysis for this fund balance shows that it represents over 38.2% of projected revenues for the new fiscal year which ends December 31, 2014.

Taxes continue to be the largest source of revenue in the General Fund and represent 81.6% of total general fund revenues. The largest element of taxes is sales taxes, as it has been for many years. It represents 70.4% of total tax revenues and represents 57.4% of total general fund revenues.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2013, the City had invested in a broad range of capital assets, including police and fire equipment, roads, parks, water, storm drainage and other infrastructure.

The following table provides a summary of total capital assets at December 31, 2013.

### **CAPITAL ASSETS AT YEAR-END (Net of Depreciation, in Thousands)**

|                                      | Governmental<br>Activities |             | Business-type<br>Activities |             | Total       |             |
|--------------------------------------|----------------------------|-------------|-----------------------------|-------------|-------------|-------------|
|                                      | <u>2013</u>                | <u>2012</u> | <u>2013</u>                 | <u>2012</u> | <u>2013</u> | <u>2012</u> |
| Land                                 | \$302,050                  | \$300,420   | \$ 5,149                    | \$ 4,902    | \$307,199   | \$305,322   |
| Buildings and systems                | 76,870                     | 74,783      | 39,441                      | 38,719      | 116,311     | 113,502     |
| Improvements other than<br>buildings | 14,864                     | 14,819      | 4,587                       | 4,825       | 19,451      | 19,644      |
| Vehicles, machinery &<br>equipment   | 21,429                     | 20,542      | 1,366                       | 1,396       | 22,795      | 21,938      |
| Infrastructure                       | 266,285                    | 269,756     | -                           | -           | 266,285     | 269,756     |
| Construction in progress             | 9,375                      | 3,170       | 185                         | 1,381       | 9,560       | 4,551       |
| Intangible assets                    | 1,309                      | 1,290       | 191                         | 191         | 1,500       | 1,481       |
| Total                                | \$692,182                  | \$684,780   | \$50,919                    | \$51,414    | \$743,101   | \$736,194   |

Major capital additions during 2013 include:

|                                     | <u>2013</u> |
|-------------------------------------|-------------|
| 22 Road at Highway 6 Realignment    | \$3,925,859 |
| Avalon Theatre Renovation           | 3,024,109   |
| Equipment Replacement Program       | 2,248,160   |
| Fire Administration Building        | 2,129,688   |
| Street Overlay Program              | 2,022,725   |
| SANS Server Replacement             | 1,021,984   |
| G Road West of 24 Road Improvements | 668,546     |
| Fire Station 2 Improvements         | 655,705     |
| I-70B Undergrounding                | 558,165     |
| Lincoln Park Renovation             | 554,124     |

The City remains committed to the upkeep and maintenance of the City's largest assets. More detailed information about the City's capital assets is presented in Note 5 on pages 57 through 59.

### **Debt Administration**

The City has traditionally adhered to a conservative debt management policy that carefully controls the amount of outstanding debt. Because of our strong capital improvement budgeting process, the City of Grand Junction has been able to maintain and improve its infrastructure while avoiding unreasonable debt burdens. To take advantage of favorable rates, the City did issue \$30.6 million in General Fund Revenue Refunding Bonds in 2012 to advance refund



part of the outstanding 2004 General Fund Revenue Bonds issued to finance the construction of the Riverside Parkway project. Standard and Poor's Rating Group gave the City the rating of AA on the revenue bond issue while the City's general obligation bond ratings and certificates of participation ratings are A+.

As of December 31, 2013, the City of Grand Junction had \$84.5 million in outstanding debt. Of this amount, \$79.3 million represents General Government debt. The largest portion, \$40.4 million, is the liability from the issuance of certificates of participation for the Stadium Improvements Project and the Public Safety Buildings Project. \$38.9 million is the liability from the Riverside Parkway revenue bonds issued in 2004 and 2007 and the Refunding revenue bonds issued in 2012. The remaining \$5.2 million of outstanding debt is bonds, notes and loans to be repaid by fee revenue and appropriated funds. Total debt service payments of approximately \$5.7 million in 2014 represents 6.0% of total budgeted operating expenditures. Additional information on the City's long-term debt can be found in Note 7 on pages 61 through 64.

The table below provides a summary of total debt at December 31, 2013.

**OUTSTANDING DEBT, AT YEAR-END**  
(in Thousands)

|                                                                     | Governmental<br>Activities |                 | Business-type<br>Activities |                | Total           |                 |
|---------------------------------------------------------------------|----------------------------|-----------------|-----------------------------|----------------|-----------------|-----------------|
|                                                                     | <u>2013</u>                | <u>2012</u>     | <u>2013</u>                 | <u>2012</u>    | <u>2013</u>     | <u>2012</u>     |
| General obligation (backed by<br>by special tax revenue)            | \$ -                       | \$ 210          | \$ -                        | \$ -           | \$ -            | \$ 210          |
| Revenue bonds and notes<br>(backed by tax and fee revenue)          | 38,851                     | 43,921          | -                           | -              | 38,851          | 43,921          |
| Certificates of participation<br>(backed by the constructed assets) | 40,426                     | 41,266          | -                           | -              | 40,426          | 41,266          |
| Loans (backed by fee revenue)                                       | -                          | -               | 5,198                       | 5,534          | 5,198           | 5,534           |
| Total                                                               | <u>\$79,277</u>            | <u>\$85,397</u> | <u>\$5,198</u>              | <u>\$5,534</u> | <u>\$84,475</u> | <u>\$90,931</u> |

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

City-wide reserves are at levels currently directed by City Council. The local economy weakened as a result of the national recession, significant reductions in the energy industry, and a downward trend in development and construction. Sales and Use Taxes originally showed signs of decline during the first part of 2013; however they recovered again in the last quarter of the year and so far in 2014. Grand Junction continues to be the educational, retail, and medical center for most of Western Colorado and Eastern Utah. Those factors, coupled with tourism, the abundance of outdoor recreational opportunities, the expansion of Colorado Mesa University, and the ability to attract new businesses and retirees, all contribute to our local economy.

General Fund balances are above amounts recommended per the City Council's budget policy direction. The City's investment in capital; transportation infrastructure, public safety, utility systems, parks, and economic development continues to be a significant portion (over 15%) of the budget.

Rates in the Utility Funds will be set to cover operating and future capital investment. In 2014, utility revenues will be increased by an average of 13% in water fees, a 5% increase in irrigation fees, a 14.7% increase in sewer fees, and a 4% increase in solid waste rates.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact the City's Financial Operations Department at City of Grand Junction, 250 N. 5<sup>th</sup> Street, Grand Junction, CO 81501.





**BASIC FINANCIAL STATEMENTS**



(This page intentionally left blank)

City of Grand Junction  
**STATEMENT OF NET POSITION**  
December 31, 2013

|                                                        | Primary Government      |                          |                       | Component Unit                 |
|--------------------------------------------------------|-------------------------|--------------------------|-----------------------|--------------------------------|
|                                                        | Governmental Activities | Business-type Activities | Total                 | Downtown Development Authority |
| <b>ASSETS</b>                                          |                         |                          |                       |                                |
| Cash and investments                                   | \$ 33,992,325           | \$ 3,120,883             | \$ 37,113,208         | \$ 1,886,220                   |
| Other receivables, net of allowance for uncollectibles | 17,786,269              | 930,490                  | 18,716,759            | 1,489,697                      |
| Internal balances                                      | 7,170,555               | (7,170,555)              | -                     | -                              |
| Prepays                                                | 184,007                 | 593                      | 184,600               | 14,449                         |
| Inventories                                            | 221,248                 | 42,675                   | 263,923               | -                              |
| Restricted cash and investments                        | 534,354                 | -                        | 534,354               | -                              |
| Net pension asset                                      | 1,231,332               | -                        | 1,231,332             | -                              |
| Capital assets (net of accumulated depreciation):      |                         |                          |                       |                                |
| Land                                                   | 302,050,439             | 5,148,898                | 307,199,337           | 794,691                        |
| Buildings and systems                                  | 76,870,278              | 39,441,304               | 116,311,582           | 2,487,548                      |
| Improvements other than buildings                      | 14,863,929              | 4,586,785                | 19,450,714            | -                              |
| Equipment                                              | 21,428,913              | 1,365,929                | 22,794,842            | 724,855                        |
| Infrastructure                                         | 266,284,825             | -                        | 266,284,825           | -                              |
| Construction in progress                               | 9,374,703               | 185,285                  | 9,559,988             | 588,915                        |
| Intangible assets                                      | 1,308,632               | 190,464                  | 1,499,096             | -                              |
| Total assets                                           | <u>753,301,809</u>      | <u>47,842,751</u>        | <u>801,144,560</u>    | <u>7,986,375</u>               |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |                         |                          |                       |                                |
| Deferred charge on refunding                           | 2,215,882               | -                        | 2,215,882             | -                              |
| Total deferred outflows of resources                   | <u>2,215,882</u>        | <u>-</u>                 | <u>2,215,882</u>      | <u>-</u>                       |
| <b>LIABILITIES</b>                                     |                         |                          |                       |                                |
| Accounts payable and other current liabilities         | 4,463,687               | 483,006                  | 4,946,693             | 9,555                          |
| Accrued interest payable                               | 771,583                 | 40,406                   | 811,989               | 12,400                         |
| Unearned revenue                                       | 99,472                  | -                        | 99,472                | -                              |
| Noncurrent liabilities:                                |                         |                          |                       |                                |
| Due within one year                                    | 6,381,115               | 377,082                  | 6,758,197             | 772,207                        |
| Due in more than one year                              | 80,871,806              | 5,370,520                | 86,242,326            | 5,920,717                      |
| Total liabilities                                      | <u>92,587,663</u>       | <u>6,271,014</u>         | <u>98,858,677</u>     | <u>6,714,879</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                   |                         |                          |                       |                                |
| Unavailable revenue-property taxes                     | 7,625,717               | -                        | 7,625,717             | 1,475,864                      |
| Unavailable revenue-special assessments                | 42,817                  | -                        | 42,817                | -                              |
| Total deferred inflows of resources                    | <u>7,668,534</u>        | <u>-</u>                 | <u>7,668,534</u>      | <u>1,475,864</u>               |
| <b>NET POSITION</b>                                    |                         |                          |                       |                                |
| Net investment in capital assets                       | 617,381,868             | 45,720,564               | 663,102,432           | 4,542,743                      |
| Restricted for :                                       |                         |                          |                       |                                |
| Perpetual care:                                        |                         |                          |                       |                                |
| Nonexpendable                                          | 1,329,102               | -                        | 1,329,102             | -                              |
| Debt service                                           | 8,591,731               | -                        | 8,591,731             | 927,611                        |
| General capital improvements                           | 78,328                  | -                        | 78,328                | -                              |
| Emergency reserves                                     | 2,000,000               | -                        | 2,000,000             | -                              |
| Legends historical sculptures project                  | -                       | -                        | -                     | 83,990                         |
| Parks and recreation                                   | 150,133                 | -                        | 150,133               | -                              |
| Public safety                                          | 2,362,702               | -                        | 2,362,702             | -                              |
| Urban development and housing                          | -                       | -                        | -                     | 878,566                        |
| Unrestricted                                           | 23,367,630              | (4,148,827)              | 19,218,803            | (6,637,278)                    |
| Total net position                                     | <u>\$ 655,261,494</u>   | <u>\$ 41,571,737</u>     | <u>\$ 696,833,231</u> | <u>\$ (204,368)</u>            |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2013

| FUNCTIONS/PROGRAMS             | Expenses       | Program Revenues     |                                    |                                  |
|--------------------------------|----------------|----------------------|------------------------------------|----------------------------------|
|                                |                | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary government:</b>     |                |                      |                                    |                                  |
| Governmental activities:       |                |                      |                                    |                                  |
| General government             | \$ 16,206,096  | \$ 2,725,767         | \$ 1,046,427                       | \$ 2,898,514                     |
| Public safety                  | 40,054,201     | 10,718,690           | 1,706,185                          | 458,914                          |
| Public works                   | 20,093,321     | 3,200,996            | 42,539                             | 3,410,616                        |
| Parks and recreation           | 7,279,163      | 2,051,380            | 789,021                            | 422,019                          |
| Urban development and housing  | 591,545        | -                    | 366,361                            | -                                |
| Interest on long-term debt     | 3,952,399      | -                    | -                                  | -                                |
| Total governmental activities  | 88,176,725     | 18,696,833           | 3,950,533                          | 7,190,063                        |
|                                |                |                      |                                    |                                  |
| Business-type Activities:      |                |                      |                                    |                                  |
| Water                          | 5,420,503      | 5,303,609            | 76,877                             | 90,979                           |
| Convention Center              | 2,591,225      | 1,998,488            | 3,017                              | -                                |
| Solid Waste Removal            | 3,130,852      | 3,337,992            | -                                  | -                                |
| Golf                           | 2,064,247      | 1,748,166            | -                                  | -                                |
| Parking                        | 405,157        | 454,184              | -                                  | 247,455                          |
| Irrigation Systems             | 315,178        | 229,676              | -                                  | 1,300                            |
| Total business-type activities | 13,927,162     | 13,072,115           | 79,894                             | 339,734                          |
| Total primary government       | \$ 102,103,887 | \$ 31,768,948        | \$ 4,030,427                       | \$ 7,529,797                     |
|                                |                |                      |                                    |                                  |
| <b>Component unit:</b>         |                |                      |                                    |                                  |
| Downtown Development Authority | \$ 3,753,663   | \$ 38,139            | \$ -                               | \$ 704,651                       |

General revenues:

- Sales & use taxes
- Property taxes
- Franchise taxes
- Highway users tax
- Other shared taxes
- Investment earnings (loss)
- Gain on sale of capital assets

Transfers

- Total general revenues
- Change in net position
- Net position - beginning
- Net position - ending

The notes to the financial statements are an integral part of this statement.

**Net (Expense) Revenue and Changes in Net Assets**

| Primary Government            |                             |                               | Component Unit                 |
|-------------------------------|-----------------------------|-------------------------------|--------------------------------|
| Governmental Activities       | Business-type Activities    | Total                         | Downtown Development Authority |
| \$ (9,535,388)                | \$ -                        | \$ (9,535,388)                | \$ -                           |
| (27,170,412)                  | -                           | (27,170,412)                  | -                              |
| (13,439,170)                  | -                           | (13,439,170)                  | -                              |
| (4,016,743)                   | -                           | (4,016,743)                   | -                              |
| (225,184)                     | -                           | (225,184)                     | -                              |
| (3,952,399)                   | -                           | (3,952,399)                   | -                              |
| <u>(58,339,296)</u>           | <u>-</u>                    | <u>(58,339,296)</u>           | <u>-</u>                       |
| -                             | 50,962                      | 50,962                        | -                              |
| -                             | (589,720)                   | (589,720)                     | -                              |
| -                             | 207,140                     | 207,140                       | -                              |
| -                             | (316,081)                   | (316,081)                     | -                              |
| -                             | 296,482                     | 296,482                       | -                              |
| -                             | (84,202)                    | (84,202)                      | -                              |
| <u>-</u>                      | <u>(435,419)</u>            | <u>(435,419)</u>              | <u>-</u>                       |
| \$ <u><u>(58,339,296)</u></u> | \$ <u><u>(435,419)</u></u>  | \$ <u><u>(58,774,715)</u></u> | \$ <u><u>-</u></u>             |
| -                             | -                           | -                             | (3,010,873)                    |
| 50,468,227                    | -                           | 50,468,227                    | -                              |
| 8,837,970                     | -                           | 8,837,970                     | 1,576,439                      |
| 2,743,512                     | -                           | 2,743,512                     | -                              |
| 2,167,518                     | -                           | 2,167,518                     | -                              |
| 1,811,980                     | -                           | 1,811,980                     | -                              |
| 77,084                        | (7,749)                     | 69,335                        | (9,795)                        |
| -                             | -                           | -                             | 177,677                        |
| <u>(679,822)</u>              | <u>679,822</u>              | <u>-</u>                      | <u>-</u>                       |
| <u>65,426,469</u>             | <u>672,073</u>              | <u>66,098,542</u>             | <u>1,744,321</u>               |
| 7,087,173                     | 236,654                     | 7,323,827                     | (1,266,552)                    |
| 648,174,321                   | 41,335,083                  | 689,509,404                   | 1,062,184                      |
| \$ <u><u>655,261,494</u></u>  | \$ <u><u>41,571,737</u></u> | \$ <u><u>696,833,231</u></u>  | \$ <u><u>(204,368)</u></u>     |

City of Grand Junction  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2013

|                                                                     | General Fund         | Sales Tax Capital Improvements Capital Projects Fund | Major Capital Improvements Capital Projects Fund | General Debt Service Fund | Parkway Debt Retirement Fund | Other Governmental Funds | Total Governmental Funds |
|---------------------------------------------------------------------|----------------------|------------------------------------------------------|--------------------------------------------------|---------------------------|------------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                                                       |                      |                                                      |                                                  |                           |                              |                          |                          |
| Cash and investments                                                | \$ 10,736,192        | \$ -                                                 | \$ 2,947,863                                     | \$ 105                    | \$ 6,467,441                 | \$ 5,257,856             | \$ 25,409,457            |
| Interest receivable                                                 | 53,655               | -                                                    | -                                                | -                         | -                            | -                        | 53,655                   |
| Accounts receivable, net of allowances                              |                      |                                                      |                                                  |                           |                              |                          |                          |
| for uncollectibles                                                  | 1,758,195            | -                                                    | -                                                | -                         | -                            | 386,556                  | 2,144,751                |
| Taxes receivable                                                    | 10,876,419           | 1,243,369                                            | -                                                | -                         | -                            | 129,474                  | 12,249,262               |
| Special assessments receivable                                      | -                    | 55,618                                               | -                                                | -                         | -                            | -                        | 55,618                   |
| Intergovernmental receivables                                       | 1,750,840            | 12,814                                               | -                                                | -                         | -                            | 11,492                   | 1,775,146                |
| Due from other funds                                                | 861,405              | -                                                    | -                                                | -                         | -                            | -                        | 861,405                  |
| Prepaid Items                                                       | 36,634               | -                                                    | -                                                | -                         | -                            | 9,189                    | 45,823                   |
| Inventories                                                         | 221,248              | -                                                    | -                                                | -                         | -                            | -                        | 221,248                  |
| Restricted cash and investments                                     | 533,500              | -                                                    | -                                                | -                         | -                            | -                        | 533,500                  |
| Advances to other funds                                             | 7,216,384            | -                                                    | -                                                | -                         | -                            | -                        | 7,216,384                |
| Total assets                                                        | <u>\$ 34,044,472</u> | <u>\$ 1,311,801</u>                                  | <u>\$ 2,947,863</u>                              | <u>\$ 105</u>             | <u>\$ 6,467,441</u>          | <u>\$ 5,794,567</u>      | <u>\$ 50,566,249</u>     |
| <b>LIABILITIES</b>                                                  |                      |                                                      |                                                  |                           |                              |                          |                          |
| Accounts payable                                                    | 787,435              | 690,787                                              | 730,421                                          | -                         | -                            | 490,145                  | 2,698,788                |
| Accrued liabilities                                                 | 1,010,638            | -                                                    | -                                                | -                         | -                            | 21,621                   | 1,032,259                |
| Due to other funds                                                  | -                    | 487,068                                              | -                                                | -                         | -                            | 3,498                    | 490,566                  |
| Unearned revenue                                                    | 37,845               | -                                                    | -                                                | -                         | -                            | 61,627                   | 99,472                   |
| Total liabilities                                                   | <u>1,835,918</u>     | <u>1,177,855</u>                                     | <u>730,421</u>                                   | <u>-</u>                  | <u>-</u>                     | <u>576,891</u>           | <u>4,321,085</u>         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                |                      |                                                      |                                                  |                           |                              |                          |                          |
| Unavailable revenue-property taxes                                  | 7,625,717            | -                                                    | -                                                | -                         | -                            | -                        | 7,625,717                |
| Unavailable revenue-special assessments                             | -                    | 55,618                                               | -                                                | -                         | -                            | -                        | 55,618                   |
| Total deferred inflows of resources                                 | <u>7,625,717</u>     | <u>55,618</u>                                        | <u>-</u>                                         | <u>-</u>                  | <u>-</u>                     | <u>-</u>                 | <u>7,681,335</u>         |
| <b>FUND BALANCES</b>                                                |                      |                                                      |                                                  |                           |                              |                          |                          |
| Nonspendable:                                                       |                      |                                                      |                                                  |                           |                              |                          |                          |
| Advances                                                            | \$ 7,216,384         | \$ -                                                 | \$ -                                             | \$ -                      | \$ -                         | \$ -                     | \$ 7,216,384             |
| Inventories and prepaids                                            | 257,882              | -                                                    | -                                                | -                         | -                            | 9,189                    | 267,071                  |
| Permanent fund principal                                            | -                    | -                                                    | -                                                | -                         | -                            | 1,329,102                | 1,329,102                |
| Restricted for:                                                     |                      |                                                      |                                                  |                           |                              |                          |                          |
| Debt service                                                        | 2,641,828            | -                                                    | -                                                | 105                       | 6,467,441                    | 15,857                   | 9,125,231                |
| Emergency reserves                                                  | 2,000,000            | -                                                    | -                                                | -                         | -                            | -                        | 2,000,000                |
| General capital improvements                                        | -                    | 78,328                                               | -                                                | -                         | -                            | -                        | 78,328                   |
| Parks and recreation                                                | 10,000               | -                                                    | -                                                | -                         | -                            | 140,133                  | 150,133                  |
| Public safety                                                       | -                    | -                                                    | -                                                | -                         | -                            | 2,250,860                | 2,250,860                |
| Committed to:                                                       |                      |                                                      |                                                  |                           |                              |                          |                          |
| Open space                                                          | -                    | -                                                    | -                                                | -                         | -                            | 839,403                  | 839,403                  |
| Street capacity expansion                                           | -                    | -                                                    | -                                                | -                         | -                            | 236,967                  | 236,967                  |
| Tourism and convention                                              | -                    | -                                                    | -                                                | -                         | -                            | 396,165                  | 396,165                  |
| Assigned to:                                                        |                      |                                                      |                                                  |                           |                              |                          |                          |
| Avalon Theatre building improvements                                | -                    | -                                                    | 2,001,890                                        | -                         | -                            | -                        | 2,001,890                |
| Cultural arts                                                       | 117,327              | -                                                    | -                                                | -                         | -                            | -                        | 117,327                  |
| Public safety building improvements                                 | -                    | -                                                    | 215,552                                          | -                         | -                            | -                        | 215,552                  |
| Retiree health benefits                                             | 1,147,941            | -                                                    | -                                                | -                         | -                            | -                        | 1,147,941                |
| Subsequent year's expenditures                                      | 992,775              | -                                                    | -                                                | -                         | -                            | -                        | 992,775                  |
| Unassigned:                                                         | 10,198,700           | -                                                    | -                                                | -                         | -                            | -                        | 10,198,700               |
| Total fund balances                                                 | <u>24,582,837</u>    | <u>78,328</u>                                        | <u>2,217,442</u>                                 | <u>105</u>                | <u>6,467,441</u>             | <u>5,217,676</u>         | <u>38,563,829</u>        |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 34,044,472</u> | <u>\$ 1,311,801</u>                                  | <u>\$ 2,947,863</u>                              | <u>\$ 105</u>             | <u>\$ 6,467,441</u>          | <u>\$ 5,794,567</u>      | <u>\$ 50,566,249</u>     |

The notes to the financial statements are an integral part of this statement.



City of Grand Junction  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION**  
 December 31, 2013

Amounts reported for governmental activities on the statement of net position (page 31)  
 are different because:

|                                                                                                                                                                                                                                                                                                                                                                                      |                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Total fund balance - governmental funds (page 34)                                                                                                                                                                                                                                                                                                                                    | \$ 38,563,829                |
| Capital assets used in governmental activities are not financial resources and, therefore,<br>are not reported in the funds.                                                                                                                                                                                                                                                         | 674,285,143                  |
| The net pension asset is not an available resource and , therefore, is not reported in the funds                                                                                                                                                                                                                                                                                     | 1,231,332                    |
| Other long-term assets are not available to pay current expenditures, and therefore,<br>are reported as unavailable revenue in the funds.                                                                                                                                                                                                                                            | 63,860                       |
| Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation & maintenance,<br>self-insurance activities, and communication services to individual funds. The assets \$28,075,260 and liabilities (\$3,594,322) of the<br>internal service funds are included in governmental activities in the statement of net position. | 24,480,938                   |
| Interfund for internal service fund allocated to business-type activities.                                                                                                                                                                                                                                                                                                           | (416,668)                    |
| Long-term liabilities including bonds and notes payable, capital leases, compensated absences and accrued<br>interest are not due and payable in the current period and therefore are not reported in the funds.                                                                                                                                                                     |                              |
| Revenue bonds                                                                                                                                                                                                                                                                                                                                                                        | \$ (34,380,000)              |
| Bond premium (to be amortized over life of debt)                                                                                                                                                                                                                                                                                                                                     | (4,470,946)                  |
| Deferred charge on refunding (to be amortized<br>over life of debt)                                                                                                                                                                                                                                                                                                                  | 2,215,882                    |
| Certificates of participation                                                                                                                                                                                                                                                                                                                                                        | (40,805,000)                 |
| Discount on certificates of participation (to be amortized over life of lease)                                                                                                                                                                                                                                                                                                       | 378,665                      |
| Net pension obligation                                                                                                                                                                                                                                                                                                                                                               | (148,176)                    |
| Accrued interest payable                                                                                                                                                                                                                                                                                                                                                             | (771,583)                    |
| Compensated absences                                                                                                                                                                                                                                                                                                                                                                 | (3,296,401)                  |
| Other Post Employment Benefit Obligation                                                                                                                                                                                                                                                                                                                                             | (1,669,381)                  |
|                                                                                                                                                                                                                                                                                                                                                                                      | (82,946,940)                 |
| Total net position - governmental activities (page 31)                                                                                                                                                                                                                                                                                                                               | \$ <u><u>655,261,494</u></u> |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2013

|                                                           | General Fund         | Sales Tax Capital Improvements Capital Projects Fund | Major Capital Improvements Capital Projects Fund | General Debt Service Fund | Parkway Debt Retirement Fund | Other Governmental Funds | Total Governmental Funds |
|-----------------------------------------------------------|----------------------|------------------------------------------------------|--------------------------------------------------|---------------------------|------------------------------|--------------------------|--------------------------|
| <b>REVENUES</b>                                           |                      |                                                      |                                                  |                           |                              |                          |                          |
| <b>Taxes:</b>                                             |                      |                                                      |                                                  |                           |                              |                          |                          |
| Property                                                  | \$ 8,718,110         | \$ -                                                 | \$ -                                             | \$ -                      | \$ -                         | \$ 119,860               | \$ 8,837,970             |
| Sales and use                                             | 36,959,763           | 11,662,520                                           | -                                                | -                         | -                            | 1,845,944                | 50,468,227               |
| Franchise                                                 | 2,743,512            | -                                                    | -                                                | -                         | -                            | -                        | 2,743,512                |
| Severance                                                 | 1,030,480            | -                                                    | -                                                | -                         | -                            | -                        | 1,030,480                |
| Other                                                     | 2,949,018            | -                                                    | -                                                | -                         | -                            | -                        | 2,949,018                |
| Licenses and permits                                      | 108,206              | -                                                    | -                                                | -                         | -                            | -                        | 108,206                  |
| Intergovernmental revenues                                | 2,314,710            | 895,935                                              | 2,598,514                                        | 710,069                   | -                            | 1,021,858                | 7,541,086                |
| Charges for services                                      | 9,273,061            | 45,277                                               | -                                                | -                         | -                            | 4,638,321                | 13,956,659               |
| Fines and forfeitures                                     | 888,456              | -                                                    | -                                                | -                         | -                            | 7,734                    | 896,190                  |
| Special assessments                                       | -                    | 14,708                                               | -                                                | -                         | -                            | -                        | 14,708                   |
| Investment earnings (loss)                                | 94,930               | 5,745                                                | 3,583                                            | 202                       | 247                          | (7,923)                  | 96,784                   |
| Other income                                              | 27,938               | -                                                    | -                                                | -                         | -                            | 22,817                   | 50,755                   |
| Other contributions                                       | 54,098               | 4,540                                                | 302,385                                          | -                         | -                            | 418,875                  | 779,898                  |
| Total revenues                                            | <u>65,162,282</u>    | <u>12,628,725</u>                                    | <u>2,904,482</u>                                 | <u>710,271</u>            | <u>247</u>                   | <u>8,067,486</u>         | <u>89,473,493</u>        |
| <b>EXPENDITURES</b>                                       |                      |                                                      |                                                  |                           |                              |                          |                          |
| <b>Current:</b>                                           |                      |                                                      |                                                  |                           |                              |                          |                          |
| General government                                        | 9,783,275            | -                                                    | -                                                | 2,805                     | -                            | 1,790,126                | 11,576,206               |
| Public safety                                             | 35,406,743           | -                                                    | -                                                | -                         | -                            | -                        | 35,406,743               |
| Public works                                              | 10,014,670           | -                                                    | -                                                | -                         | -                            | -                        | 10,014,670               |
| Parks and recreation                                      | 8,456,460            | -                                                    | -                                                | -                         | -                            | -                        | 8,456,460                |
| Urban development and housing                             | 333,880              | -                                                    | -                                                | -                         | -                            | 257,665                  | 591,545                  |
| <b>Debt service:</b>                                      |                      |                                                      |                                                  |                           |                              |                          |                          |
| Principal retirement                                      | -                    | -                                                    | -                                                | 4,960,000                 | -                            | 420,000                  | 5,380,000                |
| Interest and fiscal charges                               | -                    | -                                                    | -                                                | 4,096,585                 | -                            | 335,460                  | 4,432,045                |
| <b>Capital outlay:</b>                                    |                      |                                                      |                                                  |                           |                              |                          |                          |
| Construction                                              | -                    | 6,290,846                                            | 6,291,866                                        | -                         | -                            | 4,933,329                | 17,516,041               |
| Total expenditures                                        | <u>63,995,028</u>    | <u>6,290,846</u>                                     | <u>6,291,866</u>                                 | <u>9,059,390</u>          | <u>-</u>                     | <u>7,736,580</u>         | <u>93,373,710</u>        |
| Excess (deficiency) of revenues over (under) expenditures | 1,167,254            | 6,337,879                                            | (3,387,384)                                      | (8,349,119)               | 247                          | 330,906                  | (3,900,217)              |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                      |                                                      |                                                  |                           |                              |                          |                          |
| Transfers in                                              | 96,621               | 1,330,374                                            | 2,406,861                                        | 8,349,102                 | 2,350,111                    | 2,226,174                | 16,759,243               |
| Transfers out                                             | (7,022,680)          | (8,038,877)                                          | (42,597)                                         | -                         | -                            | (4,448,929)              | (19,553,083)             |
| Total other financing sources and uses                    | <u>(6,926,059)</u>   | <u>(6,708,503)</u>                                   | <u>2,364,264</u>                                 | <u>8,349,102</u>          | <u>2,350,111</u>             | <u>(2,222,755)</u>       | <u>(2,793,840)</u>       |
| Net change in fund balances                               | (5,758,805)          | (370,624)                                            | (1,023,120)                                      | (17)                      | 2,350,358                    | (1,891,849)              | (6,694,057)              |
| Fund balances -- beginning                                | 30,341,642           | 448,952                                              | 3,240,562                                        | 122                       | 4,117,083                    | 7,109,525                | 45,257,886               |
| Fund balances -- ending                                   | <u>\$ 24,582,837</u> | <u>\$ 78,328</u>                                     | <u>\$ 2,217,442</u>                              | <u>\$ 105</u>             | <u>\$ 6,467,441</u>          | <u>\$ 5,217,676</u>      | <u>\$ 38,563,829</u>     |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
 For the Year Ended December 31, 2013

Amounts reported for governmental activities in the statement of activities (page 33)  
 are different because:

|                                                                  |    |             |
|------------------------------------------------------------------|----|-------------|
| Net change in fund balances - total governmental funds (page 36) | \$ | (6,694,057) |
|------------------------------------------------------------------|----|-------------|

|                                                                                                                                                                                                                                                                                                                                          |  |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$17,084,622 exceeded depreciation (\$13,606,678) in the current period. |  | 3,477,944 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|

|                                                                                                                                                |  |           |
|------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trades, and disposals) is to decrease net position. |  | (632,001) |
|------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|

|                                                                               |  |           |
|-------------------------------------------------------------------------------|--|-----------|
| The net effect of the donation of capital assets is to increase net position. |  | 2,901,654 |
|-------------------------------------------------------------------------------|--|-----------|

|                                                                                                                                    |  |          |
|------------------------------------------------------------------------------------------------------------------------------------|--|----------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. |  | (13,858) |
|------------------------------------------------------------------------------------------------------------------------------------|--|----------|

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, this transaction has no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

|                                                                                |    |           |  |
|--------------------------------------------------------------------------------|----|-----------|--|
| Debt principal payments                                                        | \$ | 5,380,000 |  |
| Bond premium (to be amortized over the life of debt)                           |    | 755,005   |  |
| Certificates of participation discount (to be amortized over the life of debt) |    | (15,065)  |  |
| Deferred charge on refunding (to be amortized over the life of debt)           |    | (337,420) |  |
| Decrease in accrued interest                                                   |    | 77,126    |  |
| Decrease in net pension obligation                                             |    | 8,620     |  |
| Increase in net pension asset                                                  |    | 1,025,756 |  |
| Decrease in pollution remediation                                              |    | 185,602   |  |
| Increase in compensated absences                                               |    | (86,785)  |  |
| Increase in other post employment benefit obligation                           |    | (372,983) |  |
|                                                                                |    | 6,619,856 |  |

Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation & maintenance, central stores and printing, self-insurance activities, and communication services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

|                                        |    |             |           |
|----------------------------------------|----|-------------|-----------|
| Revenues from external customers       | \$ | 3,254,009   |           |
| Expenses due to external customers     |    | (4,325,470) |           |
| Grants and contributions               |    | 350,415     |           |
| Gain (Loss) on disposition of property |    | 85,761      |           |
| Investment income (loss)               |    | (21,993)    |           |
| Operating income from operations       |    | 2,084,913   | 1,427,635 |

|                                                             |    |           |
|-------------------------------------------------------------|----|-----------|
| Change in net position of governmental activities (page 33) | \$ | 7,087,173 |
|-------------------------------------------------------------|----|-----------|

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Year Ended December 31, 2013

|                                                           | <u>Budgeted Amounts</u> |                      | <u>Actual</u>        | <u>Adjustment</u>   | <u>Actual</u>        | <u>Variance with</u>  |
|-----------------------------------------------------------|-------------------------|----------------------|----------------------|---------------------|----------------------|-----------------------|
|                                                           | <u>Original</u>         | <u>Final</u>         | <u>GAAP</u>          | <u>to</u>           | <u>on</u>            | <u>Final Budget -</u> |
|                                                           |                         |                      | <u>Basis</u>         | <u>Budgetary</u>    | <u>Budgetary</u>     | <u>Positive</u>       |
|                                                           |                         |                      | <u>Amounts</u>       | <u>Basis</u>        | <u>Basis</u>         | <u>(Negative)</u>     |
| <b>REVENUES</b>                                           |                         |                      |                      |                     |                      |                       |
| <b>Taxes:</b>                                             |                         |                      |                      |                     |                      |                       |
| Property                                                  | \$ 8,791,873            | \$ 8,750,873         | \$ 8,718,110         | \$ -                | \$ 8,718,110         | \$ (32,763)           |
| Sales and use                                             | 38,190,533              | 36,900,179           | 36,959,763           | (396,821)           | 36,562,942           | (337,237)             |
| Franchise                                                 | 2,500,000               | 2,770,000            | 2,743,512            | -                   | 2,743,512            | (26,488)              |
| Severance                                                 | 1,152,025               | 1,030,480            | 1,030,480            | -                   | 1,030,480            | -                     |
| Other                                                     | 2,930,721               | 2,900,128            | 2,949,018            | (36,265)            | 2,912,753            | 12,625                |
| Licenses and permits                                      | 102,600                 | 104,950              | 108,206              | -                   | 108,206              | 3,256                 |
| Intergovernmental revenues                                | 974,314                 | 1,138,905            | 2,314,710            | (1,131,664)         | 1,183,046            | 44,141                |
| Charges for services                                      | 8,950,556               | 9,199,143            | 9,273,061            | -                   | 9,273,061            | 73,918                |
| Fines and forfeitures                                     | 1,146,400               | 843,709              | 888,456              | -                   | 888,456              | 44,747                |
| Investment earnings                                       | 222,250                 | 222,850              | 94,930               | 110,955             | 205,885              | (16,965)              |
| Other income                                              | 29,100                  | 24,700               | 27,938               | -                   | 27,938               | 3,238                 |
| Other contributions                                       | 24,300                  | 51,500               | 54,098               | -                   | 54,098               | 2,598                 |
| Total revenues                                            | <u>65,014,672</u>       | <u>63,937,417</u>    | <u>65,162,282</u>    | <u>(1,453,795)</u>  | <u>63,708,487</u>    | <u>(228,930)</u>      |
| <b>EXPENDITURES</b>                                       |                         |                      |                      |                     |                      |                       |
| <b>Current:</b>                                           |                         |                      |                      |                     |                      |                       |
| General government:                                       |                         |                      |                      |                     |                      |                       |
| Administration                                            | 9,364,868               | 9,455,337            | 8,127,214            | -                   | 8,127,214            | 1,328,123             |
| Community development                                     | 1,640,535               | 1,653,256            | 1,656,061            | -                   | 1,656,061            | (2,805)               |
| Total general government                                  | <u>11,005,403</u>       | <u>11,108,593</u>    | <u>9,783,275</u>     | <u>-</u>            | <u>9,783,275</u>     | <u>1,325,318</u>      |
| Public safety:                                            |                         |                      |                      |                     |                      |                       |
| Police protection                                         | 20,175,773              | 20,175,773           | 20,596,161           | (1,131,664)         | 19,464,497           | 711,276               |
| Fire protection                                           | 14,867,976              | 14,878,450           | 14,810,582           | -                   | 14,810,582           | 67,868                |
| Total public safety                                       | <u>35,043,749</u>       | <u>35,054,223</u>    | <u>35,406,743</u>    | <u>(1,131,664)</u>  | <u>34,275,079</u>    | <u>779,144</u>        |
| Public works                                              | 10,515,984              | 10,434,366           | 10,014,670           | -                   | 10,014,670           | 419,696               |
| Parks and recreation                                      | 8,583,343               | 8,551,297            | 8,456,460            | -                   | 8,456,460            | 94,837                |
| Urban development and housing                             | 254,346                 | 356,268              | 333,880              | -                   | 333,880              | 22,388                |
| Total expenditures                                        | <u>65,402,825</u>       | <u>65,504,747</u>    | <u>63,995,028</u>    | <u>(1,131,664)</u>  | <u>62,863,364</u>    | <u>2,641,383</u>      |
| Excess (deficiency) of revenues over (under) expenditures | (388,153)               | (1,567,330)          | 1,167,254            | (322,131)           | 845,123              | 2,412,453             |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                         |                      |                      |                     |                      |                       |
| Transfers in                                              | 6,500                   | 72,183               | 96,621               | -                   | 96,621               | 24,438                |
| Transfers out                                             | (8,046,496)             | (8,551,435)          | (7,022,680)          | -                   | (7,022,680)          | 1,528,755             |
| Total other financing sources and uses                    | <u>(8,039,996)</u>      | <u>(8,479,252)</u>   | <u>(6,926,059)</u>   | <u>-</u>            | <u>(6,926,059)</u>   | <u>1,553,193</u>      |
| Net change in fund balances                               | (8,428,149)             | (10,046,582)         | (5,758,805)          | (322,131)           | (6,080,936)          | 3,965,646             |
| Fund balances -- beginning                                | 30,521,002              | 30,521,002           | 30,341,642           | 179,360             | 30,521,002           | -                     |
| Fund balances -- ending                                   | <u>\$ 22,092,853</u>    | <u>\$ 20,474,420</u> | <u>\$ 24,582,837</u> | <u>\$ (142,771)</u> | <u>\$ 24,440,066</u> | <u>\$ 3,965,646</u>   |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2013

| Business-Type Activities - Enterprise Funds            |                      |                                   |                     |                     |                        |                        |                                                 |
|--------------------------------------------------------|----------------------|-----------------------------------|---------------------|---------------------|------------------------|------------------------|-------------------------------------------------|
|                                                        | Water Fund           | Two Rivers Convention Center Fund | Golf Courses Fund   | Parking Fund        | Other Enterprise Funds | Total Enterprise Funds | Governmental Activities- Internal Service Funds |
| <b>ASSETS</b>                                          |                      |                                   |                     |                     |                        |                        |                                                 |
| Current assets:                                        |                      |                                   |                     |                     |                        |                        |                                                 |
| Cash and investments                                   | \$ 2,284,611         | \$ 77,709                         | \$ 9,968            | \$ 144,111          | \$ 604,484             | \$ 3,120,883           | \$ 8,583,722                                    |
| Accounts receivable, net of allowance                  | 421,245              | 76,391                            | 9,279               | 153                 | 422,682                | 929,750                | 1,330,108                                       |
| Intergovernmental receivable                           | 740                  | -                                 | -                   | -                   | -                      | 740                    | 126,670                                         |
| Prepaid items                                          | -                    | 408                               | 185                 | -                   | -                      | 593                    | 138,184                                         |
| Inventory                                              | -                    | -                                 | 42,675              | -                   | -                      | 42,675                 | -                                               |
| Total current assets                                   | <u>2,706,596</u>     | <u>154,508</u>                    | <u>62,107</u>       | <u>144,264</u>      | <u>1,027,166</u>       | <u>4,094,641</u>       | <u>10,178,684</u>                               |
| Noncurrent assets:                                     |                      |                                   |                     |                     |                        |                        |                                                 |
| Capital assets:                                        |                      |                                   |                     |                     |                        |                        |                                                 |
| Land                                                   | 2,506,211            | 153,001                           | 891,356             | 1,598,330           | -                      | 5,148,898              | -                                               |
| Buildings, improvements, plant and system              | 46,224,376           | 9,166,204                         | 7,346,930           | 5,058,459           | 3,649,898              | 71,445,867             | 2,747,494                                       |
| Equipment                                              | 1,052,803            | 649,740                           | 226,676             | 316,278             | 1,260,436              | 3,505,933              | 34,028,600                                      |
| Construction in progress                               | 135,559              | 49,726                            | -                   | -                   | -                      | 185,285                | 903,636                                         |
| Intangible assets                                      | 190,464              | -                                 | -                   | -                   | -                      | 190,464                | -                                               |
| Less accumulated depreciation                          | <u>(17,917,021)</u>  | <u>(3,448,235)</u>                | <u>(3,482,949)</u>  | <u>(1,099,137)</u>  | <u>(3,610,440)</u>     | <u>(29,557,782)</u>    | <u>(19,783,154)</u>                             |
| Total capital assets (net of accumulated depreciation) | <u>32,192,392</u>    | <u>6,570,436</u>                  | <u>4,982,013</u>    | <u>5,873,930</u>    | <u>1,299,894</u>       | <u>50,918,665</u>      | <u>17,896,576</u>                               |
| Total noncurrent assets                                | <u>32,192,392</u>    | <u>6,570,436</u>                  | <u>4,982,013</u>    | <u>5,873,930</u>    | <u>1,299,894</u>       | <u>50,918,665</u>      | <u>17,896,576</u>                               |
| Total assets                                           | <u>34,898,988</u>    | <u>6,724,944</u>                  | <u>5,044,120</u>    | <u>6,018,194</u>    | <u>2,327,060</u>       | <u>55,013,306</u>      | <u>28,075,260</u>                               |
| <b>LIABILITIES</b>                                     |                      |                                   |                     |                     |                        |                        |                                                 |
| Current liabilities:                                   |                      |                                   |                     |                     |                        |                        |                                                 |
| Accounts payable                                       | 79,310               | 122,740                           | 42,317              | 2,000               | 92,532                 | 338,899                | 762,600                                         |
| Accrued liabilities                                    | 63,959               | 31,768                            | 17,813              | 3,335               | 27,232                 | 144,107                | 160,640                                         |
| Accrued interest payable                               | 40,406               | -                                 | -                   | -                   | -                      | 40,406                 | -                                               |
| Compensated absences payable                           | 14,146               | 3,223                             | 5,117               | 547                 | 7,003                  | 30,036                 | 24,766                                          |
| Claims payable                                         | -                    | -                                 | -                   | -                   | -                      | -                      | 858,711                                         |
| Current portion of promissory notes payable            | 347,046              | -                                 | -                   | -                   | -                      | 347,046                | -                                               |
| Due to other funds                                     | -                    | -                                 | 93,198              | 194,978             | 82,663                 | 370,839                | -                                               |
| Total current liabilities                              | <u>544,867</u>       | <u>157,731</u>                    | <u>158,445</u>      | <u>200,860</u>      | <u>209,430</u>         | <u>1,271,333</u>       | <u>1,806,717</u>                                |
| Noncurrent liabilities:                                |                      |                                   |                     |                     |                        |                        |                                                 |
| Compensated absences payable                           | 244,650              | 55,738                            | 88,494              | 9,460               | 121,123                | 519,465                | 428,331                                         |
| Claims payable                                         | -                    | -                                 | -                   | -                   | -                      | -                      | 1,359,274                                       |
| Advances from other funds - general fund               | -                    | -                                 | 3,398,468           | 3,057,665           | 760,251                | 7,216,384              | -                                               |
| Promissory notes payable                               | <u>4,851,055</u>     | <u>-</u>                          | <u>-</u>            | <u>-</u>            | <u>-</u>               | <u>4,851,055</u>       | <u>-</u>                                        |
| Total noncurrent liabilities                           | <u>5,095,705</u>     | <u>55,738</u>                     | <u>3,486,962</u>    | <u>3,067,125</u>    | <u>881,374</u>         | <u>12,586,904</u>      | <u>1,787,605</u>                                |
| Total liabilities                                      | <u>5,640,572</u>     | <u>213,469</u>                    | <u>3,645,407</u>    | <u>3,267,985</u>    | <u>1,090,804</u>       | <u>13,858,237</u>      | <u>3,594,322</u>                                |
| <b>NET POSITION</b>                                    |                      |                                   |                     |                     |                        |                        |                                                 |
| Net investment in capital assets                       | 26,994,291           | 6,570,436                         | 4,982,013           | 5,873,930           | 1,299,894              | 45,720,564             | 17,896,576                                      |
| Restricted for:                                        |                      |                                   |                     |                     |                        |                        |                                                 |
| Public safety                                          | -                    | -                                 | -                   | -                   | -                      | -                      | 111,842                                         |
| Unrestricted                                           | <u>2,264,125</u>     | <u>(58,961)</u>                   | <u>(3,583,300)</u>  | <u>(3,123,721)</u>  | <u>(63,638)</u>        | <u>(4,565,495)</u>     | <u>6,472,520</u>                                |
| Total net position                                     | <u>\$ 29,258,416</u> | <u>\$ 6,511,475</u>               | <u>\$ 1,398,713</u> | <u>\$ 2,750,209</u> | <u>\$ 1,236,256</u>    | <u>\$ 41,155,069</u>   | <u>\$ 24,480,938</u>                            |

Amounts reported for business-type activities on the statement of net position (page 31) are different because:

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:

|                                                   |                      |
|---------------------------------------------------|----------------------|
| Current year:                                     | 263,710              |
| Prior years:                                      | 152,958              |
| Net position - business-type activities (page 31) | <u>\$ 41,571,737</u> |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2013

| Business-Type Activities - Enterprise Funds             |                      |                                   |                     |                     |                        |                        |                                                 |
|---------------------------------------------------------|----------------------|-----------------------------------|---------------------|---------------------|------------------------|------------------------|-------------------------------------------------|
|                                                         | Water Fund           | Two Rivers Convention Center Fund | Golf Courses Fund   | Parking Fund        | Other Enterprise Funds | Total Enterprise Funds | Governmental Activities- Internal Service Funds |
| <b>Operating revenues:</b>                              |                      |                                   |                     |                     |                        |                        |                                                 |
| Charges for sales and services                          | \$ 5,303,609         | \$ 1,998,488                      | \$ 1,748,166        | \$ 454,184          | \$ 3,567,668           | \$ 13,072,115          | \$ 15,803,652                                   |
| Other income                                            | -                    | -                                 | -                   | -                   | -                      | -                      | 1,444,855                                       |
| Total operating revenues                                | <u>5,303,609</u>     | <u>1,998,488</u>                  | <u>1,748,166</u>    | <u>454,184</u>      | <u>3,567,668</u>       | <u>13,072,115</u>      | <u>17,248,507</u>                               |
| <b>Operating expenses:</b>                              |                      |                                   |                     |                     |                        |                        |                                                 |
| Personnel services                                      | 2,732,414            | 1,375,070                         | 975,993             | 143,668             | 1,159,477              | 6,386,622              | 6,998,636                                       |
| Costs of sales and services                             | 1,573,076            | 975,387                           | 844,880             | 76,912              | 2,246,800              | 5,717,055              | 8,219,458                                       |
| Depreciation and amortization                           | 1,036,746            | 247,659                           | 230,074             | 132,274             | 152,355                | 1,799,108              | 2,906,621                                       |
| Total operating expenses                                | <u>5,342,236</u>     | <u>2,598,116</u>                  | <u>2,050,947</u>    | <u>352,854</u>      | <u>3,558,632</u>       | <u>13,902,785</u>      | <u>18,124,715</u>                               |
| Operating income (loss)                                 | <u>(38,627)</u>      | <u>(599,628)</u>                  | <u>(302,781)</u>    | <u>101,330</u>      | <u>9,036</u>           | <u>(830,670)</u>       | <u>(876,208)</u>                                |
| <b>Nonoperating revenues (expenses):</b>                |                      |                                   |                     |                     |                        |                        |                                                 |
| Intergovernmental                                       | 740                  | -                                 | -                   | -                   | -                      | 740                    | 367,207                                         |
| Miscellaneous                                           | 76,137               | 3,017                             | -                   | -                   | -                      | 79,154                 | -                                               |
| Investment income (loss)                                | (6,096)              | -                                 | (306)               | (177)               | (1,170)                | (7,749)                | (21,993)                                        |
| Gain (loss) on disposition of property and equipment    | (12,872)             | (11,020)                          | -                   | (5,226)             | -                      | (29,118)               | 85,761                                          |
| Interest expense                                        | <u>(154,923)</u>     | <u>-</u>                          | <u>(52,375)</u>     | <u>(51,671)</u>     | <u>-</u>               | <u>(258,969)</u>       | <u>-</u>                                        |
| Total nonoperating revenues (expenses)                  | <u>(97,014)</u>      | <u>(8,003)</u>                    | <u>(52,681)</u>     | <u>(57,074)</u>     | <u>(1,170)</u>         | <u>(215,942)</u>       | <u>430,975</u>                                  |
| <b>Income (loss) before contributions and transfers</b> | <u>(135,641)</u>     | <u>(607,631)</u>                  | <u>(355,462)</u>    | <u>44,256</u>       | <u>7,866</u>           | <u>(1,046,612)</u>     | <u>(445,233)</u>                                |
| Capital contributions - tap fees                        | 47,600               | -                                 | -                   | -                   | 1,300                  | 48,900                 | -                                               |
| Contributed capital                                     | 43,379               | -                                 | -                   | 247,455             | -                      | 290,834                | 22,560                                          |
| Transfers in                                            | <u>-</u>             | <u>523,283</u>                    | <u>156,539</u>      | <u>-</u>            | <u>-</u>               | <u>679,822</u>         | <u>2,114,018</u>                                |
| Change in net position                                  | <u>(44,662)</u>      | <u>(84,348)</u>                   | <u>(198,923)</u>    | <u>291,711</u>      | <u>9,166</u>           | <u>(27,056)</u>        | <u>1,691,345</u>                                |
| Net position - beginning                                | <u>29,303,078</u>    | <u>6,595,823</u>                  | <u>1,597,636</u>    | <u>2,458,498</u>    | <u>1,227,090</u>       | <u>41,182,125</u>      | <u>22,789,593</u>                               |
| Net position - ending                                   | <u>\$ 29,258,416</u> | <u>\$ 6,511,475</u>               | <u>\$ 1,398,713</u> | <u>\$ 2,750,209</u> | <u>\$ 1,236,256</u>    | <u>\$ 41,155,069</u>   | <u>\$ 24,480,938</u>                            |

Amounts reported for business-type activities in the statement of activities (page 33) are different because:

|                                                                                                          |                   |
|----------------------------------------------------------------------------------------------------------|-------------------|
| Change in net position-enterprise funds                                                                  | (27,056)          |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds: | 263,710           |
| Change in net position of business-type activities (page 33)                                             | <u>\$ 236,654</u> |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2013

|                                                                                                       | Business-Type Activities - Enterprise Funds |                                   |                   |              |                        |                        | Governmental Activities- Internal Service Funds |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------|-------------------|--------------|------------------------|------------------------|-------------------------------------------------|
|                                                                                                       | Water Fund                                  | Two Rivers Convention Center Fund | Golf Courses Fund | Parking Fund | Other Enterprise Funds | Total Enterprise Funds |                                                 |
| <b>Cash flows from operating activities:</b>                                                          |                                             |                                   |                   |              |                        |                        |                                                 |
| Cash received from interfund                                                                          | \$ 605,322                                  | \$ -                              | \$ -              | \$ -         | \$ -                   | \$ 605,322             | \$ 13,863,816                                   |
| Cash received from customers and users                                                                | 4,694,482                                   | 2,138,895                         | 1,739,198         | 454,772      | 3,569,916              | 12,597,263             | 1,922,735                                       |
| Cash paid to interfund                                                                                | (764,960)                                   | (153,039)                         | (333,875)         | (39,257)     | (962,113)              | (2,253,244)            | (1,300,208)                                     |
| Cash paid to suppliers                                                                                | (846,198)                                   | (824,588)                         | (559,527)         | (37,246)     | (1,277,838)            | (3,545,397)            | (7,221,639)                                     |
| Cash paid to employees                                                                                | (2,710,038)                                 | (1,374,949)                       | (973,712)         | (142,173)    | (1,155,460)            | (6,356,332)            | (6,973,041)                                     |
| Miscellaneous receipts                                                                                | 76,137                                      | 3,017                             | -                 | -            | -                      | 79,154                 | 118,009                                         |
| Net cash provided (used) by operating activities                                                      | 1,054,745                                   | (210,664)                         | (127,916)         | 236,096      | 174,505                | 1,126,766              | 409,672                                         |
| <b>Cash flows from noncapital financing activities:</b>                                               |                                             |                                   |                   |              |                        |                        |                                                 |
| Transfers from other funds                                                                            | -                                           | 523,283                           | 156,539           | -            | -                      | 679,822                | 2,114,018                                       |
| Increase (decrease) in amount due other funds                                                         | -                                           | (60,621)                          | (191,764)         | 2,881        | 2,174                  | (247,330)              | -                                               |
| Intergovernmental receipts                                                                            | -                                           | -                                 | -                 | -            | -                      | -                      | 39,351                                          |
| Net cash provided (used) by noncapital financing activities                                           | -                                           | 462,662                           | (35,225)          | 2,881        | 2,174                  | 432,492                | 2,153,369                                       |
| <b>Cash flows from capital and related financing activities:</b>                                      |                                             |                                   |                   |              |                        |                        |                                                 |
| Tap fees                                                                                              | 47,600                                      | -                                 | -                 | -            | 1,300                  | 48,900                 | -                                               |
| Principal payments:                                                                                   |                                             |                                   |                   |              |                        |                        |                                                 |
| Promissory notes                                                                                      | (342,609)                                   | -                                 | -                 | -            | -                      | (342,609)              | -                                               |
| Advances of interfund capital loans                                                                   | -                                           | -                                 | 191,764           | -            | -                      | 191,764                | -                                               |
| Repayment of interfund capital loans                                                                  | -                                           | -                                 | -                 | (194,978)    | (82,663)               | (277,641)              | -                                               |
| Interest paid                                                                                         | (168,357)                                   | -                                 | (52,375)          | (51,671)     | -                      | (272,403)              | -                                               |
| Proceeds from disposition of capital assets                                                           | -                                           | -                                 | -                 | -            | -                      | -                      | 59,870                                          |
| Purchase of capital assets                                                                            | (1,105,901)                                 | (174,289)                         | (14,709)          | -            | (115,726)              | (1,410,625)            | (4,141,974)                                     |
| Intergovernmental receipts                                                                            | -                                           | -                                 | -                 | -            | -                      | -                      | 547,274                                         |
| Net cash used in capital and related financing activities                                             | (1,569,267)                                 | (174,289)                         | 124,680           | (246,649)    | (197,089)              | (2,062,614)            | (3,534,830)                                     |
| <b>Cash flows from investing activities:</b>                                                          |                                             |                                   |                   |              |                        |                        |                                                 |
| Investment income (loss) received                                                                     | (6,096)                                     | -                                 | (306)             | (177)        | (1,170)                | (7,749)                | (21,993)                                        |
| Net cash provided (used) by investing activities                                                      | (6,096)                                     | -                                 | (306)             | (177)        | (1,170)                | (7,749)                | (21,993)                                        |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                           | (520,618)                                   | 77,709                            | (38,767)          | (7,849)      | (21,580)               | (511,105)              | (993,782)                                       |
| Cash and cash equivalents, January 1                                                                  | 2,805,229                                   | -                                 | 48,735            | 151,960      | 626,064                | 3,631,988              | 9,577,504                                       |
| Cash and cash equivalents, December 31                                                                | \$ 2,284,611                                | \$ 77,709                         | \$ 9,968          | \$ 144,111   | \$ 604,484             | \$ 3,120,883           | \$ 8,583,722                                    |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |                                             |                                   |                   |              |                        |                        |                                                 |
| Operating income (loss)                                                                               | \$ (38,627)                                 | \$ (599,628)                      | \$ (302,781)      | \$ 101,330   | \$ 9,036               | \$ (830,670)           | \$ (876,208)                                    |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                                             |                                   |                   |              |                        |                        |                                                 |
| Depreciation expense                                                                                  | 1,036,746                                   | 247,659                           | 230,074           | 132,274      | 152,355                | 1,799,108              | 2,906,621                                       |
| (Increase) decrease in accounts receivable                                                            | (3,805)                                     | 140,407                           | (8,968)           | 588          | 2,248                  | 130,470                | (1,343,947)                                     |
| Miscellaneous receipts                                                                                | 76,137                                      | 3,017                             | -                 | -            | -                      | 79,154                 | -                                               |
| (Increase) decrease in inventory                                                                      | -                                           | -                                 | (7,149)           | -            | -                      | (7,149)                | -                                               |
| (Increase) decrease in prepaid items                                                                  | -                                           | (408)                             | (185)             | -            | -                      | (593)                  | (94,933)                                        |
| Increase (decrease) in accounts payable                                                               | (422,428)                                   | (14,300)                          | (19,788)          | 409          | 6,849                  | (449,258)              | 283,078                                         |
| Increase (decrease) in claims payable                                                                 | -                                           | -                                 | -                 | -            | -                      | -                      | (120,892)                                       |
| Increase (decrease) in accrued liabilities and compensated absences payable                           | 22,376                                      | 121                               | 2,281             | 1,495        | 4,017                  | 30,290                 | 25,595                                          |
| (Increase) decrease in accounts payable due to the purchase of capital assets on account              | 384,346                                     | 12,468                            | (21,400)          | -            | -                      | 375,414                | (369,642)                                       |
| Total adjustments                                                                                     | 1,093,372                                   | 388,964                           | 174,865           | 134,766      | 165,469                | 1,957,436              | 1,285,880                                       |
| Net cash provided (used) by operating activities                                                      | \$ 1,054,745                                | \$ (210,664)                      | \$ (127,916)      | \$ 236,096   | \$ 174,505             | \$ 1,126,766           | \$ 409,672                                      |
| <b>Noncash Investing, Capital and Financing Activities</b>                                            |                                             |                                   |                   |              |                        |                        |                                                 |
| Purchase of capital assets on account                                                                 | \$ 48,791                                   | \$ 4,427                          | \$ 21,400         | \$ -         | \$ -                   | \$ 74,618              | \$ 429,969                                      |
| Capital contributions                                                                                 | 43,379                                      | -                                 | -                 | 247,455      | -                      | 290,834                | 22,560                                          |
| Net book value of capital assets traded in on capital assets acquired                                 | -                                           | -                                 | -                 | -            | -                      | -                      | 183,019                                         |
| Trade in value of disposed assets                                                                     | -                                           | -                                 | -                 | -            | -                      | -                      | 209,010                                         |
| Intergovernmental receivable from capital financing activities                                        | -                                           | -                                 | -                 | -            | -                      | -                      | 80,582                                          |
| Intergovernmental receivable from noncapital financing activities                                     | 740                                         | -                                 | -                 | -            | -                      | 740                    | -                                               |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
December 31, 2013

|                                       | Pension<br>Trust<br>Funds | Private<br>Purpose<br>Trust Funds | Joint Sewer<br>Investment<br>Trust Fund | Agency<br>Funds   |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------------|-------------------|
| <b>ASSETS</b>                         |                           |                                   |                                         |                   |
| Cash and cash equivalents             | \$ 34,453                 | \$ 117,317                        | \$ 10,817,853                           | \$ 744,282        |
| Investments                           |                           |                                   |                                         |                   |
| Short term investments                | 1,320,442                 | -                                 | -                                       | -                 |
| Fixed income investments              | 1,883,913                 | -                                 | -                                       | -                 |
| Global equity investments             | 6,673,649                 | -                                 | -                                       | -                 |
| Real assets investments               | 201,021                   | -                                 | -                                       | -                 |
| Real estate investments               | 649,304                   |                                   |                                         |                   |
| Absolute return investments           | 1,385,295                 | -                                 | -                                       | -                 |
| Private equity investments            | 1,317,441                 | -                                 | -                                       | -                 |
| Private debt investments              | 129,073                   | -                                 | -                                       | -                 |
| Securities lending investment pool    | 453,475                   | -                                 | -                                       | -                 |
| Total assets                          | <u>14,048,066</u>         | <u>117,317</u>                    | <u>10,817,853</u>                       | <u>744,282</u>    |
| <b>LIABILITIES</b>                    |                           |                                   |                                         |                   |
| Accounts payable                      | -                         | -                                 | -                                       | 35,441            |
| Due to other governments              | -                         | -                                 | -                                       | 708,841           |
| Total liabilities                     | <u>-</u>                  | <u>-</u>                          | <u>-</u>                                | <u>\$ 744,282</u> |
| <b>NET POSITION</b>                   |                           |                                   |                                         |                   |
| Held in trust for:                    |                           |                                   |                                         |                   |
| External investment pool participants | -                         | -                                 | 10,817,853                              |                   |
| Pension benefits                      | 14,048,066                | -                                 | -                                       |                   |
| Individuals, organizations and others | -                         | 117,317                           | -                                       |                   |
| Total net position                    | <u>\$ 14,048,066</u>      | <u>\$ 117,317</u>                 | <u>\$ 10,817,853</u>                    |                   |

The notes to the financial statements are an integral part of this statement.



City of Grand Junction, Colorado  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
For the Year Ended December 31, 2013

|                                                         | Pension<br>Trust<br>Funds | Private<br>Purpose<br>Trust Funds | Joint Sewer<br>Investment<br>Trust Fund |
|---------------------------------------------------------|---------------------------|-----------------------------------|-----------------------------------------|
| <b>ADDITIONS</b>                                        |                           |                                   |                                         |
| Additions by participants                               | \$ -                      | \$ 159,980                        | \$ 11,524,632                           |
| Employer contributions                                  | 276,015                   | -                                 | -                                       |
| Other Contributions                                     | 1,131,664                 | -                                 | -                                       |
| Total contributions                                     | <u>1,407,679</u>          | <u>159,980</u>                    | <u>11,524,632</u>                       |
| Investment earnings:                                    |                           |                                   |                                         |
| Interest income (loss)                                  | 255,946                   | (11)                              | 11,798                                  |
| Net increase (decrease) in fair value<br>of investments | <u>1,718,910</u>          | <u>-</u>                          | <u>-</u>                                |
| Net investment earnings                                 | <u>1,974,856</u>          | <u>(11)</u>                       | <u>11,798</u>                           |
| Total additions                                         | <u>3,382,535</u>          | <u>159,969</u>                    | <u>11,536,430</u>                       |
| <b>DEDUCTIONS</b>                                       |                           |                                   |                                         |
| Distributions to participants                           | -                         | 99,663                            | 10,364,103                              |
| Benefits and refunds                                    | 1,536,347                 | -                                 | -                                       |
| Administrative expenses                                 | 125,374                   | 3,083                             | -                                       |
| Total deductions                                        | <u>1,661,721</u>          | <u>102,746</u>                    | <u>10,364,103</u>                       |
| Change in net position                                  | 1,720,814                 | 57,223                            | 1,172,327                               |
| Net position - beginning                                | 12,327,252                | 60,094                            | 9,645,526                               |
| Net position - ending                                   | <u>\$ 14,048,066</u>      | <u>\$ 117,317</u>                 | <u>\$ 10,817,853</u>                    |

The notes to the financial statements are an integral part of this statement.



(This page intentionally left blank)



# **NOTES TO FINANCIAL STATEMENTS**



(This page intentionally left blank)

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **A. REPORTING ENTITY**

The City of Grand Junction, Colorado was incorporated July 19, 1882, under provision of Article XX of the Constitution of the State of Colorado, as amended (Home Rule City). The City operates under a Council-Manager form of government with seven elected Council members.

The City's financial statements include the accounts and operations of all City functions including, but not limited to, public safety (police and fire protection), street construction and maintenance, water and sanitation, planning and zoning, parks and recreation and general administration as provided by the City charter. The City owns and operates a meeting and convention center, swimming pools, golf courses and parking facilities. The City also provides ambulance transport services for Mesa County, Colorado. The City maintains a data processing facility, a fleet facility, a central stores facility and a communications center. The communications center, fleet facility, and central stores facility provide services to other local governments in Mesa County, Colorado.

The accounting policies of the City of Grand Junction conform to generally accepted accounting principles (GAAP) as applicable to governments and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

As required by generally accepted accounting principles, these financial statements present the City of Grand Junction (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

**Blended Component Units.** The financial data for the following entities is reported as part of the primary government because the City Council of the City acts as the Board of Directors for each entity.

***The Ridges Metropolitan District*** was annexed into the City and dissolved as a separate district in 1992. The District continues in existence for the sole purpose of providing for the payment of the District's outstanding debt with a special levy of property taxes collected within the District only.

The financial data of the ***Grand Junction Public Finance Corporation*** (the Corporation) is reported as part of the primary government because it is fiscally dependent upon the City and provides financing solely to the City. The Corporation was incorporated as a nonprofit corporation in the State of Colorado during 1996. The purpose of the Corporation is to facilitate financing for the City (see Note 6). Although the Corporation is a separate legal entity, for financial reporting purposes it is considered part of the City and is reported in the Grand Junction Public Finance Debt Service Fund.

**Discretely Presented Component Unit.** The component unit column in the government-wide financial statements includes the financial data of the City's only discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

***The Downtown Development Authority (DDA)*** was formed to improve the downtown area of the City of Grand Junction. The Authority has an eleven-member board appointed by the City Council of the City of Grand Junction. The City Council also approves the Authority's budget and property tax levy and issues any debt for Authority projects. Financial statements for all funds and activities of the DDA are included in the City's Comprehensive Annual Financial Report because the Authority does not issue separate financial statements.

## **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements summarize information on governmental and business-type activities of the primary government and its component units. These statements do not include fiduciary activities, and for the most part, eliminations have been made to minimize the double-counting of interfund activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the *Downtown Development Authority*, the City's legally separate *component unit* for which the primary government is financially accountable.

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

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

## **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

### ***Government-Wide, Proprietary and Fiduciary Financial Statements:***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except that agency funds, as they are merely custodial funds, do not have a measurement focus. All assets, liabilities, and deferred outflows/inflows of resources including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

### ***Governmental Fund Financial Statements:***

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenues that are determined to be susceptible to accrual include sales and use taxes, property taxes, utility franchise fees, grants-in-aid earned, interest, rentals and charges for services. Grant revenue is considered available if it is expected to be collected within one year and all eligibility requirements are met. Only the portion of special assessments receivable due within the current fiscal year is considered susceptible to accrual as revenue of the current period. Major revenues that are determined to not be susceptible to accrual, because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable, include licenses, permits, fines and forfeitures.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The City reports the following major governmental funds:

The **General Fund** is the general operating fund of the City. It accounts for all activities of the general government except those required to be accounted for in another fund.

The **Sales Tax Capital Improvements Fund** is a capital projects fund used to account for the financing and construction of projects financed completely or partially with the  $\frac{3}{4}$  percent portion of the City's  $2\frac{3}{4}$  percent sales and use tax. The  $\frac{3}{4}$  percent portion is currently dedicated to general capital improvements and economic development.

The **Major Capital Improvements Fund** is a capital projects fund used to account for the financing and construction of two major improvement projects. The Public Safety Building Improvement Project is funded with proceeds from the issuance of certificates of participation. The Avalon Theatre Renovation Project is funded by City sales and use tax, Downtown Development Authority TIF revenue, as well as local contributions.

The **General Debt Service Fund** is a debt service fund used to account for all resources which are being accumulated for general long-term debt principal and interest payments maturing in future years other than long-term debt accounted for in enterprise and internal service funds or where a separate debt service fund is legally mandated.

The **Parkway Debt Retirement Fund** is a debt service fund used to account for all resources which are being accumulated for the early retirement of the Parkway Project long-term debt principal and interest payments maturing in future years.

The City reports the following major proprietary funds:

The **Water Fund** accounts for all activities associated with providing water services to customers within the water service area.

The **Two Rivers Convention Center Fund** accounts for all activities associated with the municipally owned meeting and convention center.

The **Golf Courses Fund** accounts for all activities associated with both municipally owned golf courses, Lincoln Park Golf Course and Tiara Rado Golf Course.

The **Parking Fund** is used to account for the revenue and expense associated with the operation of all municipally owned and leased parking facilities. Construction of a parking garage in the downtown area was completed late in 2007.

Additionally the City reports the following fund types:

The **Permanent Fund** accumulates resources to provide future maintenance of municipal cemeteries.

The **Internal Service Funds** account for data processing, equipment acquisition, operation & maintenance, self-insurance activities, and communication services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

The **Private-Purpose Trust Funds** account for resources legally held in trust for use by the local school district to purchase land and other uses specified by parties outside the City government.

The **Pension Trust Funds** account for Police and Fire defined benefit pension plans administered by the Fire and Police Pension Association of Colorado.

The **Investment Trust Fund** accounts for the net position held on behalf of the City of Grand Junction/Mesa County Joint Sewer System in the City's cash pool. The Joint Sewer System is not part of the City's financial reporting entity.

The **Agency Funds** account for custodial functions in operations of an advisory board, and collecting and forwarding special assessment debt payments for property owners.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments to the General Fund by various enterprise funds for providing administrative and billing services for such funds, and charges between the City's water and solid waste removal fund and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Interfund activity has not been eliminated in the fund financial statements.

Amounts reported as program revenues include:

1. charges to customers for goods and services
2. operating grants and contributions
3. capital grants and contributions, including special assessments

Internally dedicated resources are reported as *general revenues* rather than program revenues. Likewise, general revenues include all taxes.

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 all the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include cost of sales and services, personal services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Ambulance transports have agreements with third-party payers, Medicaid, and Medicare that provide for payments to the City at amounts different from its established rates. Net patient service revenue is reported at estimated net realizable amounts.

#### **D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

##### *1. Cash and Investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits with banks and other financial institutions, and short-term investments with original maturities of three months or less from the date of acquisition.

Colorado State Statutes limit the local governments to the following types of investments, unless others are specifically identified by home rule cities, such as the City of Grand Junction:

1. *Obligations of the United States or obligations unconditionally guaranteed by the United States*
2. *Bonds of the State of Colorado and its political subdivisions*
3. *Certain obligations secured by mortgages*
4. *Bankers acceptances*
5. *Commercial paper*
6. *State investment pools*
7. *Repurchase agreements*
8. *Money market funds*
9. *Guaranteed investment contracts*

The City Council has formally established an investment policy allowing investments to have maturities beyond five years and to include mutual funds (composed of U.S. Government obligations) and collateralized mortgage obligations. Some additional restrictions apply to the various investments.

Assets of the pension trust funds may be invested by the Fire and Police Pension Association of Colorado (FPPA) in publicly traded common and preferred stock, convertible bonds, venture capital and real estate. Investments are presented at fair value except real-estate which is recorded at



estimated fair value based upon periodic appraisals and valuations, investments in limited partnerships which are recorded at estimated fair value as derived from financial statements, and guaranteed investment contracts which are recorded at contract value.

Investments are stated at fair value determined from quoted market prices. The state investment pools exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State of Colorado. The state investment pools and mutual funds are similar to money market funds, with each share valued at \$1.

Investments in joint ventures by governmental funds are recorded as expenditures at the time the investment is made.

## *2. Interfund Receivables and Payables*

Receivables and payables classified as "due from other funds" or "due to other funds" on the balance sheet arise from negative equity in pooled cash and investments. Current portions of long-term interfund loan receivables are classified as "interfund receivables" and "interfund payables" on the balance sheet. Non-current portions of long-term interfund loan receivables are reported as "advances" and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

## *3. Property Taxes*

Property taxes as set by the City Council are collected by the County Treasurer. The County Treasurer remits property taxes collected to the City by the 10th day of the month following collection. Property taxes receivable represent 2013 taxes collectible in 2014 and are also shown as unavailable revenue. Following are details of the property tax calendar:

|                             |                          |
|-----------------------------|--------------------------|
| Levy date:                  | November 15 (prior year) |
| Lien date:                  | January 1 (current year) |
| First 1/2 installment due:  | February 28              |
| Second 1/2 installment due: | June 15                  |
| If paid in full:            | April 30                 |

## *4. Special Assessments Receivable*

Special assessments receivable are recorded for the property owners' share of the cost of street or utility improvements within special improvement districts. Corresponding unavailable revenue is recorded until the assessments meet the revenue recognition availability criteria. Special assessments receivable for projects which were initially financed with existing governmental resources are recorded together with the corresponding deferred inflow of resources in the fund which provided the resources.

## *5. Inventories and Prepaid Items*

All inventories are valued at cost using the moving average method. Inventories in governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items in governmental funds are recorded as expenditures when consumed rather than when purchased.

## *6. Restricted Cash and Investments*

Certain proceeds of the Governmental Fund certificates of participation are classified as restricted assets on the balance sheet since their use is limited by applicable bond covenants.

## 7. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., streets, bridges, alleys, traffic signal systems and storm drainage), and intangible assets (e.g., water rights and permanent easements) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair market value on the date donated.

Maintenance, repairs and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in income.

Improvements are capitalized and depreciated over the remaining useful lives of the capital asset, as applicable. Infrastructure assets are capitalized as a separate category.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

Estimated useful lives for asset types are as follows:

|                           | <u>Estimated lives</u> |
|---------------------------|------------------------|
| Building and improvements | 10 to 50 years         |
| Utility plant and system  | 50 years               |
| Equipment                 | 5 to 10 years          |
| Infrastructure            | 20 to 40 years         |

## 8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City only has one type of item that qualifies for reporting in this category. It is unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## 9. Compensated Absences

During 1992, the City implemented a "Paid Time Off" (PTO) policy. This policy integrates holidays, vacation leave and sick leave into a single leave time accrual. An employee may accrue up to from 480 to 624 hours of PTO, depending upon years of service.

The City pays a terminating employee for all accumulated PTO time up to from 80 to 152 hours, depending on years of service. One-half of accumulated PTO in excess of this base amount will be paid to a terminating employee. In addition, employees hired prior to 1992 may have vacation and sick leave balances. The City pays a terminating employee for all accumulated vacation time and one-third of accumulated sick leave in excess of 720 hours.

Compensated absences are accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of an employee's resignation or retirement.

#### *10. Encumbrances*

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure are recorded during the year as an extension of formal budgetary integration in order to reserve that portion of the applicable appropriation, is not included for financial reporting purposes at year-end because unused appropriations and encumbrances lapse at year-end and must be reappropriated in the following year to be expended.

#### *11. Long-Term Liabilities*

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### *12. Net Position Flow Assumption*

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

#### *13. Fund Balance Policies and Flow Assumptions*

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned or unassigned fund balances. When funds from more than one classification are available, the order of spending of resources will be restricted, committed, assigned and, lastly unassigned.

Fund balances are classified as nonspendable when they are nonspendable in form or legally or contractually required to be maintained intact.

Fund balances are classified as restricted when constraints placed on the use of resources are externally imposed by creditors, grantors, contributors, laws and regulations of other governments, or by law through constitutional provisions or enabling legislation.

Fund balances are classified as committed when constraints placed upon the use of resources are adopted by the City Council through ordinance prior to the end of the calendar year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Fund balances are classified as assigned when constraints placed upon the use of resources are imposed by the City Council through the adoption of the City's annual budget. Assigned fund balances represent the City's intent for future use of financial resources that are subject to change. An intended use of any amount may also be expressed by the City Council and recorded in the minutes of a Council meeting. Assigned fund balances in special revenue funds will include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

The residual fund balance that does not meet any of the above criteria is classified as unassigned. The City will only report a positive unassigned fund balance in the General Fund.

#### 14. Comparative Data/Reclassifications

Comparative total data for the prior year has been presented in the accompanying Management's Discussion and Analysis in order to provide an understanding of the changes in the City's financial position and operations. However, complete comparative data has not been reported since their inclusion would make the financial statements unduly complex and difficult to read. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

### NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### **A. BUDGETARY INFORMATION**

Annual appropriated expenditure budgets are adopted for all governmental funds on a basis consistent with generally accepted accounting principles with the exception of the General Fund, the Sales Tax Capital Improvements Fund, the Parkway Debt Retirement Fund, and the DDA Tax Increment Fund. The annual budget for the General Fund is prepared on the modified accrual basis of accounting excluding certain basis differences for tax accruals, market value adjustments, and the effects of payments by the State of Colorado made on-behalf of City employees to a retirement plan (see Note 10). The annual budget for the Sales Tax Capital Improvements Fund is prepared on the modified accrual basis of accounting except for certain basis differences for tax accruals and market value adjustments. The annual budget for the Parkway Debt Retirement Fund is prepared on the modified accrual basis of accounting except for certain basis differences for market value adjustments. The annual budget for the DDA Tax Increment Fund is prepared on the modified accrual basis of accounting except for certain basis differences to close the fund into the DDA TIF Debt Fund as of the end of the year. Annual appropriation budgets are also adopted for all proprietary funds on the accrual basis of accounting modified to include capital expenditures and debt service principal payments and to exclude depreciation and amortization. The budget is prepared under the direction of the City Manager. The appropriations are adopted, and may not be exceeded, on a total fund basis.

The details of the budget calendar follow:

|              |                                                                                               |
|--------------|-----------------------------------------------------------------------------------------------|
| December 15, | Statutory deadline for certification of all mill levies to the Board of County Commissioners  |
| December 22, | Statutory deadline for Board of County Commissioners to levy all taxes and certify the levies |

On or before December 31, the City Council enacts an ordinance appropriating the budgets for the ensuing fiscal year. The City Council may amend the appropriation ordinance at any time during the year, as a result of any casualty, accident, or unforeseen contingency.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Even though the budget enacted by the City Council is at the fund level, the City prepares a line item budget by department and cost center for control at the line item level. Department heads have the authority to reallocate the distribution of budget amounts within the major categories of personnel expenditures, operating expenditures and capital expenditures within their fund and department. Budget reallocation between major expenditure categories within a fund requires City Manager approval. Budget reallocation between funds requires City Council approval.

Supplemental appropriation ordinances during 2013 resulted in budget amendments as follows:

| <u>Fund</u>                                                    | <u>Original Amount</u> | <u>Amended Amount</u> |
|----------------------------------------------------------------|------------------------|-----------------------|
| <b><i>Primary Government - City of Grand Junction:</i></b>     |                        |                       |
| <b><i>Governmental Activities</i></b>                          |                        |                       |
| General Fund                                                   | \$ 73,449,321          | \$ 74,056,182         |
| Special Revenue Funds:                                         |                        |                       |
| Visitors and Convention Bureau                                 | 1,963,769              | 1,975,082             |
| Parkland Expansion                                             | -                      | 305,000               |
| Conservation Trust                                             | 1,223,155              | 1,286,681             |
| Capital Projects Funds:                                        |                        |                       |
| Sales Tax Capital                                              | 14,997,845             | 15,758,095            |
| Storm Drainage Development                                     | 126,225                | 164,644               |
| Major Projects Capital                                         | 7,337,417              | 8,498,380             |
| Street Assessment Capital                                      | 4,000,000              | 5,092,727             |
| Facilities Capital                                             | 214,092                | 253,027               |
| <b><i>Business-Type Activities</i></b>                         |                        |                       |
| Internal Service Funds:                                        |                        |                       |
| Equipment                                                      | 5,334,189              | 6,531,004             |
| <b><i>Component Unit - Downtown Development Authority:</i></b> |                        |                       |
| Special Revenue Funds:                                         |                        |                       |
| DDA Tax Increment                                              | 529,219                | 799,601               |
| Capital Projects Funds:                                        |                        |                       |
| DDA Capital Improvements                                       | 1,522,833              | 2,849,005             |
| Debt Service Funds:                                            |                        |                       |
| DDA TIF Debt Service                                           | 641,464                | 911,846               |

## **B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The City charter prohibits the expenditure of City funds for any purpose not covered in the annual appropriation ordinance based upon the annual City budget. Colorado statutes prohibit expenditures on a total fund basis in excess of amounts appropriated.

## **C. FUND DEFICITS**

The Downtown Development Authority reported a net position deficit of \$204,368. As the 2012 Tax Increment Bonds are retired, this deficit will be eliminated.

## **NOTE 3. DEPOSITS AND INVESTMENTS**

Substantially all the City's cash and investments are part of the City's sponsored cash pool, which includes both internal and external participants. The pool is not registered with the Securities and Exchange Commission as an investment company. The City Finance Director (Treasurer) is granted authority for managing the pool by City Council. The City Treasurer reports investment activity quarterly to the Investment Advisory Committee, which is appointed by the City Manager, and reports annually to the City Council.

Cash and investments held for the City of Grand Junction/Mesa County, Colorado, Joint Sewer System are included in and inseparable from the City's pooled cash and investments. Since the Joint Sewer System is not part of the City's reporting entity, they are considered involuntary external participants of the City's cash pool. Under *GASB Statement 31*, the Joint Sewer System's pool share value is reported as an Investment Trust Fund in the City's financial statements. See Note 12 for more information on the Joint Sewer System.

### Cash Deposits

Colorado State Statutes require that all deposits be secured by federal deposit insurance or secured by collateral. Statutes require a financial institution to deposit collateral with another financial institution securing 102% of the market value of public funds held which exceed the amount insured by federal deposit insurance. All deposits of the City are insured or collateralized with government securities held by or for the entity.

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The composition of all cash held by the City cash pool at December 31, 2013, is as follows:

|                                                          | <b>Bank<br/>Balance</b> | <b>Carrying<br/>Balance</b> |
|----------------------------------------------------------|-------------------------|-----------------------------|
| Cash on hand                                             | \$ -                    | \$ 10,777                   |
| Insured deposits                                         | 250,000                 | 250,000                     |
| Deposits collateralized in single<br>institutional pools | 4,641,473               | 4,735,985                   |
|                                                          | <u>\$4,891,473</u>      | <u>\$4,996,762</u>          |

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair value by maintaining a minimum of 30% of the portfolio in short-term securities (less than one year) and employing a buy-and-hold strategy.

The City voluntarily participates in the state investment pools. The state investment pools exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State of Colorado. The state investment pools and mutual funds are similar to money market funds, with each share valued at \$1. The designated custodial banks provide safekeeping and depository services, and securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. Investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. The investment in the Fire and Police Pension Association of Colorado (FPPA) investment pool is set by Colorado statute for funding of police and fire defined benefit pension plans. Investments consist of publicly traded common and preferred stock, convertible bonds, venture capital and real estate. Investments in state investment pools, mutual funds, and FPPA are not categorized by risk, as they are not evidenced by securities that exist in physical or book entry form. The fair value of the position in the state investment pools and FPPA approximate the value of the City's investment in the pools.

As of December 31, 2013, the City had the following investments:

| <b><u>Investment Type</u></b>         | <b><u>S&amp;P<br/>Rating</u></b> | <b><u>Fair Value</u></b> | <b><u>Weighted Average<br/>Maturity (Months)</u></b> |
|---------------------------------------|----------------------------------|--------------------------|------------------------------------------------------|
| Federal Agency Securities             | AA+                              | \$ 17,810,590            | 34.75                                                |
| Treasury Coupon Securities            | AA+                              | 7,543,182                | 20.09                                                |
| Pass Through Securities<br>(GNMA/CMO) | AA+                              | 1,365,575                | 67.79                                                |
| Commercial Paper                      | A-1                              | 748,566                  | 1.61                                                 |
| State investment pools                | AAAm                             | 18,748,559               | 0.00                                                 |
| Pension trust fund                    | Not rated                        | 14,048,066               | 0.00                                                 |
| Total                                 |                                  | <u>\$60,264,538</u>      | <u>19.33</u>                                         |

*Credit risk.* The City's investment practices are governed by the City of Grand Junction Charter, Article IX paragraph 72, the Colorado Revised Statutes 24-75-601 to 605, and the City's investment policy as adopted by its legislative body. These controls limit investments to U.S. Government and Agency obligations, collateralized deposits, and commercial paper with the highest rating issued by one of the nationally recognized statistical rating organizations (NRSRO's).

*Concentration of credit risk.* The City's investment policy dictates diversification and does not allow for an investment in any one issuer that is in excess of five percent of the City's total investments.

*Custodial credit risk.* State law requires financial institutions to collateralize deposits of government funds. By City policy, all marketable securities shall be deposited in a safe keeping account with an independent third party state or national bank having an office in Colorado.

*Foreign Currency Risk.* The City's investment policy, excluding the FPPA pension trust funds, does not allow for investment in foreign currency.

#### NOTE 4. ACCOUNTS RECEIVABLE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts receivable of the various funds of the City at December 31, 2013, is as follows:

|                              |                 |
|------------------------------|-----------------|
| General Fund                 | \$795,440       |
| Enterprise Funds:            |                 |
| Water                        | \$ 1,054        |
| Solid Waste Removal          | 274             |
| Two Rivers Convention Center | 2,898           |
|                              | <u>\$ 4,226</u> |
| Internal Service Funds:      |                 |
| Communications Center        | <u>\$ 817</u>   |

#### NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

##### *Primary Government - City of Grand Junction:*

|                                               | Beginning<br>Balance | Increase            | Decreases           | Ending<br>Balance    |
|-----------------------------------------------|----------------------|---------------------|---------------------|----------------------|
| <b>Governmental Activities:</b>               |                      |                     |                     |                      |
| <i>Capital assets, not being depreciated:</i> |                      |                     |                     |                      |
| Land                                          | \$300,420,223        | \$ 1,640,438        | \$ 10,222           | \$302,050,439        |
| Construction in progress                      | 3,169,737            | 12,600,068          | 6,395,102           | 9,374,703            |
| Intangible assets                             | 1,290,092            | 18,540              | -                   | 1,308,632            |
| Total capital assets, not being depreciated   | <u>304,880,052</u>   | <u>14,259,046</u>   | <u>6,405,324</u>    | <u>312,733,774</u>   |
| <i>Capital assets, being depreciated:</i>     |                      |                     |                     |                      |
| Buildings                                     | 91,527,890           | 4,871,517           | 205,845             | 96,193,562           |
| Improvements other than buildings             | 30,351,034           | 1,294,303           | -                   | 31,645,337           |
| Equipment                                     | 44,535,771           | 5,230,601           | 1,198,587           | 48,567,785           |
| Infrastructure                                | 378,170,823          | 5,035,052           | -                   | 383,205,875          |
| Total capital assets, being depreciated       | <u>544,585,518</u>   | <u>16,431,473</u>   | <u>1,404,432</u>    | <u>559,612,559</u>   |
| <i>Less accumulated depreciation for:</i>     |                      |                     |                     |                      |
| Buildings                                     | 16,744,764           | 2,596,531           | 18,011              | 19,323,284           |
| Improvements other than buildings             | 15,532,077           | 1,249,331           | -                   | 16,781,408           |
| Equipment                                     | 23,993,179           | 4,161,261           | 1,015,568           | 27,138,872           |
| Infrastructure                                | 108,414,874          | 8,506,176           | -                   | 116,921,050          |
| Total accumulated depreciation                | <u>164,684,894</u>   | <u>16,513,299</u>   | <u>1,033,579</u>    | <u>180,164,614</u>   |
| Total capital assets, being depreciated, net  | <u>379,900,624</u>   | <u>(81,826)</u>     | <u>370,853</u>      | <u>379,447,945</u>   |
| Governmental activities capital assets, net   | <u>\$684,780,676</u> | <u>\$14,177,220</u> | <u>\$ 6,776,177</u> | <u>\$692,181,719</u> |

|                                               | Beginning<br>Balance | Increase    | Decreases   | Ending<br>Balance |
|-----------------------------------------------|----------------------|-------------|-------------|-------------------|
| <b>Business-type Activities:</b>              |                      |             |             |                   |
| <i>Capital assets, not being depreciated:</i> |                      |             |             |                   |
| Land                                          | \$ 4,901,443         | \$ 247,455  | \$ -        | \$ 5,148,898      |
| Construction in progress                      | 1,381,270            | 355,354     | 1,551,339   | 185,285           |
| Intangible assets                             | 190,464              | -           | -           | 190,464           |
| Total capital assets, not being depreciated   | 6,473,177            | 602,809     | 1,551,339   | 5,524,647         |
| <i>Capital assets, being depreciated:</i>     |                      |             |             |                   |
| Buildings and systems                         | 61,711,596           | 2,090,077   | 133,585     | 63,668,088        |
| Improvements other than buildings             | 7,931,012            | -           | 153,233     | 7,777,779         |
| Equipment                                     | 3,321,435            | 184,498     | -           | 3,505,933         |
| Total capital assets, being depreciated       | 72,964,043           | 2,274,575   | 286,818     | 74,951,800        |
| <i>Less accumulated depreciation for:</i>     |                      |             |             |                   |
| Buildings and systems                         | 22,992,188           | 1,344,289   | 109,693     | 24,226,784        |
| Improvements other than buildings             | 3,105,622            | 233,379     | 148,007     | 3,190,994         |
| Equipment                                     | 1,925,073            | 214,931     | -           | 2,140,004         |
| Total accumulated depreciation                | 28,022,883           | 1,792,599   | 257,700     | 29,557,782        |
| Total capital assets, being depreciated, net  | 44,941,160           | 481,976     | 29,118      | 45,394,018        |
| Business-type activities capital assets, net  | \$ 51,414,337        | \$1,084,785 | \$1,580,457 | \$ 50,918,665     |

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

|                                                                                                                                |              |
|--------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>Governmental Activities</b>                                                                                                 |              |
| General government                                                                                                             | \$ 1,158,530 |
| Public safety                                                                                                                  | 1,734,851    |
| Public works                                                                                                                   | 8,992,523    |
| Parks and recreation                                                                                                           | 1,720,774    |
| Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets | 2,906,621    |
| Total depreciation expense – governmental activities                                                                           | \$16,513,299 |
| <b>Business-Type Activities</b>                                                                                                |              |
| Water                                                                                                                          | \$ 1,030,237 |
| Solid waste                                                                                                                    | 66,673       |
| Meeting and convention center                                                                                                  | 247,659      |
| Golf courses                                                                                                                   | 230,074      |
| Parking                                                                                                                        | 132,274      |
| Irrigation                                                                                                                     | 85,682       |
| Total depreciation expense – business-type activities                                                                          | \$1,792,599  |



### ***Discretely Presented Component Unit***

Activity for the ***Downtown Development Authority*** for the year ended December 31, 2013, was as follows:

|                                               | Beginning<br>Balance | Increases  | Decreases  | Ending<br>Balance |
|-----------------------------------------------|----------------------|------------|------------|-------------------|
| <i>Capital assets, not being depreciated:</i> |                      |            |            |                   |
| Land                                          | \$ 1,042,146         | \$ -       | \$ 247,455 | \$ 794,691        |
| Construction in progress                      | 993                  | 587,922    | -          | 588,915           |
| Total capital assets, not being depreciated   | 1,043,139            | 587,922    | 247,455    | 1,383,606         |
| <i>Capital assets, being depreciated:</i>     |                      |            |            |                   |
| Buildings and systems                         | 3,787,023            | -          | -          | 3,787,023         |
| Equipment                                     | 1,317,439            | 120,468    | 8,160      | 1,429,747         |
| Total capital assets, being depreciated       | 5,104,462            | 120,468    | 8,160      | 5,216,770         |
| <i>Less accumulated depreciation for:</i>     |                      |            |            |                   |
| Buildings                                     | 1,189,004            | 110,471    | -          | 1,299,475         |
| Equipment                                     | 555,809              | 152,347    | 3,264      | 704,892           |
| Total accumulated depreciation                | 1,744,813            | 262,818    | 3,264      | 2,004,367         |
| Total capital assets, being depreciated, net  | 3,359,649            | (142,350)  | 4,896      | 3,212,403         |
| DDA capital assets, net                       | \$ 4,402,788         | \$ 445,572 | \$ 252,351 | \$ 4,596,009      |

### ***Construction Commitments***

The City and its component unit have several ongoing construction projects as of December 31, 2013 composed of the following:

|                            | Spent to<br><u>12/31/2013</u> | Projected cost<br><u>of completion</u> |
|----------------------------|-------------------------------|----------------------------------------|
| <b>Primary Government</b>  |                               |                                        |
| Street projects            | \$ 3,943,628                  | \$ 4,223,595                           |
| Drainage projects          | 16,869                        | 508,065                                |
| Park development           | 69,498                        | 1,044,006                              |
| Facilities/equipment/other | 5,529,993                     | 13,062,548                             |
| <b>Component Unit</b>      |                               |                                        |
| Development Projects       | \$ 588,915                    | \$ 848,915                             |

## **NOTE 6. CAPITAL LEASES**

### **Certificates of Participation**

The City entered into a ground and improvement lease with The Grand Junction Public Finance Corporation, which was incorporated in 1996 as a Colorado nonprofit corporation to facilitate City financing, including but not limited to, the acquisition of real or personal property, the construction or installation of improvements and the renovation, expansion or improvement of buildings for lease to the City. The Corporation issued \$7,770,000 certificates of participation, dated November 15, 2010 to be used to construct and install certain improvements to Suplizio Field, a baseball stadium located in the City's Lincoln Park, fund a reserve fund, and pay the costs of issuing the certificates. The proceeds from the issue reserved for debt service and principal and interest payments are accounted for in the General Fund.

The City has agreed to pay base rentals from annually appropriated funds. The lease agreements are in accordance with Colorado law as to being subject to annual appropriation by the City. The City intends to annually appropriate for the lease payments in its Conservation Trust Fund. The primary revenues on deposit in the Conservation Trust Fund are comprised of funds received from the Colorado Lottery to be used for park and recreation purposes pursuant to State law. A \$533,500 reserve is held by a trustee, as required by the agreement.

The interest rate is 4.76% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2013, follows:

| Year ending December 31,                | Schedule of<br>Base Rents |
|-----------------------------------------|---------------------------|
| 2014                                    | \$ 533,450                |
| 2015                                    | 532,000                   |
| 2016                                    | 530,400                   |
| 2017                                    | 528,650                   |
| 2018                                    | 531,175                   |
| 2019-2023                               | 2,653,356                 |
| 2024-2028                               | 2,658,525                 |
| 2029-2033                               | 2,648,750                 |
| 2034-2035                               | 1,059,500                 |
| Total base rentals                      | 11,675,806                |
| Less amounts representing interest      | (4,505,806)               |
| Present value of minimum lease payments | <u>\$ 7,170,000</u>       |

The City entered into a ground lease with Zions First National Bank. Zions First National Bank issued \$34,900,000 certificates of participation, dated December 1, 2010 to be used for the construction of a police building, including a 911 emergency dispatch center, and the remodeling of existing City facilities for use as fire stations and a fire administration building, pay capitalized interest, and pay the costs of issuing the certificates. The certificates include \$4,900,000 of Tax-Exempt Certificates of Participation, Series 2010A and \$30,000,000 Taxable Certificates of Participation (Direct Pay Build America Bonds), Series 2010B.

The City has agreed to pay base rentals from annually appropriated funds. The lease agreements are in accordance with Colorado law as to being subject to annual appropriation by the City.

The interest rates range from 4.23% to 7.48% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2013, follows:

| Year ending December 31,                | Schedule of<br>Base Rents |
|-----------------------------------------|---------------------------|
| 2014                                    | \$ 3,028,923              |
| 2015                                    | 3,027,122                 |
| 2016                                    | 3,029,323                 |
| 2017                                    | 3,028,510                 |
| 2018                                    | 3,029,535                 |
| 2019-2023                               | 14,949,363                |
| 2024-2028                               | 14,380,925                |
| 2029-2033                               | 13,600,072                |
| 2034-2038                               | 12,576,425                |
| 2039-2040                               | 4,680,392                 |
| Total base rentals                      | 75,330,590                |
| Less amounts representing interest      | (41,695,590)              |
| Present value of minimum lease payments | <u>\$ 33,635,000</u>      |

The City's certificates of participation do not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional or statutory debt limitation.

## NOTE 7. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity of the City for the year ended December 31, 2013:

### Primary Government - City of Grand Junction:

|                                                  | Beginning<br>Balance | Additions          | Reductions          | Ending<br>Balance   | Due Within<br>One Year |
|--------------------------------------------------|----------------------|--------------------|---------------------|---------------------|------------------------|
| <b>Governmental Activities:</b>                  |                      |                    |                     |                     |                        |
| General obligation bonds:                        |                      |                    |                     |                     |                        |
| <i>Ridges</i>                                    | \$ 210,000           | \$ -               | \$ 210,000          | \$ -                | \$ -                   |
| Revenue bonds:                                   |                      |                    |                     |                     |                        |
| <i>Parkway</i>                                   | 8,050,000            | -                  | 4,315,000           | 3,735,000           | 3,735,000              |
| <i>Premium</i>                                   | 104,405              | -                  | 78,190              | 26,215              | 26,215                 |
| <i>Parkway Refunding</i>                         | 30,645,000           | -                  | -                   | 30,645,000          | -                      |
| <i>Parkway Refunding Premium</i>                 | 5,121,546            | -                  | 676,815             | 4,444,731           | 676,815                |
| Capital Leases:                                  |                      |                    |                     |                     |                        |
| <i>Certificates of Participation</i>             | 41,660,000           | -                  | 855,000             | 40,805,000          | 885,000                |
| <i>Discount on Certificates of Participation</i> | (393,730)            | 15,065             | -                   | (378,665)           | (15,992)               |
| Net pension obligation:                          |                      |                    |                     |                     |                        |
| <i>Fire Defined Benefit Plan</i>                 | 156,796              | 270,764            | 279,384             | 148,176             | -                      |
| Claims payable                                   | 2,338,877            | 748,657            | 869,549             | 2,217,985           | 858,711                |
| Pollution remediation                            | 185,602              | -                  | 185,602             | -                   | -                      |
| Compensated absences                             | 3,851,941            | 4,542,397          | 4,454,240           | 3,940,098           | 215,366                |
| Other Post Employment Benefits                   | 1,296,398            | 1,003,512          | 630,529             | 1,669,381           | -                      |
| Governmental activity long-term liabilities      | <u>\$93,226,835</u>  | <u>\$6,580,395</u> | <u>\$12,554,309</u> | <u>\$87,252,921</u> | <u>\$6,381,115</u>     |
| <b>Business-Type Activities</b>                  |                      |                    |                     |                     |                        |
| Loans payable                                    |                      |                    |                     |                     |                        |
| <i>Water Systems</i>                             | \$5,569,053          | \$ -               | \$342,609           | \$5,226,444         | \$352,007              |
| Less deferred amounts:                           |                      |                    |                     |                     |                        |
| For loan discount                                | (34,852)             | 6,509              | -                   | (28,343)            | (4,961)                |
| Compensated absences                             | <u>553,524</u>       | <u>633,499</u>     | <u>637,522</u>      | <u>549,501</u>      | <u>30,036</u>          |
| Business-type activity long-term liabilities     | <u>\$6,087,725</u>   | <u>\$640,008</u>   | <u>\$980,131</u>    | <u>\$5,747,602</u>  | <u>\$377,082</u>       |

### Component Unit – Downtown Development Authority:

|                       | Beginning<br>Balance | Additions         | Reductions        | Ending<br>Balance  | Due Within<br>One Year |
|-----------------------|----------------------|-------------------|-------------------|--------------------|------------------------|
| Tax increment bonds   | \$7,125,000          | \$ -              | \$ 595,000        | \$6,530,000        | \$615,000              |
| Pollution remediation | -                    | 156,876           | -                 | 156,876            | 156,876                |
| Compensated absences  | <u>6,636</u>         | <u>10,285</u>     | <u>10,873</u>     | <u>6,048</u>       | <u>331</u>             |
| Total                 | <u>\$7,131,636</u>   | <u>\$ 167,161</u> | <u>\$ 605,873</u> | <u>\$6,692,924</u> | <u>\$772,207</u>       |

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$453,097 of internal service funds compensated absences are included in the above amounts. For the governmental activities, compensated absences and net pension obligation are generally liquidated by the general fund.

Bonds, notes and loans payable as of December 31, 2013, are comprised of the following:

**Primary Government – City of Grand Junction:**

**GENERAL OBLIGATION BONDS:**

\$2,590,000 Ridges Metropolitan District General Obligation Refunding Bonds Series 1992 consisting of \$955,000 serial bonds bearing interest at 3.5% to 5.75% payable April 15 and October 15 annually through October 15, 2013, term bond of \$545,000 bearing interest of 6% payable on April 15 and October 15 through October 15, 2007, and term bond of \$1,090,000 bearing interest of 6.1% payable on April 15 and October 15 through October 15, 2013. Bonds maturing on or after October 15, 2013, are callable at the district's option on any interest paying date at par. Both term bonds are subject to mandatory redemption pursuant to a sinking fund agreement with the paying agent. There was no unpaid principal at December 31, 2013.

**REVENUE BONDS:**

\$80,000,000 of approved General Fund Revenue Bonds Series 2004 and 2007 bearing interest at 2% to 5% payable March 1 and September 1 annually through March 1, 2024 were issued to finance the construction of the Riverside Parkway project. The principal and interest on the bonds is payable solely from pledged sales and use tax revenues. There was \$3,735,000 unpaid principal at December 31, 2013, payable over the following term:

| Year | Principal   | Interest | Total       |
|------|-------------|----------|-------------|
| 2014 | \$3,735,000 | \$93,375 | \$3,828,375 |
|      | \$3,735,000 | \$93,375 | \$3,828,375 |

The City of Grand Junction issued \$30,645,000 of General Fund Revenue Refunding Bonds Series 2012 bearing interest at 2% to 5% payable March 1 and September 1 annually through March 1, 2024. The principal and interest on the bonds is payable solely from pledged sales and use tax revenues. There was \$30,645,000 unpaid principal at December 31, 2013, payable over the following term:

| Year      | Principal    | Interest    | Total        |
|-----------|--------------|-------------|--------------|
| 2014      | \$ -         | \$1,418,850 | \$1,418,850  |
| 2015      | 2,470,000    | 1,381,800   | 3,851,800    |
| 2016      | 2,575,000    | 1,280,375   | 3,855,375    |
| 2017      | 2,705,000    | 1,148,375   | 3,853,375    |
| 2018      | 2,845,000    | 1,009,625   | 3,854,625    |
| 2019-2023 | 16,290,000   | 2,984,750   | 19,274,750   |
| 2024      | 3,760,000    | 94,000      | 3,854,000    |
|           | \$30,645,000 | \$9,317,775 | \$39,962,775 |

**ADVANCE REFUNDING:**

**Prior year defeasance of debt.** In prior years, the City of Grand Junction defeased general revenue bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At December 31, 2013, \$49,340,000 of defeased bonds remained outstanding.

**LOANS PAYABLE:**

The City of Grand Junction entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance improvements on the City's water system. The principal amount is \$3,566,522 at a net effective interest rate of 4.02%, payable February 1 and August 1

annually through 2022. The water system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the City with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2013 was \$1,934,110 payable over the following term from *Business activities*:

| Year      | Principal          | Interest          | Total              |
|-----------|--------------------|-------------------|--------------------|
| 2014      | \$188,562          | \$63,301          | \$251,863          |
| 2015      | 193,950            | 61,586            | 255,536            |
| 2016      | 199,337            | 53,621            | 252,958            |
| 2017      | 204,725            | 50,131            | 254,856            |
| 2018      | 210,112            | 41,266            | 251,378            |
| 2019-2022 | 937,424            | 91,746            | 1,029,170          |
|           | <u>\$1,934,110</u> | <u>\$ 361,651</u> | <u>\$2,295,761</u> |

The City of Grand Junction entered into a loan agreement dated February 2, 2010 with the Colorado Water Resources and Power Development Authority to finance improvements on the City's water system. The principal amount is \$3,800,000 at a net effective interest rate of 2.5%, payable May 1 and November 1 annually through 2030. The water system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the City with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2013 was \$3,292,334 payable over the following term from *Business activities*:

| Year      | Principal          | Interest          | Total              |
|-----------|--------------------|-------------------|--------------------|
| 2014      | \$163,445          | \$81,293          | \$244,738          |
| 2015      | 167,556            | 77,182            | 244,738            |
| 2016      | 171,772            | 72,966            | 244,738            |
| 2017      | 176,093            | 68,645            | 244,738            |
| 2018      | 180,523            | 64,215            | 244,738            |
| 2019-2023 | 973,060            | 250,630           | 1,223,690          |
| 2024-2028 | 1,101,768          | 121,922           | 1,223,690          |
| 2029-2030 | 358,117            | 8,990             | 367,107            |
|           | <u>\$3,292,334</u> | <u>\$ 745,843</u> | <u>\$4,038,177</u> |

***Component Unit – Downtown Development Authority:***

***TAX INCREMENT BONDS:***

During 2012, the Downtown Development Authority issued \$7,125,000 Tax Increment Financing Bonds. The bonds include \$4,070,000 of Tax-Exempt Increment Bonds, Series 2012A and \$3,055,000 Taxable Increment Bonds, Series 2012B. The bonds bear interest from 3.5% to 5.3% and are payable on June 15 and December 15 of each year through 2022. The unpaid principal at December 31, 2013 was \$6,530,000 payable over the following term:

| Year      | Principal          | Interest           | Total              |
|-----------|--------------------|--------------------|--------------------|
| 2014      | \$615,000          | \$297,590          | \$912,590          |
| 2015      | 635,000            | 274,835            | 909,835            |
| 2016      | 660,000            | 250,070            | 910,070            |
| 2017      | 685,000            | 223,010            | 908,010            |
| 2018      | 715,000            | 193,555            | 908,555            |
| 2019-2022 | 3,220,000          | 421,020            | 3,641,020          |
|           | <u>\$6,530,000</u> | <u>\$1,660,080</u> | <u>\$8,190,080</u> |

There are certain reserve requirements, limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant requirements.

#### NOTE 8. BUDGET TO ACTUAL PRESENTATION - PROPRIETARY FUNDS

Modifications to budgetary basis consist of adding capital expenditures and debt service principal payments to, and excluding depreciation and amortization expense, estimated claims expense, fund equity transfers, and any changes in accrued compensated absences and accrued interest expense from GAAP basis expenditures.

|                                | Budgeted Amounts |             | Expenditures<br>Reported on the<br>Basis of GAAP | Adjustment to<br>Budgetary Basis | Expenditures<br>on Budgetary<br>Basis | Variance<br>with Final<br>Budget –<br>Positive<br>(Negative) |
|--------------------------------|------------------|-------------|--------------------------------------------------|----------------------------------|---------------------------------------|--------------------------------------------------------------|
|                                | Original         | Final       |                                                  |                                  |                                       |                                                              |
| <b>Enterprise Funds:</b>       |                  |             |                                                  |                                  |                                       |                                                              |
| Water                          | \$6,449,807      | \$6,449,807 | \$5,497,159                                      | \$ 31,369                        | \$5,528,528                           | \$ 921,279                                                   |
| Solid Waste Removal            | 3,497,932        | 3,497,932   | 3,239,865                                        | 130,303                          | 3,370,168                             | 127,764                                                      |
| Two Rivers                     |                  |             |                                                  |                                  |                                       |                                                              |
| Convention Center              | 2,901,828        | 2,901,828   | 2,598,116                                        | (73,329)                         | 2,524,787                             | 377,041                                                      |
| Golf Courses                   | 2,173,746        | 2,173,746   | 2,103,322                                        | (192,404)                        | 1,910,918                             | 262,828                                                      |
| Parking Authority              | 463,544          | 463,544     | 404,525                                          | 58,884                           | 463,409                               | 135                                                          |
| Irrigation                     | 243,202          | 243,202     | 318,767                                          | (86,068)                         | 232,699                               | 10,503                                                       |
| <b>Internal Service Funds:</b> |                  |             |                                                  |                                  |                                       |                                                              |
| Data Processing                | 6,833,095        | 6,833,095   | 5,572,157                                        | 702,368                          | 6,274,525                             | 558,570                                                      |
| Equipment                      | 5,334,189        | 6,531,004   | 4,007,758                                        | 834,741                          | 4,842,499                             | 1,688,505                                                    |
| Self-Insurance                 | 2,409,417        | 2,409,417   | 2,129,876                                        | 17,894                           | 2,147,770                             | 261,647                                                      |
| Communications Center          | 7,897,143        | 7,897,143   | 6,414,924                                        | 80,308                           | 6,495,232                             | 1,401,911                                                    |

#### NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2013, is as follows:

##### **Due to/from other funds:**

|                                                                            | Due from<br>Other Funds | Due to Other<br>Funds |
|----------------------------------------------------------------------------|-------------------------|-----------------------|
| General Fund                                                               | \$861,405               | \$ -                  |
| Community Development Special Revenue Fund to cover the cost of operations | -                       | 3,498                 |
| Sales Tax Capital Projects Fund to cover the cost of capital               | -                       | 487,068               |
| Parking Enterprise Fund to pay current portion of advance                  | -                       | 194,978               |
| Solid Waste Removal Enterprise Fund to pay current portion of advance      | -                       | 82,663                |
| Tiara Rado Golf Course Enterprise Fund to pay current portion of advance   | -                       | 93,198                |
| Total                                                                      | <u>\$861,405</u>        | <u>\$861,405</u>      |

##### **Advances to/from other funds:**

|                                                                            | Advance to<br>Other Funds | Advance from<br>Other Funds |
|----------------------------------------------------------------------------|---------------------------|-----------------------------|
| General Fund                                                               | \$7,216,384               | \$ -                        |
| Solid Waste Removal Enterprise Fund to cover the cost of operations        | -                         | 760,251                     |
| Tiara Rado Golf Enterprise Fund to cover the cost of new irrigation system | -                         | 3,398,468                   |
| Parking Enterprise Fund to cover partial cost of new parking garage        | -                         | 3,057,665                   |
| Total                                                                      | <u>\$7,216,384</u>        | <u>\$7,216,384</u>          |

## Interfund Transfers:

| Transfers Out:        | General Fund | Sales Tax CIP Fund | Major CIP Fund | General Debt Service Fund | Parkway Debt Retirement Fund | Two Rivers Conv Center | Golf Courses Fund | Nonmajor Gov Funds | Internal Service | Total        |
|-----------------------|--------------|--------------------|----------------|---------------------------|------------------------------|------------------------|-------------------|--------------------|------------------|--------------|
| General Fund          | \$ -         | \$ 197,647         | \$ 2,406,861   | \$ -                      | \$ 2,350,111                 | \$ 172,461             | \$ 18,055         | \$ 1,877,545       | \$ -             | \$ 7,022,680 |
| Sales Tax CIP         | -            | -                  | -              | 7,849,102                 | -                            | 74,374                 | -                 | 115,401            | -                | 8,038,877    |
| Major CIP             | 42,597       | -                  | -              | -                         | -                            | -                      | -                 | -                  | -                | 42,597       |
| Nonmajor Governmental | 54,024       | 1,132,727          | -              | 500,000                   | -                            | 276,448                | 138,484           | 233,228            | 2,114,018        | 4,448,929    |
| Total Transfers In    | \$96,621     | \$1,330,374        | \$2,406,861    | \$8,349,102               | \$2,350,111                  | \$523,283              | \$156,539         | \$2,226,174        | \$2,114,018      | \$19,553,083 |

Transfers into the General Fund were to assist with cemetery operations (\$5,954); to reimburse administrative costs of the Community Development Block Grant (\$11,498); to set aside dollars for cultural arts (\$42,597); and for facilities capital (\$36,572). Transfers out of the General Fund were for economic development projects, capital construction, and to set aside dollars to repay the parkway debt.

Transfers into the Sales Tax CIP Fund were for various capital construction projects. Transfers out of the Sales Tax CIP Fund were to repay the parkway debt (\$6,028,780) to make the lease payment on the Public Safety Certificates of Participation (\$1,820,322), and for capital purchases.

Transfers into the Major Capital Projects Fund were for Public Safety Building improvements (\$300,000), and Avalon Theatre improvements (\$2,106,861). Transfers out of the Major Capital Projects Fund were to set aside dollars for cultural arts.

Transfers into the Two Rivers Convention Center Fund were to subsidize operations and purchase capital equipment.

Transfers into the Golf Courses Fund were to subsidize operations and purchase capital equipment.

Transfers into Nonmajor Governmental Funds were for economic development projects, capital construction, and to make the lease payment on the Stadium Certificates of Participation.

Transfers into the Internal Service Fund of \$2,114,018 were for equipment upgrades funded by the E-911 surcharge.

## NOTE 10. RETIREMENT PLANS

### A. DEFINED CONTRIBUTION PLANS

The City maintains several defined contribution retirement plans for various classes of employees. In a defined contribution plan, benefits depend solely on amounts contributed on the plan participant's behalf to the plan plus investment earnings.

Under City ordinances, substantially all full-time City employees, other than sworn police officers and fire fighters and elected officials, are covered by a mandatory contributory defined contribution retirement plan. The City of Grand Junction, Colorado, Employees Retirement Plan is administered by the International City Manager's Association Retirement Corporation (ICMA-RC). The plan provides for retirement benefits based upon an employee's vested account. A participant becomes 100% vested on completion of five years of service. Amounts forfeited by employees who leave employment before becoming fully vested are used to pay for administrative expenses of the plan. The City matches employees' required contributions of 6% of base salary. An employee may make voluntary contributions of up to an additional 10%. Total payroll for all City employees for the year ended December 31, 2013, was \$44,286,754. Covered wages and contributions in 2013 were as follows:

| <u>General Employee Plan</u> |              |
|------------------------------|--------------|
| Covered wages                | \$24,478,183 |
| City contribution            | 1,502,072    |
| Employee contribution        | 1,502,072    |

Effective January 1, 1980, under state statutes, all fire fighters and police officers hired after April 8, 1978, are covered under fire and police defined contribution pension plans (new hire plans). Fire fighters and police officers hired prior to this date had the option to remain in the defined benefit plans (old hire plans) or to transfer to the applicable new plan. The new plans are administered by independent boards. The assets of the New Hire Police Money Purchase Pension Plan and the New Hire Fire Money Purchase Pension Plan are maintained by the International City Manager's Association Retirement Corporation (ICMA-RC). Vesting is accomplished over a five-year period. Amounts forfeited by employees who leave employment before becoming fully vested are retained by the plan for administrative expenses of the plan. The rate of contribution under the new plan is 10.65% of regular salary for the employee and the City. Covered wages and contributions in 2013 were as follows:

| <u>New Hire – Police &amp; Fire</u> | <u>Police Officers</u> | <u>Fire Fighters</u> |
|-------------------------------------|------------------------|----------------------|
| Covered wages                       | \$7,257,807            | \$7,142,088          |
| City contribution                   | 772,958                | 760,625              |
| Employee contribution               | 772,958                | 760,625              |

In 1988, the City established supplemental defined contribution plans (new supplemental plans) for fire fighters and police officers hired before April 8, 1978, whom remained as participants in the defined benefit plans (old plans). The Old Hire Police Officers Rank Escalation Pension Plan and the Old Hire Firefighters Rank Escalation Pension Plan were established in exchange for a freeze in rank escalation benefits in the old plans at 1980 levels. The plans are administered by the International City Manager's Association Retirement Corporation (ICMA-RC). Under these new supplemental plans, the City contributes 6.65% of the employee's gross wages to the plan and the employee contributes .65%. Employees' balances became fully vested upon establishment of the plans. In 2013, there were no police officers or fire fighters participating in the defined benefit plans.

In addition to the above retirement plans, all fire fighters and police officers are covered under a statewide, state-funded death and disability plan.

## **B. DEFINED BENEFIT PLANS**

*Plan Description.* The City, on behalf of certain full-time paid firefighters and police officers, contributes to the Fire Old Hire Pension Fund and the Police Old Hire Pension Fund, both defined benefit, single employer plans that are affiliated with the Fire and Police Pension Association of Colorado (FPPA). Assets of the plans are commingled for investment purposes in the Fire and Police Member's Benefit Investment Fund; a combination of agent, multiple -employer defined benefit pension plans administered by FPPA with over 300 participating employers in the State of Colorado. The plans provide retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of each plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plans. **FPPA issues a publicly available annual financial report that includes the assets of the plans, note disclosures related to the plan investments and policies, and separate biennial actuarial reports for each of the plans. The reports may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at 1-800-770-3772.**

All City police officers and firefighters hired prior to April 8, 1978, participated in the plan until January 1, 1980, when they could remain in the plan or transfer and become a participant in a defined contribution plan (new hire plan). Police officers' benefits become vested after twenty years of service and age 55 or after twenty-five years of service. Firefighters' benefits become vested after twenty years of service and age 50. Vested employees who retire are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to one half of one month's salary at the time of retirement, plus any vested rank escalation. Rank escalation benefits allow for increases in benefits equal to one half of any salary increases given to current City employees in the retiree's last position. Rank escalation benefits vested at 5% for each year of service until 1980. Benefits vested after 1979 are limited to increases of 3% per year for inflation, as



determined by the state. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City ordinance.

*Funding Policy and Annual Pension Cost/ Net Pension Asset.* Plan members and the City are required to contribute at a rate set by statute. The State of Colorado also contributes to the plans in an amount set by statute. The contribution requirements of plan members and the City are established under Title 31, Article 30 of the CRS, as amended.

City employees participating in the system are required to contribute 10% of their base earnings to the system. During 2013, there were no active policemen covered by the Police Old Hire Plan and 16 retirees and beneficiaries receiving benefits. There were no active firefighters contributing to the Fire Old Hire Plan and 34 retirees and beneficiaries receiving benefits. The City and State of Colorado are required to contribute the remaining amounts necessary to fund the system. Contributions to the funds for the year ended December 31, 2013, were as follows:

|                    | Police Old<br>Hire Plan | Fire Old<br>Hire Plan | Total              |
|--------------------|-------------------------|-----------------------|--------------------|
| City contribution  | \$ 16,415               | \$279,384             | \$ 295,799         |
| State contribution | 1,131,664               | -                     | 1,131,664          |
| Total              | <u>\$ 1,148,079</u>     | <u>\$279,384</u>      | <u>\$1,427,463</u> |

The financial statements of the Police Old Hire Plan and the Fire Old Hire Plan are presented as pension trust funds in the City's financial statements and are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are presented at fair value except real-estate which is recorded at estimated fair value based upon periodic appraisals and valuations, investments in limited partnerships which are recorded at estimated fair value as derived from financial statements, and guaranteed investment contracts which are recorded at contract value. There are no investments in, loans to, or lease with parties related to the plans. State contributions on behalf of City employees are recognized as revenues and expenditures in the General Fund in accordance with GASB Statement 24. During 2001, the Fire Old Hire Plan was fully funded and the State of Colorado was no longer required to make contributions to the plan. In 2009, legislation was adopted to defer the State of Colorado contributions for certain affiliated local "Old Hire" plans for 2009 through 2011 and resuming in 2012 until 2015. In 2011, legislation was adopted to change the payment dates to 2012 until 2019. During 2013, the State of Colorado made its final payment to the Police Old Hire Plan and the State of Colorado is no longer required to make contributions to fund the plan.

The City's annual pension cost and net pension asset (NPA) for the current year and related information for each plan is as follows:

|                                          | Police Old Hire Plan    | Fire Old Hire Plan      |
|------------------------------------------|-------------------------|-------------------------|
| Annual required contribution (ARC)       | \$116,037               | \$276,015               |
| Interest on net pension obligation (NPO) | (15,418)                | 17,973                  |
| Adjustment to ARC                        | <u>21,704</u>           | <u>(23,224)</u>         |
| Annual pension cost                      | 122,323                 | 270,764                 |
| Contributions made                       | <u>1,148,079</u>        | <u>279,384</u>          |
| Increase (Decrease) in NPO               | (1,025,756)             | (8,620)                 |
| NPO (NPA) – January 1, 2013              | (205,576)               | 156,796                 |
| NPO (NPA) – December 31, 2013            | <u>\$(1,231,332)</u>    | <u>\$148,176</u>        |
| Actuarial valuation date                 | 1/1/12                  | 1/1/12                  |
| Actuarial cost method                    | Entry age normal        | Entry age normal        |
| Amortization method                      | Level dollar, open      | Level dollar, open      |
| Remaining amortization period            | 17 years                | 20 years                |
| Asset valuation method                   | 3-Year Smoothed,<br>FMV | 3-Year Smoothed,<br>FMV |

|                            |               |               |
|----------------------------|---------------|---------------|
| Actuarial assumptions:     |               |               |
| Investment rate of return  | 7.50%         | 7.50%         |
| Projected salary increases | 4.00%         | 4.00%         |
| Includes inflation at      | 3.00%         | 3.00%         |
| Cost of living adjustment  | 3.00% - 3.50% | 3.00% - 3.50% |

Three-year trend information is as follows:

|                      | Year<br>Ending | Annual<br>Pension Cost<br>(APC) | Percentage<br>of APC<br>Contributed | Net Pension<br>Obligation/<br>(Asset) |
|----------------------|----------------|---------------------------------|-------------------------------------|---------------------------------------|
| Police Old Hire Plan | 12/31/11       | \$266,524                       | 160.13%                             | \$38,459                              |
|                      | 12/31/12       | 270,344                         | 190.27%                             | (205,576)                             |
|                      | 12/31/13       | 122,323                         | 938.56%                             | (1,231,332)                           |
| Fire Old Hire Plan   | 12/31/11       | \$242,660                       | 101.14%                             | \$163,636                             |
|                      | 12/31/12       | 240,726                         | 102.84%                             | 156,796                               |
|                      | 12/31/13       | 270,764                         | 103.18%                             | 148,176                               |

*Funded Status and Funding Progress.* Listed below is the required disclosure for the most recent actuarial valuation and the two preceding valuations:

| Actuarial<br>Valuation<br>Date | Actuarial value of<br>plan assets<br>(a) | Actuarial accrued<br>liability<br>(b) | Unfunded<br>actuarial liability<br>(or funding<br>excess)<br>(c) | Funded<br>ratio<br>(a)/(b) |
|--------------------------------|------------------------------------------|---------------------------------------|------------------------------------------------------------------|----------------------------|
| <b>Police Old Hire Plan</b>    |                                          |                                       |                                                                  |                            |
| 1/1/12                         | \$ 3,216,457                             | \$ 4,735,309                          | \$ 1,518,852                                                     | 68%                        |
| 1/1/10                         | 3,268,151                                | 5,992,299                             | 2,724,148                                                        | 55%                        |
| 1/1/08                         | 3,368,995                                | 6,540,220                             | 3,171,225                                                        | 52%                        |
| <b>Fire Old Hire Plan</b>      |                                          |                                       |                                                                  |                            |
| 1/1/12                         | \$9,909,435                              | \$12,797,862                          | \$ 2,888,427                                                     | 77%                        |
| 1/1/10                         | 10,960,275                               | 13,431,384                            | 2,471,109                                                        | 82%                        |
| 1/1/08                         | 13,001,110                               | 14,753,919                            | 1,752,809                                                        | 88%                        |

The funding policy for the plans has been prescribed by state law in amounts that are expected to fully fund the plan by the year 2019. Both of these old-hire plans are being phased out with no new members added since 1978. No other factors are anticipated to significantly affect the trends in amounts reported.

#### NOTE 11. POST EMPLOYMENT HEALTHCARE PLAN

*Plan Description.* The City of Grand Junction's Employee Retirement Health Benefit Plan is administered by the City of Grand Junction (the City). The Retiree Health Benefit Plan was implemented by the City in 1998, after a favorable vote by employees, to provide affordable healthcare coverage to its retirees and their dependents. The Rocky Mountain Healthcare C3 Plan (C3) offers free healthcare coverage at retirement for the employee who retires at age 50-64 with 15 years of service or more. Employee spouses and dependents that qualify for coverage must pay current C3 rates to participate. Coverage terminates for the employee and eligible dependents at age 65 when Medicare eligibility begins. Disabled employees with five years of service are also eligible to enroll in the plan.

*Funding Policy.* The contribution requirements of retirees and the City are established and may be amended by the City Council of the City. Retirees receiving benefits contributed \$147,755 or approximately 18.98 percent of the total premiums, through their required contribution of \$523.87 per month for spouse coverage and \$864.39 for family coverage. Only the retiree's premium is paid by the city. During 2013, there were 61 retirees and 16 dependents receiving benefits.

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to C3:

|                                         | Retiree Healthcare<br>Plan |
|-----------------------------------------|----------------------------|
| Annual required contribution (ARC)      | \$ 997,957                 |
| Interest on net OPEB obligation         | 51,856                     |
| Adjustment to ARC                       | <u>(46,301)</u>            |
| Annual OPEB cost (expense)              | 1,003,512                  |
| Contributions made                      | <u>(630,529)</u>           |
| Increase in net OPEB obligation         | 372,983                    |
| Net OPEB obligation – January 1, 2013   | <u>1,296,398</u>           |
| Net OPEB obligation – December 31, 2013 | <u><u>\$ 1,669,381</u></u> |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

| Year Ending | Annual<br>OPEB Cost | Percentage of<br>Annual OPEB<br>Cost<br>Contributed | Net OPEB<br>Obligation |
|-------------|---------------------|-----------------------------------------------------|------------------------|
| 2011        | \$553,500           | 55.65%                                              | \$898,177              |
| 2012        | 1,001,806           | 60.25%                                              | 1,296,398              |
| 2013        | 1,003,512           | 62.83%                                              | 1,669,381              |

*Funded Status and Funding Progress.* As of June 30, 2012, the most recent actuarial valuation date, the plan was unfunded. The unfunded actuarial accrued liability (UAAL) for benefits was \$10.27 million. The covered payroll (annual payroll of active employees covered by the plan) was \$34,112,302 and the ratio of the UAAL to the covered payroll was 30.1 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the fund status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is based on the employer's own investments and an annual healthcare cost trend rate of 9.5 percent initially, reduced by decrements to an ultimate rate of 5 percent after five years. Both rates included a 3.00 percent inflation assumption. The UAAL is being amortized on a level percent of pay, open basis. The remaining amortization period at June 30, 2012, was 30 years.

## NOTE 12. RELATED ENTITIES

### A. JOINT VENTURES

#### *City of Grand Junction/Mesa County, Colorado, Joint Sewer System*

The City operates and manages the City of Grand Junction/Mesa County, Colorado, Joint Sewer System, a regional sewer system. The regional sewer system was organized by agreements made in 1979 and 1980 to provide sewer collection and treatment for the metropolitan area in the Grand Valley. The City contributed all assets which were included in its pre-existing Sewer Fund while Mesa County contributed its name through the issuance of revenue bonds, which are payable from and secured by revenue of the sewer system. After contribution of these assets, the City's pre-existing Sewer Fund was terminated. The City does not have a measurable present or future claim to the net resources of the Joint Sewer System, and therefore does not record an equity interest in its financial statements. The agreements provide that both the City and Mesa County approve the sewer system's annual appropriation budget. The City's utility department operates and manages the sewer system. The agreements provide that upon dissolution of the joint venture, ownership of the assets of the Joint Sewer system shall be determined by mutual agreement. Condensed financial statements of the sewer system at December 31, 2013 and for the year then ended, are as follows:

| <u>Statement of Net Position</u>   |                             |
|------------------------------------|-----------------------------|
| <b>Assets:</b>                     |                             |
| Current assets                     | \$ 11,915,262               |
| Noncurrent assets                  | 164,310                     |
| Net property, plant, and equipment | <u>84,791,953</u>           |
| <b>Total assets</b>                | <u><b>\$ 96,871,525</b></u> |
| <b>Liabilities:</b>                |                             |
| Current liabilities                | \$ 1,331,973                |
| Long-term debt                     | <u>8,116,924</u>            |
| <b>Total liabilities</b>           | <u><b>9,448,897</b></u>     |
| <b>Net Position</b>                |                             |
| Net investment in capital assets   | 76,010,893                  |
| Unrestricted                       | <u>11,411,735</u>           |
| <b>Total net position</b>          | <u><b>\$ 87,422,628</b></u> |

| <u>Statement of Revenue and Expenses</u> |                             |
|------------------------------------------|-----------------------------|
| Operating revenue                        | \$ 9,492,937                |
| Operating expenses                       | <u>8,987,620</u>            |
| <b>Operating income (loss)</b>           | 505,317                     |
| Net nonoperating revenue and expenses    | (238,473)                   |
| Capital contributions                    | <u>1,856,508</u>            |
| <b>Change in net position</b>            | <u><b>2,123,352</b></u>     |
| <b>Net position - beginning</b>          | <u><b>85,299,276</b></u>    |
| <b>Net position - ending</b>             | <u><b>\$ 87,422,628</b></u> |

Since the City operates the Joint Sewer System, all cash balances are included in the City sponsored Cash Pool. The Joint Sewer System is an external participant in that pool. The Joint Sewer System's share of the pool is \$10,817,853 reported as an Investment Trust Fund in the City's reporting entity. See Note 3 for disclosure of all investing policies concerning the pool.

Operating expense includes \$3,094,357 of depreciation. Separately issued financial statements for the City of Grand Junction/Mesa County, Colorado, Joint Sewer System are available at the City of Grand Junction, 250 North Fifth Street, Grand Junction, Colorado 81501-2668.

Long-term debt of the Joint Sewer System consists of the following:

#### **LOAN PAYABLE**

The Joint Sewer System entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance the elimination of combined storm and sanitary sewer lines and septic system elimination. The principal amount is \$13,490,000 at a net effective interest rate of 3.62%, payable February 1 and August 1 annually through 2024. The sewer system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the Joint Sewer System with disbursements occurring upon receipt of a requisition executed by the City/County. The unpaid principal at December 31, 2013 was \$5,130,000 payable over the following term from *Business activities*:

| Year      | Principal          | Interest           | Total              |
|-----------|--------------------|--------------------|--------------------|
| 2014      | \$ 385,000         | \$ 214,438         | \$ 599,438         |
| 2015      | 395,000            | 202,450            | 597,450            |
| 2016      | 410,000            | 185,818            | 595,818            |
| 2017      | 420,000            | 172,380            | 592,380            |
| 2018      | 435,000            | 159,048            | 594,048            |
| 2019-2023 | 2,480,000          | 532,439            | 3,012,439          |
| 2024      | 605,000            | 15,104             | 620,104            |
|           | <u>\$5,130,000</u> | <u>\$1,481,677</u> | <u>\$6,611,677</u> |

#### **BONDS PAYABLE**

The Joint Sewer System issued \$5,200,000 of approved revenue bonds (Direct Pay Build America Bonds Series 2009) bearing interest at 3.99% payable June 1 and December 1 annually through December 2019 to extend, better, otherwise improve and equip its joint wastewater system. The unpaid principal at December 31, 2013 was \$3,445,000 payable over the following term from *Business activities*:

| Year | Principal          | Interest         | Total              |
|------|--------------------|------------------|--------------------|
| 2014 | \$460,000          | \$142,714        | \$602,714          |
| 2015 | 470,000            | 128,671          | 598,671            |
| 2016 | 480,000            | 112,441          | 592,441            |
| 2017 | 490,000            | 93,275           | 583,275            |
| 2018 | 505,000            | 71,750           | 576,750            |
| 2019 | 1,040,000          | 48,807           | 1,088,807          |
|      | <u>\$3,445,000</u> | <u>\$597,658</u> | <u>\$4,042,658</u> |

#### **Downtown Housing Effort**

The Downtown Development Authority, a component unit of the City of Grand Junction, participates on a joint venture basis with the Housing Authority of the City of Grand Junction, Colorado, in the Downtown Housing Effort (DHE). The DHE was organized in 1983 to provide new and improved housing in the downtown Grand Junction, Colorado area. The Housing Authority has been given the responsibility for the day-to-day management of the DHE and collection of outstanding loans. Pursuant to the terms of the joint venture arrangement, the DHE was dissolved by the partners in December 2013. At that time, \$197,739 was paid to the Housing Authority and \$197,739 was paid to the Downtown Development Authority. Condensed financial statements of the Downtown Housing Effort at September 30, 2013, and for the year then ended are as follows:

| <b><u>Statement of Net Position</u></b>    |                                           |                         |
|--------------------------------------------|-------------------------------------------|-------------------------|
| <b>Assets:</b>                             |                                           |                         |
| Cash                                       |                                           | \$399,312               |
| Loans receivable                           |                                           | <u>32,712</u>           |
|                                            | <b>Total assets</b>                       | <b><u>\$432,024</u></b> |
| <b>Liabilities and Net Position:</b>       |                                           |                         |
| Accounts payable                           |                                           | \$ 237                  |
| Reserved for interest and loans receivable |                                           | <u>32,712</u>           |
| Unreserved, undesignated                   |                                           | <u>399,075</u>          |
|                                            | <b>Total liabilities and net position</b> | <b><u>\$432,024</u></b> |

| <b><u>Statement of Revenues, Expenditures, and Changes in Net Position</u></b> |                      |
|--------------------------------------------------------------------------------|----------------------|
| Interest and other income                                                      | \$ 1,057             |
| Expenditures                                                                   | <u>(237)</u>         |
| <b>Change in net position</b>                                                  | <b><u>\$ 820</u></b> |

Separately issued financial statements for the Downtown Housing Effort are available from the Grand Junction Housing Authority, 1011 North 10<sup>th</sup> Street, Grand Junction, Colorado, 81501.

## **B. RELATED ORGANIZATIONS**

The City appoints members to the boards of the following organizations. The City's accountability for the organizations does not extend beyond making these appointments and there is no fiscal dependency by these organizations on the City.

### ***Grand Junction Housing Authority***

The Housing Authority is charged with providing safe and sanitary dwelling accommodations as resources permit at rents which persons of low income can afford. The Authority is governed by a seven member board, all appointed by the City Council.

### ***Horizon Drive Business Improvement District***

The function of the Horizon Drive Business Improvement District Board of Directors is to take such actions and perform such duties as are required of the operations of the District. The District is allowed to make and contemplate a broad range of public improvements. The District is governed by a seven member board, all appointed by the City Council.

## **NOTE 13. CONTINGENCIES**

### **A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to employee health claims; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established the Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Internal Service Fund provides coverage for up to a maximum of \$500,000 per occurrence on each worker's compensation claim for police officers and firefighters and \$400,000 per occurrence on each worker's compensation claim for all other employees and up to \$150,000 for each general liability or property damage claim. The City purchases commercial insurance for claims in excess of coverage for worker's compensation and participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for claims in excess of coverage for general liability, crime, police professional liability, E & O and property. The city's share of surplus contributions held by CIRSA at December 31, 2013 was \$301,795. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

All funds of the City and the Joint Sewer System participate in the program and make payments to the Self-Insurance Internal Service Fund at amounts that approximate amounts which would have been paid to outside

insurance providers. The claims liability of \$2,217,985 in the Self-Insurance Internal Service Fund at December 31, 2013, includes estimated ultimate losses for claims made and claims incurred but not reported, where information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider these factors. Changes in the Self-Insurance Internal Service Fund's claims liability amount in 2012 and 2013 were:

|      | January 1<br>Claims<br>Payable | Claims and<br>Changes in<br>Estimates | Claim Payments | December 31<br>Claims Payable |
|------|--------------------------------|---------------------------------------|----------------|-------------------------------|
| 2012 | \$1,990,936                    | \$ 1,227,060                          | \$(879,119)    | \$2,338,877                   |
| 2013 | \$2,338,877                    | \$ 748,657                            | \$(869,549)    | \$2,217,985                   |

## **B. POLLUTION REMEDIATION**

In 2012, the City purchased property located at 600 White Avenue. The existing structure on the property, a former church "White Hall", was rendered unusable by and because of a fire in November 2011. The building is old and contains asbestos materials and as a result of the fire the asbestos may now be located throughout the remains of the building. In 2013, the City completed phase one of the White Hall Asbestos Abatement and Demolition project and then traded the property to the Downtown Development Authority. The remaining pollution remediation liability of the Downtown Development Authority, including asbestos abatement and monitoring as of December 31, 2013 was \$156,876.

## **C. GRANTS**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

## **D. LITIGATION**

The City is involved in several claims and lawsuits as the result of the normal conduct of City business. City management believes that those claims and lawsuits will not have a material effect on the financial statements of the City.

## **NOTE 14. CONDUIT DEBT OBLIGATIONS**

The City has sponsored several industrial revenue and special assessment bond issues to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These issues do not constitute debt of the City of Grand Junction and the City assumes no financial obligation for these bond issues. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2013, there was a series of industrial revenue bonds outstanding with an original aggregate principal amount payable of \$3,555,000 and a series of private activity economic development bonds with an original aggregate principal amount payable of \$3,200,000.

Special Assessment Bonds were issued in 2003 for \$3,980,000 to fund improvements to the Rimrock Marketplace General Improvement District. The City is not liable for repayment of the debt, but the City Treasurer acts as agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if applicable.

## **NOTE 15. SEIZED FUNDS**

The City received proceeds from the seizure of contraband (seized funds) under the Colorado Contraband Forfeiture Act (C.R.S. 16-13-501 to 511). The act requires that seized funds be used for law enforcement activities. Seized funds received by the City have been included in these financial statements and these funds have been used for purposes contemplated in the Act.

## **NOTE 16. TAX, SPENDING AND DEBT LIMITATIONS**

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, and certain election requirements, which apply to the State of Colorado and all local governments.

Future spending and revenue limits are determined based on the prior year's "Fiscal Year Spending" adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. In April 2007, City of Grand Junction voters approved the retention by the City of all revenues exceeding the Fiscal Year Spending limit for 2006 and subsequent years until the Riverside Parkway bonded debt is paid in full, with all amounts retained to be used exclusively for payment of the debt. To that end, \$19,932,781 has been restricted for payment of the debt. In addition to these funds, City Council assigned \$7,163,046 of general fund balance to be used for the early retirement of the Riverside Parkway Bonds. In 2012, the City used \$19,000,000 of these available resources with proceeds from the 2012 General Fund Revenue Refunding Bonds to advance refund \$49,340,000 of the outstanding Riverside Parkway Revenue 2004 Series Bonds.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Emergency reserves as of December 31, 2013, totaling \$2,000,000 are presented as a reservation of fund balance in the General Fund. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR is complex and subject to interpretation. The City's management believes the City is in compliance with the provisions of TABOR as it is understood from judicial interpretations, legal opinions and commonly accepted practices.





# **REQUIRED SUPPLEMENTARY INFORMATION**



(This page intentionally left blank)

## Required Supplementary Information

### City of Grand Junction, Colorado SCHEDULE OF FUNDING PROGRESS Police Old Hire Pension Plan

| Fiscal<br>Year | Actuarial<br>Valuation Date | Actuarial<br>Value of<br>Assets (a) | Total Unfunded                        |                                         | Funded<br>Ratio (a/b) | Covered<br>Payroll (c) | UAAL as a<br>% of Covered<br>Payroll ((b-a)/c) |
|----------------|-----------------------------|-------------------------------------|---------------------------------------|-----------------------------------------|-----------------------|------------------------|------------------------------------------------|
|                |                             |                                     | Actuarial<br>Accrued<br>Liability (b) | Actuarial<br>Accrued<br>Liability (b-a) |                       |                        |                                                |
| 2008           | 1/1/2008                    | 3,368,995                           | 6,540,220                             | 3,171,225                               | 51.5%                 | N/A                    | N/A                                            |
| 2010           | 1/1/2010                    | 3,268,151                           | 5,992,299                             | 2,724,148                               | 54.5%                 | N/A                    | N/A                                            |
| 2012           | 1/1/2012                    | 3,216,457                           | 4,735,309                             | 1,518,852                               | 67.9%                 | N/A                    | N/A                                            |

### City of Grand Junction, Colorado SCHEDULE OF FUNDING PROGRESS Fire Old Hire Pension Plan

| Fiscal<br>Year | Actuarial<br>Valuation Date | Actuarial<br>Value of<br>Assets (a) | Total Unfunded                        |                                         | Funded<br>Ratio (a/b) | Covered<br>Payroll (c) | UAAL as a<br>% of Covered<br>Payroll ((b-a)/c) |
|----------------|-----------------------------|-------------------------------------|---------------------------------------|-----------------------------------------|-----------------------|------------------------|------------------------------------------------|
|                |                             |                                     | Actuarial<br>Accrued<br>Liability (b) | Actuarial<br>Accrued<br>Liability (b-a) |                       |                        |                                                |
| 2008           | 1/1/2008                    | 13,001,110                          | 14,753,919                            | 1,752,809                               | 88.1%                 | N/A                    | N/A                                            |
| 2010           | 1/1/2010                    | 10,960,275                          | 13,431,384                            | 2,471,109                               | 81.6%                 | N/A                    | N/A                                            |
| 2012           | 1/1/2012                    | 9,909,435                           | 12,797,862                            | 2,888,427                               | 77.4%                 | N/A                    | N/A                                            |

### City of Grand Junction, Colorado SCHEDULE OF FUNDING PROGRESS Post Employment Retiree Healthcare Plan

| Fiscal<br>Year | Actuarial<br>Valuation Date | Actuarial<br>Value of<br>Assets (a) | Total Unfunded                        |                                         | Funded<br>Ratio (a/b) | Covered<br>Payroll (c) | UAAL as a<br>% of Covered<br>Payroll ((b-a)/c) |
|----------------|-----------------------------|-------------------------------------|---------------------------------------|-----------------------------------------|-----------------------|------------------------|------------------------------------------------|
|                |                             |                                     | Actuarial<br>Accrued<br>Liability (b) | Actuarial<br>Accrued<br>Liability (b-a) |                       |                        |                                                |
| 2008           | 12/31/2008                  | -                                   | 5,605,779                             | 5,605,779                               | 0.0%                  | 39,041,177             | 14.4%                                          |
| 2010           | 6/30/2010                   | -                                   | 7,816,003                             | 7,816,003                               | 0.0%                  | 35,958,809             | 21.7%                                          |
| 2012           | 6/30/2012                   | -                                   | 10,265,131                            | 10,265,131                              | 0.0%                  | 34,112,302             | 30.1%                                          |



(This page intentionally left blank)



# NON-MAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted or committed to expenditures for specified purposes.

**Visitors and Convention Bureau** ~ to accumulate resources from a lodging tax approved by the voters in 1994 and other taxes committed by City Council to operate a visitor and convention bureau that promotes conventions and tourism.

**Enhanced 911 Fund** ~ to account for the resources from municipal telephone charges, as established by section 29-11-103 of the Colorado Revised Statutes, and their expenditure for improvements to the emergency 911 communication center.

**Parkland Expansion Fund** ~ to accumulate resources derived from fees paid by land developers within the City committed to acquire, develop and maintain parks and green space.

**Conservation Trust Fund** ~ to account for lottery proceeds received from the State of Colorado for the development or improvement of City parks.

**Community Development Fund** ~ to account for resources and expenditures of the community development block grant and other grants received for pass-thru to other agencies.

## Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**Sales Tax Capital Improvements Fund** ~ to account for the financing and construction of projects financed completely or partially with the 3/4 percent portion of the City's 2-3/4 percent sales and use tax. The 3/4 percent portion is currently dedicated to general capital improvements, economic development and debt service on the sales tax improvement bond issue and the public safety building certificates of participation issue.

## Capital Projects Funds (Continued)

**Major Capital Improvements Fund** ~ to account for the financing and construction of two major improvement projects. The Public Safety Building Improvement Project is funded with proceeds from the issuance of certificates of participation. The Avalon Theatre Renovation Project is funded by City sales and use tax, Downtown Development Authority TIF revenue, as well as local contributions.

**Storm Drainage Development Fund** ~ to account for storm drainage development projects funded partially or in whole with assessments to property owners.

**Street Assessment Projects Fund** ~ to account for various street improvement projects funded partially or in whole with assessments to property owners.

**Facilities Capital Fund** ~ to account for the acquisition and construction of city facilities.

## Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**General Debt Service Fund** ~ to account for all resources which are being accumulated for general long-term debt principal and interest payments maturing in future years other than long-term debt accounted for in enterprise and internal service funds or where a separate debt service fund is legally mandated.

**Parkway Debt Retirement Fund** is a debt service fund used to account for all resources which are being accumulated for the early retirement of the Parkway Project long-term debt principal and interest payments maturing in future years.

**Ridges Debt Service Fund** ~ to account for the disposition of those assets received by the City upon the dissolution of the Ridges Metropolitan District restricted to the payment of Ridges long-term debt, the collection of property taxes levied within the District for the payment of long-term debt and the payment of Ridges long-term debt.

**Grand Junction Public Finance Corporation Debt Service Fund** ~ to account for debt service payments incurred in the financing of open space land.

## Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earning, not principal, may be used for purposes that support the reporting government's program.

**Cemetery Perpetual Care Fund** ~ to accumulate resources to provide for the future maintenance of municipal cemeteries.



(This page intentionally left blank)

City of Grand Junction  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2013

|                                     | Special Revenue                      |                     |                       |                       |                          |                     |
|-------------------------------------|--------------------------------------|---------------------|-----------------------|-----------------------|--------------------------|---------------------|
|                                     | Visitors and<br>Convention<br>Bureau | Enhanced<br>911     | Parkland<br>Expansion | Conservation<br>Trust | Community<br>Development | Total               |
| <b>ASSETS</b>                       |                                      |                     |                       |                       |                          |                     |
| Cash and investments                | \$ 337,174                           | \$ 1,923,188        | \$ 839,403            | \$ 140,133            | \$ -                     | \$ 3,239,898        |
| Accounts receivable                 | 592                                  | 321,753             | -                     | -                     | -                        | 322,345             |
| Taxes receivable                    | 128,637                              | -                   | -                     | -                     | -                        | 128,637             |
| Intergovernmental receivable        | -                                    | 5,919               | -                     | -                     | 5,573                    | 11,492              |
| Prepays                             | 9,189                                | -                   | -                     | -                     | -                        | 9,189               |
| Total assets                        | <u>\$ 475,592</u>                    | <u>\$ 2,250,860</u> | <u>\$ 839,403</u>     | <u>\$ 140,133</u>     | <u>\$ 5,573</u>          | <u>\$ 3,711,561</u> |
| <b>LIABILITIES</b>                  |                                      |                     |                       |                       |                          |                     |
| Accounts payable                    | 48,617                               | -                   | -                     | -                     | 2,075                    | 50,692              |
| Accrued liabilities                 | 21,621                               | -                   | -                     | -                     | -                        | 21,621              |
| Due to other funds                  | -                                    | -                   | -                     | -                     | 3,498                    | 3,498               |
| Unearned revenue                    | -                                    | -                   | -                     | -                     | -                        | -                   |
| Total liabilities                   | <u>70,238</u>                        | <u>-</u>            | <u>-</u>              | <u>-</u>              | <u>5,573</u>             | <u>75,811</u>       |
| <b>FUND BALANCES</b>                |                                      |                     |                       |                       |                          |                     |
| Nonspendable:                       |                                      |                     |                       |                       |                          |                     |
| Inventories and prepaids            | \$ 9,189                             | \$ -                | \$ -                  | \$ -                  | \$ -                     | \$ 9,189            |
| Permanent fund principal            | -                                    | -                   | -                     | -                     | -                        | -                   |
| Restricted for:                     |                                      |                     |                       |                       |                          |                     |
| Debt service                        | -                                    | -                   | -                     | -                     | -                        | -                   |
| Parks and recreation                | -                                    | -                   | -                     | 140,133               | -                        | 140,133             |
| Public safety                       | -                                    | 2,250,860           | -                     | -                     | -                        | 2,250,860           |
| Committed to:                       |                                      |                     |                       |                       |                          |                     |
| Open space                          | -                                    | -                   | 839,403               | -                     | -                        | 839,403             |
| Street capacity expansion           | -                                    | -                   | -                     | -                     | -                        | -                   |
| Tourism and convention              | 396,165                              | -                   | -                     | -                     | -                        | 396,165             |
| Total fund balances                 | <u>405,354</u>                       | <u>2,250,860</u>    | <u>839,403</u>        | <u>140,133</u>        | <u>-</u>                 | <u>3,635,750</u>    |
| Total liabilities and fund balances | <u>\$ 475,592</u>                    | <u>\$ 2,250,860</u> | <u>\$ 839,403</u>     | <u>\$ 140,133</u>     | <u>\$ 5,573</u>          | <u>\$ 3,711,561</u> |



| Debt Service     |                   |                  | Capital Projects           |                                    |                   | Permanent Fund          | Total Nonmajor Governmental Funds |
|------------------|-------------------|------------------|----------------------------|------------------------------------|-------------------|-------------------------|-----------------------------------|
| Ridges           | GJ Public Finance | Total            | Storm Drainage Development | Street Assessment Capital Projects | Total             | Cemetery Perpetual Care |                                   |
| \$ 14,271        | \$ 749            | \$ 15,020        | \$ 30,216                  | \$ 646,204                         | \$ 676,420        | \$ 1,326,518            | \$ 5,257,856                      |
| -                | -                 | -                | -                          | 61,627                             | 61,627            | 2,584                   | 386,556                           |
| 837              | -                 | 837              | -                          | -                                  | -                 | -                       | 129,474                           |
| -                | -                 | -                | -                          | -                                  | -                 | -                       | 11,492                            |
| -                | -                 | -                | -                          | -                                  | -                 | -                       | 9,189                             |
| <u>\$ 15,108</u> | <u>\$ 749</u>     | <u>\$ 15,857</u> | <u>\$ 30,216</u>           | <u>\$ 707,831</u>                  | <u>\$ 738,047</u> | <u>\$ 1,329,102</u>     | <u>\$ 5,794,567</u>               |
| -                | -                 | -                | 30,216                     | 409,237                            | 439,453           | -                       | 490,145                           |
| -                | -                 | -                | -                          | -                                  | -                 | -                       | 21,621                            |
| -                | -                 | -                | -                          | -                                  | -                 | -                       | 3,498                             |
| -                | -                 | -                | -                          | 61,627                             | 61,627            | -                       | 61,627                            |
| <u>-</u>         | <u>-</u>          | <u>-</u>         | <u>30,216</u>              | <u>470,864</u>                     | <u>501,080</u>    | <u>-</u>                | <u>576,891</u>                    |
|                  |                   |                  |                            |                                    |                   |                         |                                   |
| \$ -             | \$ -              | \$ -             | \$ -                       | \$ -                               | \$ -              | \$ -                    | \$ 9,189                          |
| -                | -                 | -                | -                          | -                                  | -                 | 1,329,102               | 1,329,102                         |
| 15,108           | 749               | 15,857           | -                          | -                                  | -                 | -                       | 15,857                            |
| -                | -                 | -                | -                          | -                                  | -                 | -                       | 140,133                           |
| -                | -                 | -                | -                          | -                                  | -                 | -                       | 2,250,860                         |
| -                | -                 | -                | -                          | -                                  | -                 | -                       | 839,403                           |
| -                | -                 | -                | -                          | 236,967                            | 236,967           | -                       | 236,967                           |
| -                | -                 | -                | -                          | -                                  | -                 | -                       | 396,165                           |
| <u>15,108</u>    | <u>749</u>        | <u>15,857</u>    | <u>-</u>                   | <u>236,967</u>                     | <u>236,967</u>    | <u>1,329,102</u>        | <u>5,217,676</u>                  |
| <u>\$ 15,108</u> | <u>\$ 749</u>     | <u>\$ 15,857</u> | <u>\$ 30,216</u>           | <u>\$ 707,831</u>                  | <u>\$ 738,047</u> | <u>\$ 1,329,102</u>     | <u>\$ 5,794,567</u>               |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the year ended December 31, 2013

| Special Revenue                                              |                                      |                     |                       |                       |                          |                     |
|--------------------------------------------------------------|--------------------------------------|---------------------|-----------------------|-----------------------|--------------------------|---------------------|
|                                                              | Visitors and<br>Convention<br>Bureau | Enhanced<br>911     | Parkland<br>Expansion | Conservation<br>Trust | Community<br>Development | Total               |
| <b>REVENUES</b>                                              |                                      |                     |                       |                       |                          |                     |
| Taxes                                                        | \$ 1,845,944                         | \$ -                | \$ -                  | \$ -                  | \$ -                     | \$ 1,845,944        |
| Intergovernmental                                            | 5,000                                | -                   | -                     | 650,497               | 366,361                  | 1,021,858           |
| Charges for services                                         | 8,821                                | 2,452,229           | -                     | -                     | -                        | 2,461,050           |
| Miscellaneous                                                | 219                                  | -                   | 126,609               | -                     | -                        | 126,828             |
| Investment income (loss)                                     | (1,000)                              | (2,150)             | (1,284)               | (1,526)               | -                        | (5,960)             |
| Total revenues                                               | <u>1,858,984</u>                     | <u>2,450,079</u>    | <u>125,325</u>        | <u>648,971</u>        | <u>366,361</u>           | <u>5,449,720</u>    |
| <b>EXPENDITURES</b>                                          |                                      |                     |                       |                       |                          |                     |
| Current:                                                     |                                      |                     |                       |                       |                          |                     |
| General government                                           | 1,786,401                            | -                   | -                     | -                     | -                        | 1,786,401           |
| Urban development<br>and housing                             | -                                    | -                   | -                     | -                     | 257,665                  | 257,665             |
| Debt service:                                                |                                      |                     |                       |                       |                          |                     |
| Principal                                                    | -                                    | -                   | -                     | -                     | -                        | -                   |
| Interest                                                     | -                                    | -                   | -                     | -                     | -                        | -                   |
| Capital outlay                                               | -                                    | -                   | -                     | -                     | -                        | -                   |
| Total expenditures                                           | <u>1,786,401</u>                     | <u>-</u>            | <u>-</u>              | <u>-</u>              | <u>257,665</u>           | <u>2,044,066</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | 72,583                               | 2,450,079           | 125,325               | 648,971               | 108,696                  | 3,405,654           |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                                      |                     |                       |                       |                          |                     |
| Transfers in                                                 | -                                    | -                   | -                     | -                     | -                        | -                   |
| Transfers out                                                | (172,461)                            | (2,614,018)         | (89,131)              | (1,286,380)           | (108,696)                | (4,270,686)         |
| Total other financing<br>sources (uses)                      | <u>(172,461)</u>                     | <u>(2,614,018)</u>  | <u>(89,131)</u>       | <u>(1,286,380)</u>    | <u>(108,696)</u>         | <u>(4,270,686)</u>  |
| Net change in fund balance                                   | (99,878)                             | (163,939)           | 36,194                | (637,409)             | -                        | (865,032)           |
| Fund balances - beginning                                    | 505,232                              | 2,414,799           | 803,209               | 777,542               | -                        | 4,500,782           |
| Fund balances - ending                                       | <u>\$ 405,354</u>                    | <u>\$ 2,250,860</u> | <u>\$ 839,403</u>     | <u>\$ 140,133</u>     | <u>\$ -</u>              | <u>\$ 3,635,750</u> |

| Debt Service     |                   |                  | Capital Projects           |                                    |                             |                   | Permanent Fund          | Total Nonmajor Governmental Funds |
|------------------|-------------------|------------------|----------------------------|------------------------------------|-----------------------------|-------------------|-------------------------|-----------------------------------|
| Ridges           | GJ Public Finance | Total            | Storm Drainage Development | Street Assessment Capital Projects | Facilities Capital Projects | Total             | Cemetery Perpetual Care |                                   |
| \$ 119,860       | \$ -              | \$ 119,860       | \$ -                       | \$ -                               | \$ -                        | \$ -              | \$ -                    | \$ 1,965,804                      |
| -                | -                 | -                | -                          | -                                  | -                           | -                 | -                       | 1,021,858                         |
| -                | -                 | -                | -                          | 2,149,915                          | -                           | 2,149,915         | 27,356                  | 4,638,321                         |
| -                | 300,000           | 300,000          | 22,598                     | -                                  | -                           | 22,598            | -                       | 449,426                           |
| (432)            | 762               | 330              | -                          | -                                  | -                           | -                 | (2,293)                 | (7,923)                           |
| <u>119,428</u>   | <u>300,762</u>    | <u>420,190</u>   | <u>22,598</u>              | <u>2,149,915</u>                   | <u>-</u>                    | <u>2,172,513</u>  | <u>25,063</u>           | <u>8,067,486</u>                  |
| 2,225            | 1,500             | 3,725            | -                          | -                                  | -                           | -                 | -                       | 1,790,126                         |
| -                | -                 | -                | -                          | -                                  | -                           | -                 | -                       | 257,665                           |
| 210,000          | 210,000           | 420,000          | -                          | -                                  | -                           | -                 | -                       | 420,000                           |
| 12,810           | 322,650           | 335,460          | -                          | -                                  | -                           | -                 | -                       | 335,460                           |
| -                | -                 | -                | 137,999                    | 4,714,592                          | 80,738                      | 4,933,329         | -                       | 4,933,329                         |
| <u>225,035</u>   | <u>534,150</u>    | <u>759,185</u>   | <u>137,999</u>             | <u>4,714,592</u>                   | <u>80,738</u>               | <u>4,933,329</u>  | <u>-</u>                | <u>7,736,580</u>                  |
| (105,607)        | (233,388)         | (338,995)        | (115,401)                  | (2,564,677)                        | (80,738)                    | (2,760,816)       | 25,063                  | 330,906                           |
| -                | 233,228           | 233,228          | 115,401                    | 1,877,545                          | -                           | 1,992,946         | -                       | 2,226,174                         |
| -                | -                 | -                | -                          | -                                  | (172,289)                   | (172,289)         | (5,954)                 | (4,448,929)                       |
| -                | 233,228           | 233,228          | 115,401                    | 1,877,545                          | (172,289)                   | 1,820,657         | (5,954)                 | (2,222,755)                       |
| (105,607)        | (160)             | (105,767)        | -                          | (687,132)                          | (253,027)                   | (940,159)         | 19,109                  | (1,891,849)                       |
| 120,715          | 909               | 121,624          | -                          | 924,099                            | 253,027                     | 1,177,126         | 1,309,993               | 7,109,525                         |
| <u>\$ 15,108</u> | <u>\$ 749</u>     | <u>\$ 15,857</u> | <u>\$ -</u>                | <u>\$ 236,967</u>                  | <u>\$ -</u>                 | <u>\$ 236,967</u> | <u>\$ 1,329,102</u>     | <u>\$ 5,217,676</u>               |

City of Grand Junction, Colorado  
**VISITORS AND CONVENTION BUREAU SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                      | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|-------------------|-------------------|-------------------|----------------------------------------------------------|
|                                      | Original          | Final             |                   |                                                          |
| <b>REVENUES</b>                      |                   |                   |                   |                                                          |
| Taxes                                | \$ 1,879,991      | \$ 1,854,050      | \$ 1,845,944      | \$ (8,106)                                               |
| Intergovernmental                    | -                 | -                 | 5,000             | 5,000                                                    |
| Charges for services                 | 17,000            | 8,000             | 8,821             | 821                                                      |
| Miscellaneous                        | -                 | -                 | 219               | 219                                                      |
| Investment income (loss)             | 2,300             | 2,300             | (1,000)           | (3,300)                                                  |
| Total revenues                       | <u>1,899,291</u>  | <u>1,864,350</u>  | <u>1,858,984</u>  | <u>(5,366)</u>                                           |
| <b>EXPENDITURES</b>                  |                   |                   |                   |                                                          |
| Current:                             |                   |                   |                   |                                                          |
| General government:                  | <u>1,854,287</u>  | <u>1,838,269</u>  | <u>1,786,401</u>  | <u>51,868</u>                                            |
| Excess of revenues over expenditures | 45,004            | 26,081            | 72,583            | 46,502                                                   |
| <b>OTHER FINANCING USES</b>          |                   |                   |                   |                                                          |
| Transfers out                        | <u>(109,482)</u>  | <u>(136,813)</u>  | <u>(172,461)</u>  | <u>(35,648)</u>                                          |
| Net change in fund balance           | (64,478)          | (110,732)         | (99,878)          | 10,854                                                   |
| Fund balances - beginning            | 505,232           | 505,232           | 505,232           | -                                                        |
| Fund balances - ending               | <u>\$ 440,754</u> | <u>\$ 394,500</u> | <u>\$ 405,354</u> | <u>\$ 10,854</u>                                         |

City of Grand Junction, Colorado  
**ENHANCED 911 SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                      | Original and<br>Final Budgeted<br>Amounts | Actual              | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|-------------------------------------------|---------------------|----------------------------------------------------------|
| <b>REVENUES</b>                      |                                           |                     |                                                          |
| Charges for services                 | \$ 2,470,000                              | \$ 2,452,229        | \$ (17,771)                                              |
| Investment income (loss)             | 19,600                                    | (2,150)             | (21,750)                                                 |
| Total revenues                       | <u>2,489,600</u>                          | <u>2,450,079</u>    | <u>(39,521)</u>                                          |
| <b>EXPENDITURES</b>                  | <u>-</u>                                  | <u>-</u>            | <u>-</u>                                                 |
| Excess of revenues over expenditures | 2,489,600                                 | 2,450,079           | (39,521)                                                 |
| <b>OTHER FINANCING USES</b>          |                                           |                     |                                                          |
| Transfers out                        | <u>(3,768,105)</u>                        | <u>(2,614,018)</u>  | <u>1,154,087</u>                                         |
| Net change in fund balance           | (1,278,505)                               | (163,939)           | 1,114,566                                                |
| Fund balances - beginning            | 2,414,799                                 | 2,414,799           | -                                                        |
| Fund balances - ending               | <u>\$ 1,136,294</u>                       | <u>\$ 2,250,860</u> | <u>\$ 1,114,566</u>                                      |

City of Grand Junction, Colorado  
**PARKLAND EXPANSION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                      | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|-------------------|-------------------|-------------------|----------------------------------------------------------|
|                                      | Original          | Final             |                   |                                                          |
| <b>REVENUES</b>                      |                   |                   |                   |                                                          |
| Miscellaneous                        | \$ 11,500         | \$ 112,250        | \$ 126,609        | \$ 14,359                                                |
| Investment income (loss)             | 3,800             | 3,800             | (1,284)           | (5,084)                                                  |
| Total revenues                       | <u>15,300</u>     | <u>116,050</u>    | <u>125,325</u>    | <u>9,275</u>                                             |
| <b>EXPENDITURES</b>                  | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>                                                 |
| Excess of revenues over expenditures | 15,300            | 116,050           | 125,325           | 9,275                                                    |
| <b>OTHER FINANCING USES</b>          |                   |                   |                   |                                                          |
| Transfers out                        | <u>-</u>          | <u>(305,000)</u>  | <u>(89,131)</u>   | <u>215,869</u>                                           |
| Net change in fund balance           | 15,300            | (188,950)         | 36,194            | 225,144                                                  |
| Fund balances - beginning            | 803,209           | 803,209           | 803,209           | -                                                        |
| Fund balances - ending               | <u>\$ 818,509</u> | <u>\$ 614,259</u> | <u>\$ 839,403</u> | <u>\$ 225,144</u>                                        |

City of Grand Junction, Colorado  
**CONSERVATION TRUST SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                      | Budgeted Amounts   |                    | Actual             | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|--------------------|--------------------|--------------------|----------------------------------------------------------|
|                                      | Original           | Final              |                    |                                                          |
| <b>REVENUES</b>                      |                    |                    |                    |                                                          |
| Intergovernmental                    | \$ 500,000         | \$ 637,084         | \$ 650,497         | \$ 13,413                                                |
| Investment income (loss)             | 1,500              | 1,500              | (1,526)            | (3,026)                                                  |
| Total revenues                       | <u>501,500</u>     | <u>638,584</u>     | <u>648,971</u>     | <u>10,387</u>                                            |
| <b>EXPENDITURES</b>                  | <u>-</u>           | <u>-</u>           | <u>-</u>           | <u>-</u>                                                 |
| Excess of revenues over expenditures | 501,500            | 638,584            | 648,971            | 10,387                                                   |
| <b>OTHER FINANCING USES</b>          |                    |                    |                    |                                                          |
| Transfers out                        | <u>(1,223,155)</u> | <u>(1,286,681)</u> | <u>(1,286,380)</u> | <u>301</u>                                               |
| Net change in fund balance           | (721,655)          | (648,097)          | (637,409)          | 10,688                                                   |
| Fund balances - beginning            | <u>777,542</u>     | <u>777,542</u>     | <u>777,542</u>     | <u>-</u>                                                 |
| Fund balances - ending               | <u>\$ 55,887</u>   | <u>\$ 129,445</u>  | <u>\$ 140,133</u>  | <u>\$ 10,688</u>                                         |

City of Grand Junction, Colorado  
**COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                      | Original and<br>Final Budgeted<br>Amounts | Actual     | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|-------------------------------------------|------------|----------------------------------------------------------|
| <b>REVENUES</b>                      |                                           |            |                                                          |
| Intergovernmental                    | \$ 406,350                                | \$ 366,361 | \$ (39,989)                                              |
| <b>EXPENDITURES</b>                  |                                           |            |                                                          |
| Current:                             |                                           |            |                                                          |
| Urban development and housing        | 309,152                                   | 257,665    | 51,487                                                   |
| Excess of revenues over expenditures | 97,198                                    | 108,696    | 11,498                                                   |
| <b>OTHER FINANCING USES</b>          |                                           |            |                                                          |
| Transfers out                        | (97,198)                                  | (108,696)  | (11,498)                                                 |
| Net change in fund balance           | -                                         | -          | -                                                        |
| Fund balances - beginning            | -                                         | -          | -                                                        |
| Fund balances - ending               | \$ -                                      | \$ -       | \$ -                                                     |



City of Grand Junction, Colorado

**RIDGES DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**

For the year ended December 31, 2013

|                                           | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------|-------------------------------------------|-------------------|----------------------------------------------------------|
| <b>REVENUES</b>                           |                                           |                   |                                                          |
| Taxes                                     | \$ 105,795                                | \$ 119,860        | \$ 14,065                                                |
| Investment income (loss)                  | 600                                       | (432)             | (1,032)                                                  |
| Total revenues                            | <u>106,395</u>                            | <u>119,428</u>    | <u>13,033</u>                                            |
| <b>EXPENDITURES</b>                       |                                           |                   |                                                          |
| Current:                                  |                                           |                   |                                                          |
| General government                        | 4,300                                     | 2,225             | 2,075                                                    |
| Debt service:                             |                                           |                   |                                                          |
| Principal retirement                      | 210,000                                   | 210,000           | -                                                        |
| Interest and fiscal charges               | <u>12,810</u>                             | <u>12,810</u>     | <u>-</u>                                                 |
| Total expenditures                        | <u>227,110</u>                            | <u>225,035</u>    | <u>2,075</u>                                             |
| Deficiency of revenues under expenditures | (120,715)                                 | (105,607)         | 15,108                                                   |
| Fund balances - beginning                 | 120,715                                   | 120,715           | -                                                        |
| Fund balances - ending                    | <u>\$ -</u>                               | <u>\$ 15,108</u>  | <u>\$ 15,108</u>                                         |

City of Grand Junction, Colorado  
**GRAND JUNCTION PUBLIC FINANCE CORPORATION DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                           | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------|-------------------------------------------|-------------------|----------------------------------------------------------|
| <b>REVENUES</b>                           |                                           |                   |                                                          |
| Miscellaneous                             | \$ 300,000                                | \$ 300,000        | \$ -                                                     |
| Investment Income                         | -                                         | 762               | 762                                                      |
| Total revenues                            | <u>300,000</u>                            | <u>300,762</u>    | <u>762</u>                                               |
| <b>EXPENDITURES</b>                       |                                           |                   |                                                          |
| Current:                                  |                                           |                   |                                                          |
| General government                        | 1,505                                     | 1,500             | 5                                                        |
| Debt service:                             |                                           |                   |                                                          |
| Principal retirement                      | 210,000                                   | 210,000           | -                                                        |
| Interest and fiscal charges               | <u>322,650</u>                            | <u>322,650</u>    | <u>-</u>                                                 |
| Total expenditures                        | <u>534,155</u>                            | <u>534,150</u>    | <u>5</u>                                                 |
| Deficiency of revenues under expenditures | (234,155)                                 | (233,388)         | 767                                                      |
| <b>OTHER FINANCING SOURCES</b>            |                                           |                   |                                                          |
| Transfers in                              | <u>234,155</u>                            | <u>233,228</u>    | <u>(927)</u>                                             |
| Net change in fund balance                | -                                         | (160)             | (160)                                                    |
| Fund balances - beginning                 | <u>909</u>                                | <u>909</u>        | <u>-</u>                                                 |
| Fund balances - ending                    | <u>\$ 909</u>                             | <u>\$ 749</u>     | <u>\$ (160)</u>                                          |

City of Grand Junction, Colorado  
**GENERAL DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                           | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------|-------------------------------------------|-------------------|----------------------------------------------------------|
| <b>REVENUES</b>                           |                                           |                   |                                                          |
| Intergovernmental                         | \$ 658,496                                | \$ 710,069        | \$ 51,573                                                |
| Investment Income                         | -                                         | 202               | 202                                                      |
| Total revenues                            | <u>658,496</u>                            | <u>710,271</u>    | <u>51,775</u>                                            |
| <b>EXPENDITURES</b>                       |                                           |                   |                                                          |
| Current:                                  |                                           |                   |                                                          |
| General government                        | 2,805                                     | 2,805             | -                                                        |
| Debt service:                             |                                           |                   |                                                          |
| Principal retirement                      | 4,960,000                                 | 4,960,000         | -                                                        |
| Interest and fiscal charges               | 4,096,585                                 | 4,096,585         | -                                                        |
| Total expenditures                        | <u>9,059,390</u>                          | <u>9,059,390</u>  | <u>-</u>                                                 |
| Deficiency of revenues under expenditures | (8,400,894)                               | (8,349,119)       | 51,775                                                   |
| <b>OTHER FINANCING SOURCES</b>            |                                           |                   |                                                          |
| Transfers in                              | <u>8,400,894</u>                          | <u>8,349,102</u>  | <u>(51,792)</u>                                          |
| Net change in fund balance                | -                                         | (17)              | (17)                                                     |
| Fund balances - beginning                 | <u>122</u>                                | <u>122</u>        | <u>-</u>                                                 |
| Fund balances - ending                    | <u>\$ 122</u>                             | <u>\$ 105</u>     | <u>\$ (17)</u>                                           |

City of Grand Junction, Colorado  
**PARKWAY DEBT RETIREMENT DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                      | Budgeted Amounts |              | Actual<br>GAAP<br>Basis<br>Amounts | Adjustment<br>to<br>Budgetary<br>Basis | Actual<br>on<br>Budgetary<br>Basis | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|------------------|--------------|------------------------------------|----------------------------------------|------------------------------------|----------------------------------------------------------|
|                                      | Original         | Final        |                                    |                                        |                                    |                                                          |
| <b>REVENUES</b>                      |                  |              |                                    |                                        |                                    |                                                          |
| Investment income                    | \$ 16,000        | \$ 16,000    | \$ 247                             | \$ 13,344                              | \$ 13,591                          | \$ (2,409)                                               |
| <b>EXPENDITURES</b>                  | -                | -            | -                                  | -                                      | -                                  | -                                                        |
| Excess of revenues over expenditures | 16,000           | 16,000       | 247                                | 13,344                                 | 13,591                             | (2,409)                                                  |
| <b>OTHER FINANCING SOURCES</b>       |                  |              |                                    |                                        |                                    |                                                          |
| Transfers in                         | 2,358,424        | 2,350,111    | 2,350,111                          | -                                      | 2,350,111                          | -                                                        |
| Net change in fund balance           | 2,374,424        | 2,366,111    | 2,350,358                          | 13,344                                 | 2,363,702                          | (2,409)                                                  |
| Fund balances - beginning            | 4,107,702        | 4,107,702    | 4,117,083                          | (9,381)                                | 4,107,702                          | -                                                        |
| Fund balances - ending               | \$ 6,482,126     | \$ 6,473,813 | \$ 6,467,441                       | \$ 3,963                               | \$ 6,471,404                       | \$ (2,409)                                               |

City of Grand Junction, Colorado  
**SALES TAX CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the year ended December 31, 2013

|                                         | Budgeted Amounts   |                    | Actual<br>GAAP<br>Basis<br>Amounts | Adjustment<br>to<br>Budgetary<br>Basis | Actual<br>on<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------------|--------------------|--------------------|------------------------------------|----------------------------------------|------------------------------------|-----------------------------------------------------------|
|                                         | Original           | Final              |                                    |                                        |                                    |                                                           |
| <b>REVENUES</b>                         |                    |                    |                                    |                                        |                                    |                                                           |
| Taxes                                   | \$ 11,972,157      | \$ 11,284,626      | \$ 11,662,520                      | \$ (157,838)                           | \$ 11,504,682                      | \$ 220,056                                                |
| Intergovernmental                       | 608,174            | 947,037            | 895,935                            | -                                      | 895,935                            | (51,102)                                                  |
| Special assessments                     | 25,000             | 14,000             | 14,708                             | -                                      | 14,708                             | 708                                                       |
| Investment income                       | -                  | 6,000              | 5,745                              | -                                      | 5,745                              | (255)                                                     |
| Charges for Service                     | -                  | 30,000             | 45,277                             | -                                      | 45,277                             | 15,277                                                    |
| Other contributions                     | -                  | 6,200              | 4,540                              | -                                      | 4,540                              | (1,660)                                                   |
| Total revenues                          | <u>12,605,331</u>  | <u>12,287,863</u>  | <u>12,628,725</u>                  | <u>(157,838)</u>                       | <u>12,470,887</u>                  | <u>183,024</u>                                            |
| <b>EXPENDITURES</b>                     |                    |                    |                                    |                                        |                                    |                                                           |
| Capital outlay:                         |                    |                    |                                    |                                        |                                    |                                                           |
| Construction                            | <u>7,015,317</u>   | <u>7,632,688</u>   | <u>6,290,846</u>                   | <u>-</u>                               | <u>6,290,846</u>                   | <u>1,341,842</u>                                          |
| Excess of revenues<br>over expenditures | 5,590,014          | 4,655,175          | 6,337,879                          | (157,838)                              | 6,180,041                          | 1,524,866                                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                    |                    |                                    |                                        |                                    |                                                           |
| Transfers in                            | 2,265,911          | 2,941,770          | 1,330,374                          | -                                      | 1,330,374                          | (1,611,396)                                               |
| Transfers out                           | (7,982,528)        | (8,125,407)        | (8,038,877)                        | -                                      | (8,038,877)                        | 86,530                                                    |
| Sale of Capital Assets                  | <u>126,603</u>     | <u>-</u>           | <u>-</u>                           | <u>-</u>                               | <u>-</u>                           | <u>-</u>                                                  |
| Total other financing sources (uses)    | <u>(5,590,014)</u> | <u>(5,183,637)</u> | <u>(6,708,503)</u>                 | <u>-</u>                               | <u>(6,708,503)</u>                 | <u>(1,524,866)</u>                                        |
| Net change in fund balance              | -                  | (528,462)          | (370,624)                          | (157,838)                              | (528,462)                          | -                                                         |
| Fund balances - beginning               | <u>528,462</u>     | <u>528,462</u>     | <u>448,952</u>                     | <u>79,510</u>                          | <u>528,462</u>                     | <u>-</u>                                                  |
| Fund balances - ending                  | <u>\$ 528,462</u>  | <u>\$ -</u>        | <u>\$ 78,328</u>                   | <u>\$ (78,328)</u>                     | <u>\$ -</u>                        | <u>\$ -</u>                                               |

City of Grand Junction, Colorado  
**MAJOR CAPITAL PROJECTS IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the year ended December 31, 2013

|                                           | Budgeted Amounts  |                  | Actual              | Variance with                            |
|-------------------------------------------|-------------------|------------------|---------------------|------------------------------------------|
|                                           | Original          | Final            | Amounts             | Final Budget -<br>Positive<br>(Negative) |
| <b>REVENUES</b>                           |                   |                  |                     |                                          |
| Intergovernmental                         | \$ 1,272,342      | \$ 2,673,514     | \$ 2,598,514        | \$ (75,000)                              |
| Investment income                         | -                 | 2,214            | 3,583               | 1,369                                    |
| Other contributions                       | 1,558,591         | 325,229          | 302,385             | (22,844)                                 |
| Total revenues                            | <u>2,830,933</u>  | <u>3,000,957</u> | <u>2,904,482</u>    | <u>(96,475)</u>                          |
| <b>EXPENDITURES</b>                       |                   |                  |                     |                                          |
| Capital outlay:                           |                   |                  |                     |                                          |
| Construction                              | <u>7,337,417</u>  | <u>8,467,333</u> | <u>6,291,866</u>    | <u>2,175,467</u>                         |
| Deficiency of revenues under expenditures | (4,506,484)       | (5,466,376)      | (3,387,384)         | 2,078,992                                |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                   |                  |                     |                                          |
| Transfers in                              | 1,800,000         | 2,344,611        | 2,406,861           | 62,250                                   |
| Transfers out                             | -                 | (31,047)         | (42,597)            | (11,550)                                 |
| Total other financing sources (uses)      | <u>1,800,000</u>  | <u>2,313,564</u> | <u>2,364,264</u>    | <u>50,700</u>                            |
| Net change in fund balance                | (2,706,484)       | (3,152,812)      | (1,023,120)         | 2,129,692                                |
| Fund balances - beginning                 | 3,240,562         | 3,240,562        | 3,240,562           | -                                        |
| Fund balances - ending                    | <u>\$ 534,078</u> | <u>\$ 87,750</u> | <u>\$ 2,217,442</u> | <u>\$ 2,129,692</u>                      |

City of Grand Junction, Colorado  
**STORM DRAINAGE DEVELOPMENT CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                           | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------|------------------|-----------|-----------|----------------------------------------------------------|
|                                           | Original         | Final     |           |                                                          |
| <b>REVENUES</b>                           |                  |           |           |                                                          |
| Miscellaneous:                            |                  |           |           |                                                          |
| Development fees                          | \$ 10,000        | \$ 13,000 | \$ 22,598 | \$ 9,598                                                 |
| <b>EXPENDITURES</b>                       |                  |           |           |                                                          |
| Capital outlay:                           |                  |           |           |                                                          |
| Construction                              | 126,225          | 164,644   | 137,999   | 26,645                                                   |
| Deficiency of revenues under expenditures | (116,225)        | (151,644) | (115,401) | 36,243                                                   |
| <b>OTHER FINANCING SOURCES</b>            |                  |           |           |                                                          |
| Transfers in                              | 116,225          | 151,644   | 115,401   | (36,243)                                                 |
| Net change in fund balance                | -                | -         | -         | -                                                        |
| Fund balances - beginning                 | -                | -         | -         | -                                                        |
| Fund balances - ending                    | \$ -             | \$ -      | \$ -      | \$ -                                                     |

City of Grand Junction, Colorado  
**STREET ASSESSMENT PROJECTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                           | Budgeted Amounts |              | Actual       | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------|------------------|--------------|--------------|----------------------------------------------------------|
|                                           | Original         | Final        |              |                                                          |
| <b>REVENUES</b>                           |                  |              |              |                                                          |
| Miscellaneous:                            |                  |              |              |                                                          |
| Development fees                          | \$ 600,000       | \$ 2,070,234 | \$ 2,149,915 | \$ 79,681                                                |
| <b>EXPENDITURES</b>                       |                  |              |              |                                                          |
| Capital outlay:                           |                  |              |              |                                                          |
| Construction                              | 4,000,000        | 5,092,727    | 4,714,592    | 378,135                                                  |
| Deficiency of revenues under expenditures | (3,400,000)      | (3,022,493)  | (2,564,677)  | 457,816                                                  |
| <b>OTHER FINANCING SOURCES</b>            |                  |              |              |                                                          |
| Transfers In                              | 2,762,215        | 2,098,394    | 1,877,545    | (220,849)                                                |
| Net change in fund balance                | (637,785)        | (924,099)    | (687,132)    | 236,967                                                  |
| Fund balances - beginning                 | 924,099          | 924,099      | 924,099      | -                                                        |
| Fund balances - ending                    | \$ 286,314       | \$ -         | \$ 236,967   | \$ 236,967                                               |



City of Grand Junction, Colorado  
**FACILITIES CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                           | Budgeted Amounts |           |           | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------|------------------|-----------|-----------|----------------------------------------------------------|
|                                           | Original         | Final     | Actual    |                                                          |
| <b>REVENUES</b>                           | \$ -             | \$ -      | \$ -      | \$ -                                                     |
| <b>EXPENDITURES</b>                       |                  |           |           |                                                          |
| Capital outlay:                           |                  |           |           |                                                          |
| Construction                              | 108,200          | 80,768    | 80,738    | 30                                                       |
| Deficiency of revenues under expenditures | (108,200)        | (80,768)  | (80,738)  | 30                                                       |
| <b>OTHER FINANCING USES</b>               |                  |           |           |                                                          |
| Transfers out                             | (105,892)        | (172,259) | (172,289) | (30)                                                     |
| Net change in fund balance                | (214,092)        | (253,027) | (253,027) | -                                                        |
| Fund balances - beginning                 | 253,027          | 253,027   | 253,027   | -                                                        |
| Fund balances - ending                    | \$ 38,935        | \$ -      | \$ -      | \$ -                                                     |

City of Grand Junction, Colorado  
**CEMETERY PERPETUAL CARE PERMANENT TRUST FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                   | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts   | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-----------------------------------|-------------------------------------------|---------------------|----------------------------------------------------------|
| <b>REVENUES</b>                   |                                           |                     |                                                          |
| Perpetual care revenue            | \$ 23,400                                 | \$ 27,356           | \$ 3,956                                                 |
| Investment income (loss)          | 6,500                                     | (2,293)             | (8,793)                                                  |
| Total revenues                    | <u>29,900</u>                             | <u>25,063</u>       | <u>(4,837)</u>                                           |
| <b>EXPENDITURES</b>               | <u>-</u>                                  | <u>-</u>            | <u>-</u>                                                 |
| Excess revenues over expenditures | 29,900                                    | 25,063              | (4,837)                                                  |
| <b>OTHER FINANCING USES</b>       |                                           |                     |                                                          |
| Transfers out                     | <u>(6,500)</u>                            | <u>(5,954)</u>      | <u>546</u>                                               |
| Net change in fund balance        | 23,400                                    | 19,109              | (4,291)                                                  |
| Fund balances - beginning         | 1,309,993                                 | 1,309,993           | -                                                        |
| Fund balances - ending            | <u>\$ 1,333,393</u>                       | <u>\$ 1,329,102</u> | <u>\$ (4,291)</u>                                        |



# NON-MAJOR PROPRIETARY FUNDS

## Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner Similar to private business enterprises - where the intent of the governing body is that the costs (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Solid Waste Removal Fund** ~ to account for the revenues and expenses associated with refuse collection within the city.

**Irrigation Fund** ~ to account for the resources and expenses associated with the operation of City-owned and leased parking facilities, as well as the enforcement of City parking regulations.

## Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

**Data Processing Fund** ~ to account for expenses associated with the operations of the data processing center that provides services to City agencies and the related charges for these Services.

**Equipment Fund** ~ to account for the expenses associated with the acquisition, operation and maintenance of City-owned vehicles and equipment, and the related charges for these services.

**Self-Insurance Fund** ~ to account for the expenses associated with providing workman's compensation and excess property and liability insurance coverage, and the related charges to the various department's within the City.

**Communications Center Fund** ~ to account for the expenses associated with the operations of the Grand Valley Combined Emergency 911 Communications Center, as well as the related charges for its operation to the various local governments using its services.

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
December 31, 2013

|                                                        | Business-Type Activities - Enterprise Funds |                    |                     |
|--------------------------------------------------------|---------------------------------------------|--------------------|---------------------|
|                                                        | Solid<br>Waste<br>Removal                   | Irrigation         | Total               |
| <b>ASSETS</b>                                          |                                             |                    |                     |
| Current assets:                                        |                                             |                    |                     |
| Cash and investments                                   | \$ 509,493                                  | \$ 94,991          | \$ 604,484          |
| Accounts receivable, net of allowance                  | 395,135                                     | 27,547             | 422,682             |
| Total current assets                                   | <u>904,628</u>                              | <u>122,538</u>     | <u>1,027,166</u>    |
| Noncurrent assets:                                     |                                             |                    |                     |
| Capital assets:                                        |                                             |                    |                     |
| Buildings, improvements, plant and system              | 219,774                                     | 3,430,124          | 3,649,898           |
| Equipment                                              | 1,255,139                                   | 5,297              | 1,260,436           |
| Less accumulated depreciation                          | <u>(992,796)</u>                            | <u>(2,617,644)</u> | <u>(3,610,440)</u>  |
| Total capital assets (net of accumulated depreciation) | <u>482,117</u>                              | <u>817,777</u>     | <u>1,299,894</u>    |
| Total noncurrent assets                                | <u>482,117</u>                              | <u>817,777</u>     | <u>1,299,894</u>    |
| Total assets                                           | <u>1,386,745</u>                            | <u>940,315</u>     | <u>2,327,060</u>    |
| <b>LIABILITIES</b>                                     |                                             |                    |                     |
| Current liabilities:                                   |                                             |                    |                     |
| Accounts payable                                       | 87,946                                      | 4,586              | 92,532              |
| Accrued liabilities                                    | 25,293                                      | 1,939              | 27,232              |
| Compensated absences payable                           | 6,419                                       | 584                | 7,003               |
| Due to other funds                                     | <u>82,663</u>                               | <u>-</u>           | <u>82,663</u>       |
| Total current liabilities                              | <u>202,321</u>                              | <u>7,109</u>       | <u>209,430</u>      |
| Noncurrent liabilities:                                |                                             |                    |                     |
| Compensated absences payable                           | 111,017                                     | 10,106             | 121,123             |
| Advances from other funds - general fund               | <u>760,251</u>                              | <u>-</u>           | <u>760,251</u>      |
| Total noncurrent liabilities                           | <u>871,268</u>                              | <u>10,106</u>      | <u>881,374</u>      |
| Total liabilities                                      | <u>1,073,589</u>                            | <u>17,215</u>      | <u>1,090,804</u>    |
| <b>NET POSITION</b>                                    |                                             |                    |                     |
| Net investment in capital assets                       | 482,117                                     | 817,777            | 1,299,894           |
| Unrestricted                                           | <u>(168,961)</u>                            | <u>105,323</u>     | <u>(63,638)</u>     |
| Total net position                                     | <u>\$ 313,156</u>                           | <u>\$ 923,100</u>  | <u>\$ 1,236,256</u> |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
For the year ended December 31, 2013

|                                                         | Business-Type Activities - Enterprise Funds |            |              |
|---------------------------------------------------------|---------------------------------------------|------------|--------------|
|                                                         | Solid<br>Waste<br>Removal                   | Irrigation | Total        |
| <b>Operating revenues:</b>                              |                                             |            |              |
| Charges for sales and services, net of allowances       | \$ 3,337,992                                | \$ 229,676 | \$ 3,567,668 |
| <b>Operating expenses:</b>                              |                                             |            |              |
| Personal services                                       | 1,068,935                                   | 90,542     | 1,159,477    |
| Costs of sales and services                             | 2,104,257                                   | 142,543    | 2,246,800    |
| Depreciation and amortization                           | 66,673                                      | 85,682     | 152,355      |
| Total operating expenses                                | 3,239,865                                   | 318,767    | 3,558,632    |
| Operating income (loss)                                 | 98,127                                      | (89,091)   | 9,036        |
| <b>Nonoperating revenues (expenses):</b>                |                                             |            |              |
| Investment income (loss)                                | (984)                                       | (186)      | (1,170)      |
| Total nonoperating revenues (expenses)                  | (984)                                       | (186)      | (1,170)      |
| <b>Income (loss) before contributions and transfers</b> | 97,143                                      | (89,277)   | 7,866        |
| Capital contributions - tap fees                        | -                                           | 1,300      | 1,300        |
| Change in net position                                  | 97,143                                      | (87,977)   | 9,166        |
| Net position - beginning                                | 216,013                                     | 1,011,077  | 1,227,090    |
| Net position - ending                                   | \$ 313,156                                  | \$ 923,100 | \$ 1,236,256 |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
For the year ended December 31, 2013

|                                                                                                       | Business-Type Activities - Enterprise Funds |                  |                   |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------|-------------------|
|                                                                                                       | Solid<br>Waste<br>Removal                   | Irrigation       | Total             |
| <b>Cash flows from operating activities:</b>                                                          |                                             |                  |                   |
| Cash received from customers and users                                                                | \$ 3,333,467                                | \$ 236,449       | \$ 3,569,916      |
| Cash paid to interfund                                                                                | (931,452)                                   | (30,661)         | (962,113)         |
| Cash paid to suppliers                                                                                | (1,169,016)                                 | (108,822)        | (1,277,838)       |
| Cash paid to employees                                                                                | (1,065,599)                                 | (89,861)         | (1,155,460)       |
| Net cash provided (used) by operating activities                                                      | <u>167,400</u>                              | <u>7,105</u>     | <u>174,505</u>    |
| <b>Cash flows from noncapital financing activities:</b>                                               |                                             |                  |                   |
| Increase (decrease) in amount due other funds                                                         | <u>2,174</u>                                | <u>-</u>         | <u>2,174</u>      |
| Net cash provided (used) by noncapital financing activities                                           | <u>2,174</u>                                | <u>-</u>         | <u>2,174</u>      |
| <b>Cash flows from capital and related financing activities:</b>                                      |                                             |                  |                   |
| Tap fees                                                                                              | -                                           | 1,300            | 1,300             |
| Repayment of interfund capital loans                                                                  | (82,663)                                    | -                | (82,663)          |
| Purchase of capital assets                                                                            | (115,726)                                   | -                | (115,726)         |
| Net cash provided (used) in capital and related financing activities                                  | <u>(198,389)</u>                            | <u>1,300</u>     | <u>(197,089)</u>  |
| <b>Cash flows from investing activities:</b>                                                          |                                             |                  |                   |
| Investment income (loss) received                                                                     | <u>(984)</u>                                | <u>(186)</u>     | <u>(1,170)</u>    |
| Net cash provided (used) by investing activities                                                      | <u>(984)</u>                                | <u>(186)</u>     | <u>(1,170)</u>    |
| Net increase (decrease) in cash and cash equivalents                                                  | (29,799)                                    | 8,219            | (21,580)          |
| Cash and cash equivalents, January 1                                                                  | 539,292                                     | 86,772           | 626,064           |
| Cash and cash equivalents, December 31                                                                | <u>\$ 509,493</u>                           | <u>\$ 94,991</u> | <u>\$ 604,484</u> |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |                                             |                  |                   |
| Operating income (loss)                                                                               | \$ 98,127                                   | \$ (89,091)      | \$ 9,036          |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                                             |                  |                   |
| Depreciation expense                                                                                  | 66,673                                      | 85,682           | 152,355           |
| (Increase) decrease in accounts receivable                                                            | (4,525)                                     | 6,773            | 2,248             |
| Increase (decrease) in accounts payable                                                               | 3,789                                       | 3,060            | 6,849             |
| Increase (decrease) in accrued liabilities and compensated absences payable                           | 3,336                                       | 681              | 4,017             |
| Total adjustments                                                                                     | <u>69,273</u>                               | <u>96,196</u>    | <u>165,469</u>    |
| Net cash provided (used) by operating activities                                                      | <u>\$ 167,400</u>                           | <u>\$ 7,105</u>  | <u>\$ 174,505</u> |

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
December 31, 2013

|                                                        | Data<br>Processing  | Equipment            | Self-<br>Insurance  | Communications<br>Center | Total                |
|--------------------------------------------------------|---------------------|----------------------|---------------------|--------------------------|----------------------|
| <b>ASSETS</b>                                          |                     |                      |                     |                          |                      |
| Current assets:                                        |                     |                      |                     |                          |                      |
| Cash and investments                                   | \$ 1,314,469        | \$ 3,527,260         | \$ 3,380,431        | \$ 361,562               | \$ 8,583,722         |
| Accounts receivable, net of allowance                  | 85                  | 3,177                | 1,326,846           | -                        | 1,330,108            |
| Intergovernmental receivable                           | -                   | 30,079               | -                   | 96,591                   | 126,670              |
| Prepaid items                                          | 133,179             | -                    | -                   | 5,005                    | 138,184              |
| Total current assets                                   | <u>1,447,733</u>    | <u>3,560,516</u>     | <u>4,707,277</u>    | <u>463,158</u>           | <u>10,178,684</u>    |
| Noncurrent assets:                                     |                     |                      |                     |                          |                      |
| Capital assets:                                        |                     |                      |                     |                          |                      |
| Buildings and improvements                             | -                   | 2,733,794            | -                   | 13,700                   | 2,747,494            |
| Equipment                                              | 5,008,599           | 20,704,692           | -                   | 8,315,309                | 34,028,600           |
| Construction in progress                               | -                   | -                    | -                   | 903,636                  | 903,636              |
| Less accumulated depreciation                          | <u>(2,246,285)</u>  | <u>(14,437,859)</u>  | <u>-</u>            | <u>(3,099,010)</u>       | <u>(19,783,154)</u>  |
| Total capital assets (net of accumulated depreciation) | <u>2,762,314</u>    | <u>9,000,627</u>     | <u>-</u>            | <u>6,133,635</u>         | <u>17,896,576</u>    |
| Total assets                                           | <u>4,210,047</u>    | <u>12,561,143</u>    | <u>4,707,277</u>    | <u>6,596,793</u>         | <u>28,075,260</u>    |
| <b>LIABILITIES</b>                                     |                     |                      |                     |                          |                      |
| Current liabilities:                                   |                     |                      |                     |                          |                      |
| Accounts payable                                       | 113,436             | 414,076              | 94,996              | 140,092                  | 762,600              |
| Accrued liabilities                                    | 49,676              | 19,424               | 5,495               | 86,045                   | 160,640              |
| Compensated absences payable                           | 7,958               | 2,944                | 2,523               | 11,341                   | 24,766               |
| Claims payable                                         | -                   | -                    | 858,711             | -                        | 858,711              |
| Total current liabilities                              | <u>171,070</u>      | <u>436,444</u>       | <u>961,725</u>      | <u>237,478</u>           | <u>1,806,717</u>     |
| Noncurrent liabilities                                 |                     |                      |                     |                          |                      |
| Compensated absences payable                           | 137,626             | 50,922               | 43,638              | 196,145                  | 428,331              |
| Claims payable                                         | -                   | -                    | 1,359,274           | -                        | 1,359,274            |
| Total noncurrent liabilities                           | <u>137,626</u>      | <u>50,922</u>        | <u>1,402,912</u>    | <u>196,145</u>           | <u>1,787,605</u>     |
| Total liabilities                                      | <u>308,696</u>      | <u>487,366</u>       | <u>2,364,637</u>    | <u>433,623</u>           | <u>3,594,322</u>     |
| <b>NET POSITION</b>                                    |                     |                      |                     |                          |                      |
| Net investment in capital assets                       | 2,762,314           | 9,000,627            | -                   | 6,133,635                | 17,896,576           |
| Restricted for:                                        |                     |                      |                     |                          |                      |
| Public safety                                          | 111,842             | -                    | -                   | -                        | 111,842              |
| Unrestricted                                           | 1,027,195           | 3,073,150            | 2,342,640           | 29,535                   | 6,472,520            |
| Total net position                                     | <u>\$ 3,901,351</u> | <u>\$ 12,073,777</u> | <u>\$ 2,342,640</u> | <u>\$ 6,163,170</u>      | <u>\$ 24,480,938</u> |



City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the year ended December 31, 2013

|                                                             | <u>Data<br/>Processing</u> | <u>Equipment</u>     | <u>Self-<br/>Insurance</u> | <u>Communications<br/>Center</u> | <u>Total</u>         |
|-------------------------------------------------------------|----------------------------|----------------------|----------------------------|----------------------------------|----------------------|
| <b>Operating revenues:</b>                                  |                            |                      |                            |                                  |                      |
| Charges for sales and services:                             | \$ 5,598,844               | \$ 4,474,752         | \$ 1,861,527               | \$ 3,868,529                     | \$ 15,803,652        |
| Miscellaneous                                               | <u>-</u>                   | <u>-</u>             | <u>1,442,033</u>           | <u>2,822</u>                     | <u>1,444,855</u>     |
| Total operating revenues                                    | <u>5,598,844</u>           | <u>4,474,752</u>     | <u>3,303,560</u>           | <u>3,871,351</u>                 | <u>17,248,507</u>    |
| <b>Operating expenses:</b>                                  |                            |                      |                            |                                  |                      |
| Personal services                                           | 2,064,432                  | 837,330              | 253,684                    | 3,843,190                        | 6,998,636            |
| Costs of sales and services                                 | 2,841,903                  | 1,963,388            | 1,876,192                  | 1,537,975                        | 8,219,458            |
| Depreciation and amortization                               | <u>665,822</u>             | <u>1,207,040</u>     | <u>-</u>                   | <u>1,033,759</u>                 | <u>2,906,621</u>     |
| Total operating expenses                                    | <u>5,572,157</u>           | <u>4,007,758</u>     | <u>2,129,876</u>           | <u>6,414,924</u>                 | <u>18,124,715</u>    |
| Operating income (loss)                                     | <u>26,687</u>              | <u>466,994</u>       | <u>1,173,684</u>           | <u>(2,543,573)</u>               | <u>(876,208)</u>     |
| <b>Nonoperating revenues (expenses):</b>                    |                            |                      |                            |                                  |                      |
| Intergovernmental                                           | -                          | 33,474               | -                          | 333,733                          | 367,207              |
| Investment income (loss)                                    | (4,482)                    | (6,901)              | (6,757)                    | (3,853)                          | (21,993)             |
| Gain (loss) on disposition of<br>property and equipment     | <u>-</u>                   | <u>85,861</u>        | <u>-</u>                   | <u>(100)</u>                     | <u>85,761</u>        |
| Total nonoperating revenues (expenses)                      | <u>(4,482)</u>             | <u>112,434</u>       | <u>(6,757)</u>             | <u>329,780</u>                   | <u>430,975</u>       |
| <b>Income (loss) before contributions<br/>and transfers</b> | 22,205                     | 579,428              | 1,166,927                  | (2,213,793)                      | (445,233)            |
| Contributed capital                                         | 22,560                     | -                    | -                          | -                                | 22,560               |
| Transfers in                                                | <u>-</u>                   | <u>-</u>             | <u>-</u>                   | <u>2,114,018</u>                 | <u>2,114,018</u>     |
| Change in net position                                      | 44,765                     | 579,428              | 1,166,927                  | (99,775)                         | 1,691,345            |
| Net position - beginning                                    | 3,856,586                  | 11,494,349           | 1,175,713                  | 6,262,945                        | 22,789,593           |
| Net position - ending                                       | <u>\$ 3,901,351</u>        | <u>\$ 12,073,777</u> | <u>\$ 2,342,640</u>        | <u>\$ 6,163,170</u>              | <u>\$ 24,480,938</u> |

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2013

|                                                                                                       | Data<br>Processing  | Equipment           | Self -<br>Insurance | Communications<br>Center | Total               |
|-------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|--------------------------|---------------------|
| <b>Cash flows from operating activities:</b>                                                          |                     |                     |                     |                          |                     |
| Cash received from interfund                                                                          | \$ 5,521,563        | \$ 4,253,697        | \$ 1,861,527        | \$ 2,227,029             | \$ 13,863,816       |
| Cash received from customers and users                                                                | 83,932              | 207,285             | -                   | 1,631,518                | 1,922,735           |
| Cash paid to interfund                                                                                | (274,835)           | (170,518)           | (15,089)            | (839,766)                | (1,300,208)         |
| Cash paid to suppliers                                                                                | (2,708,145)         | (1,802,605)         | (2,036,395)         | (674,494)                | (7,221,639)         |
| Cash paid to employees                                                                                | (2,069,254)         | (834,463)           | (237,158)           | (3,832,166)              | (6,973,041)         |
| Miscellaneous receipts                                                                                | -                   | -                   | 115,187             | 2,822                    | 118,009             |
| Net cash provided (used) by operating activities                                                      | <u>553,261</u>      | <u>1,653,396</u>    | <u>(311,928)</u>    | <u>(1,485,057)</u>       | <u>409,672</u>      |
| <b>Cash flows from noncapital financing activities:</b>                                               |                     |                     |                     |                          |                     |
| Transfers from other funds                                                                            | -                   | -                   | -                   | 2,114,018                | 2,114,018           |
| Intergovernmental receipts                                                                            | -                   | 33,474              | -                   | 5,877                    | 39,351              |
| Net cash provided (used) by noncapital financing activities                                           | <u>-</u>            | <u>33,474</u>       | <u>-</u>            | <u>2,119,895</u>         | <u>2,153,369</u>    |
| <b>Cash flows from capital and related financing activities:</b>                                      |                     |                     |                     |                          |                     |
| Intergovernmental receipts                                                                            | -                   | 300,000             | -                   | 247,274                  | 547,274             |
| Proceeds from disposition of capital assets                                                           | -                   | 59,870              | -                   | -                        | 59,870              |
| Purchase of capital assets                                                                            | (1,322,406)         | (1,744,598)         | -                   | (1,074,970)              | (4,141,974)         |
| Net cash used in capital and related financing activities                                             | <u>(1,322,406)</u>  | <u>(1,384,728)</u>  | <u>-</u>            | <u>(827,696)</u>         | <u>(3,534,830)</u>  |
| <b>Cash flows from investing activities:</b>                                                          |                     |                     |                     |                          |                     |
| Investment income (loss) received                                                                     | (4,482)             | (6,901)             | (6,757)             | (3,853)                  | (21,993)            |
| Net cash provided (used) by investing activities                                                      | <u>(4,482)</u>      | <u>(6,901)</u>      | <u>(6,757)</u>      | <u>(3,853)</u>           | <u>(21,993)</u>     |
| Net increase in cash and cash equivalents                                                             | (773,627)           | 295,241             | (318,685)           | (196,711)                | (993,782)           |
| Cash and cash equivalents, January 1                                                                  | 2,088,096           | 3,232,019           | 3,699,116           | 558,273                  | 9,577,504           |
| Cash and cash equivalents, December 31                                                                | <u>\$ 1,314,469</u> | <u>\$ 3,527,260</u> | <u>\$ 3,380,431</u> | <u>\$ 361,562</u>        | <u>\$ 8,583,722</u> |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>  |                     |                     |                     |                          |                     |
| Operating income (loss)                                                                               | \$ 26,687           | \$ 466,994          | \$ 1,173,684        | \$ (2,543,573)           | \$ (876,208)        |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                     |                     |                     |                          |                     |
| Depreciation expense                                                                                  | 665,822             | 1,207,040           | -                   | 1,033,759                | 2,906,621           |
| (Increase) decrease in accounts receivable                                                            | 6,651               | (13,770)            | (1,326,846)         | (9,982)                  | (1,343,947)         |
| (Increase) decrease in prepaid items                                                                  | (90,158)            | -                   | -                   | (4,775)                  | (94,933)            |
| Increase (decrease) in accounts payable                                                               | (17,275)            | 284,817             | (54,400)            | 69,936                   | 283,078             |
| Increase (decrease) in claims payable                                                                 | -                   | -                   | (120,892)           | -                        | (120,892)           |
| Increase (decrease) in accrued wages and compensated absences payable                                 | (4,822)             | 2,867               | 16,526              | 11,024                   | 25,595              |
| (Increase) decrease in accounts payable due to purchase of capital assets on account                  | (33,644)            | (294,552)           | -                   | (41,446)                 | (369,642)           |
| Total adjustments                                                                                     | <u>526,574</u>      | <u>1,186,402</u>    | <u>(1,485,612)</u>  | <u>1,058,516</u>         | <u>1,285,880</u>    |
| Net cash provided (used) by operating activities                                                      | <u>\$ 553,261</u>   | <u>\$ 1,653,396</u> | <u>\$ (311,928)</u> | <u>\$ (1,485,057)</u>    | <u>\$ 409,672</u>   |
| <b>Noncash Investing, Capital and Financing Activities</b>                                            |                     |                     |                     |                          |                     |
| Purchase of capital assets on account                                                                 | \$ 39,971           | \$ 294,552          | \$ -                | \$ 95,446                | \$ 429,969          |
| Capital contributions                                                                                 | 22,560              | -                   | -                   | -                        | 22,560              |
| Net book value of capital assets traded in on capital assets acquired                                 | -                   | 183,019             | -                   | -                        | 183,019             |
| Trade in value of disposed assets                                                                     | -                   | 209,010             | -                   | -                        | 209,010             |
| Intergovernmental receivable from capital financing activities                                        | -                   | -                   | -                   | 80,582                   | 80,582              |



## FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the City in a fiduciary capacity, or as an agent for individuals, private organizations, other governments, and/or other funds. These include Pension Trust, Private-Purpose Trust, Investment Trust and Agency Funds. Since the City has only one Investment Trust Fund, it is presented in the Basic Financial section of this report.

### **Private Purpose Trust Funds**

**Mesa County Valley School District 51 SLD Fee Fund** ~ to account for revenues and expenditures not included in other trust funds for which uses have been specified by parties outside the City government.

**General Trust Fund** ~ to account for revenues and expenditures not included in other trust funds for which uses have been specified by parties outside City government.

### **Pension Trust Funds**

**Police Old Hire Pension Trust Fund** ~ to account for assets for the Police Old Hire Defined Benefit Pension Plan invested in and administered by the Fire and Police Pension Association of Colorado for qualified firefighter retirees.

**Fire Old Hire Pension Trust Fund** ~ to account for assets for the Fire Old Hire Defined Benefit Pension Plan invested in and administered by the Fire and Police Pension Association of Colorado for qualified firefighter retirees.

### **Agency Funds**

**Park Improvement Advisory Board Fund** ~ to provide the custodial function of accounting for operations of the board.

**Rimrock Marketplace General Improvement District Fund** ~ to act as an agent for property owners in collection assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if applicable.

**Downtown Business Improvement District Fund** ~ to provide the custodial function of accounting for operations of the Downtown Business Improvement District.

City of Grand Junction, Colorado  
**COMBINING STATEMENTS OF NET POSITION**  
**PENSION TRUST FUNDS**  
December 31, 2013

|                                        | Police<br>Old Hire | Fire<br>Old Hire | Total         |
|----------------------------------------|--------------------|------------------|---------------|
| <b>ASSETS</b>                          |                    |                  |               |
| Cash and investments                   | \$ 4,508,685       | \$ 9,539,381     | \$ 14,048,066 |
| <b>LIABILITIES</b>                     |                    |                  |               |
|                                        | -                  | -                | -             |
| <b>NET POSITION HELD IN TRUST FOR:</b> |                    |                  |               |
| Pension benefits                       | \$ 4,508,685       | \$ 9,539,381     | \$ 14,048,066 |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
For the year ended December 31, 2013

|                                                              | Police<br>Old Hire  | Fire<br>Old Hire    | Total                |
|--------------------------------------------------------------|---------------------|---------------------|----------------------|
| <b>ADDITIONS</b>                                             |                     |                     |                      |
| Contributions:                                               |                     |                     |                      |
| City                                                         | \$ -                | \$ 276,015          | \$ 276,015           |
| State government                                             | 1,131,664           | -                   | 1,131,664            |
| Total contributions                                          | <u>1,131,664</u>    | <u>276,015</u>      | <u>1,407,679</u>     |
| Investment income:                                           |                     |                     |                      |
| Net appreciation (depreciation) in fair value of investments | 513,237             | 1,205,673           | 1,718,910            |
| Interest                                                     | 79,075              | 176,871             | 255,946              |
| Net investment income                                        | <u>592,312</u>      | <u>1,382,544</u>    | <u>1,974,856</u>     |
| Total additions                                              | <u>1,723,976</u>    | <u>1,658,559</u>    | <u>3,382,535</u>     |
| <b>DEDUCTIONS</b>                                            |                     |                     |                      |
| Benefits                                                     | 440,785             | 1,095,562           | 1,536,347            |
| Administrative expense                                       | 40,869              | 84,505              | 125,374              |
| Total deductions                                             | <u>481,654</u>      | <u>1,180,067</u>    | <u>1,661,721</u>     |
| Change in net position                                       | 1,242,322           | 478,492             | 1,720,814            |
| <b>Net position - beginning</b>                              | 3,266,363           | 9,060,889           | 12,327,252           |
| <b>Net position - ending</b>                                 | <u>\$ 4,508,685</u> | <u>\$ 9,539,381</u> | <u>\$ 14,048,066</u> |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
December 31, 2013

---

|                                       |                                                        |                             |                             |
|---------------------------------------|--------------------------------------------------------|-----------------------------|-----------------------------|
|                                       | Mesa County<br>Valley School<br>District 51<br>SLD Fee | General<br>Trust            | Total                       |
|                                       | <u>                    </u>                            | <u>                    </u> | <u>                    </u> |
| <b>ASSETS</b>                         |                                                        |                             |                             |
| Cash and investments                  | \$ 116,849                                             | \$ 468                      | \$ 117,317                  |
|                                       | <u>                    </u>                            | <u>                    </u> | <u>                    </u> |
| <b>LIABILITIES</b>                    |                                                        |                             |                             |
|                                       | <u>                    </u>                            | <u>                    </u> | <u>                    </u> |
| <b>NET POSITION HELD IN TRUST FOR</b> |                                                        |                             |                             |
| Individuals, organizations and others | \$ 116,849                                             | \$ 468                      | \$ 117,317                  |
|                                       | <u>                    </u>                            | <u>                    </u> | <u>                    </u> |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
For the year ended December 31, 2013

|                               | Mesa County<br>Valley School<br>District 51<br>SLD Fee | General<br>Trust | Total             |
|-------------------------------|--------------------------------------------------------|------------------|-------------------|
| <b>ADDITIONS</b>              |                                                        |                  |                   |
| Additions by participants     | \$ 159,980                                             | \$ -             | \$ 159,980        |
| Investment income (loss)      | (11)                                                   | -                | (11)              |
| Total additions               | <u>159,969</u>                                         | <u>-</u>         | <u>159,969</u>    |
| <b>DEDUCTIONS</b>             |                                                        |                  |                   |
| Distributions to participants | 99,663                                                 | -                | 99,663            |
| Administrative expense        | <u>3,083</u>                                           | <u>-</u>         | <u>3,083</u>      |
| Total deductions              | <u>102,746</u>                                         | <u>-</u>         | <u>102,746</u>    |
| Change in net position        | 57,223                                                 | -                | 57,223            |
| Net position - beginning      | <u>59,626</u>                                          | <u>468</u>       | <u>60,094</u>     |
| Net position - ending         | <u>\$ 116,849</u>                                      | <u>\$ 468</u>    | <u>\$ 117,317</u> |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
For the year ended December 31, 2013

|                                                                | Balance<br>Beginning | Additions  | Deletions  | Balance<br>Ending |
|----------------------------------------------------------------|----------------------|------------|------------|-------------------|
| <b><u>PARK IMPROVEMENT ADVISORY BOARD</u></b>                  |                      |            |            |                   |
| <b>ASSETS</b>                                                  |                      |            |            |                   |
| Cash and investments                                           | \$ 125,015           | \$ 120,965 | \$ 115,586 | \$ 130,394        |
| <b>LIABILITIES</b>                                             |                      |            |            |                   |
| Due to other governments                                       | \$ 125,015           | \$ 120,965 | \$ 115,586 | \$ 130,394        |
| <b><u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u></b> |                      |            |            |                   |
| <b>ASSETS</b>                                                  |                      |            |            |                   |
| Cash and investments                                           | \$ 456,063           | \$ 241,406 | \$ 226,372 | \$ 471,097        |
| <b>LIABILITIES</b>                                             |                      |            |            |                   |
| Due to other governments                                       | \$ 456,063           | \$ 241,406 | \$ 226,372 | \$ 471,097        |
| <b><u>DOWNTOWN BUSINESS IMPROVEMENT DISTRICT</u></b>           |                      |            |            |                   |
| <b>ASSETS</b>                                                  |                      |            |            |                   |
| Cash and investments                                           | \$ 126,118           | \$ 290,857 | \$ 274,184 | \$ 142,791        |
| <b>LIABILITIES</b>                                             |                      |            |            |                   |
| Accounts payable                                               | \$ 16,270            | \$ 202,351 | \$ 183,180 | \$ 35,441         |
| Due to other governments                                       | 109,848              | 88,506     | 91,004     | 107,350           |
| Total liabilities                                              | \$ 126,118           | \$ 290,857 | \$ 274,184 | \$ 142,791        |
| <b><u>TOTAL - ALL AGENCY FUNDS</u></b>                         |                      |            |            |                   |
| <b>ASSETS</b>                                                  |                      |            |            |                   |
| Cash and investments                                           | \$ 707,196           | \$ 653,228 | \$ 616,142 | \$ 744,282        |
| Total assets                                                   | \$ 707,196           | \$ 653,228 | \$ 616,142 | \$ 744,282        |
| <b>LIABILITIES</b>                                             |                      |            |            |                   |
| Accounts payable                                               | \$ 16,270            | \$ 202,351 | \$ 183,180 | \$ 35,441         |
| Due to other governments                                       | 690,926              | 450,877    | 432,962    | 708,841           |
| Total liabilities                                              | \$ 707,196           | \$ 653,228 | \$ 616,142 | \$ 744,282        |





# DOWNTOWN DEVELOPMENT AUTHORITY

## **A Component Unit of the City of Grand Junction, Colorado**

The Downtown Development Authority (DDA) was formed to improve the downtown area of the City of Grand Junction. Since this is the only component unit of the City, it reported on the Government-wide Financial Statement. However, since it does not issue its own financial report, the following fund information for the DDA is provided.

### **Special Revenue Funds**

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted or committed to expenditures for specified purposes.

**DDA Operations Special Revenue Fund** ~ to account for all revenues and expenditures associated with operating the Downtown Development Authority.

**DDA Tax Increment Special Revenue Fund** ~ to account for property tax revenues from the Downtown Tax Increment Financing District used principally to reduce debt incurred for downtown improvements. This fund's equity was transferred to the DDA TIF Debt Fund at the end of 2013.

### **Debt Service Funds**

**Debt Service Funds** are used to account for all resources being accumulated for general long-term debt principal and interest payments maturing in future years other than long-term debt accounted for in enterprise and internal service funds.

**DDA TIF Debt Service Fund** ~ to account for those resources which are being accumulated for Long-term debt, principal and interest payments on Downtown Development Authority Tax Increment Bonds maturing in future years.

### **Capital Project Funds**

**Capital Projects Funds** are used to account for financial resources to be used for the acquisition of Construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**DDA Capital Improvements Fund** ~ to account for capital improvements within the boundaries of the Downtown Development Authority (DDA).

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2013

|                                                                        | DDA<br>Operations<br>Special<br>Revenue Fund | DDA TIF<br>Debt Service<br>Fund | Capital<br>Improvements<br>Capital Projects<br>Fund | Total<br>Governmental<br>Funds |
|------------------------------------------------------------------------|----------------------------------------------|---------------------------------|-----------------------------------------------------|--------------------------------|
| <b>ASSETS</b>                                                          |                                              |                                 |                                                     |                                |
| Cash and investments                                                   | \$ 556,973                                   | \$ 918,560                      | \$ 410,687                                          | \$ 1,886,220                   |
| Property taxes receivable                                              | 262,928                                      | 1,224,468                       | -                                                   | 1,487,396                      |
| Accounts receivable                                                    | 2,301                                        | -                               | -                                                   | 2,301                          |
| Prepaid items                                                          | 14,449                                       | -                               | -                                                   | 14,449                         |
| Total assets                                                           | <u>836,651</u>                               | <u>2,143,028</u>                | <u>410,687</u>                                      | <u>3,390,366</u>               |
| <b>LIABILITIES</b>                                                     |                                              |                                 |                                                     |                                |
| Accounts payable                                                       | 6,294                                        | -                               | -                                                   | 6,294                          |
| Accrued liabilities                                                    | 3,012                                        | -                               | 249                                                 | 3,261                          |
| Compensated absences payable                                           | 306                                          | -                               | 25                                                  | 331                            |
| Total liabilities                                                      | <u>9,612</u>                                 | <u>-</u>                        | <u>274</u>                                          | <u>9,886</u>                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                   |                                              |                                 |                                                     |                                |
| Unavailable revenue-property taxes                                     | 260,447                                      | 1,215,417                       | -                                                   | 1,475,864                      |
| Total deferred inflows of resources                                    | <u>260,447</u>                               | <u>1,215,417</u>                | <u>-</u>                                            | <u>1,475,864</u>               |
| <b>FUND BALANCES</b>                                                   |                                              |                                 |                                                     |                                |
| Nonspendable:                                                          |                                              |                                 |                                                     |                                |
| Inventories and prepaids                                               | 14,449                                       | -                               | -                                                   | 14,449                         |
| Restricted for:                                                        |                                              |                                 |                                                     |                                |
| Debt service                                                           | -                                            | 927,611                         | -                                                   | 927,611                        |
| Legends historical sculptures project                                  | 83,990                                       | -                               | -                                                   | 83,990                         |
| Urban development and housing                                          | 468,153                                      | -                               | 410,413                                             | 878,566                        |
| Total fund balances                                                    | <u>566,592</u>                               | <u>927,611</u>                  | <u>410,413</u>                                      | <u>1,904,616</u>               |
| Total liabilities, deferred inflows of<br>resources, and fund balances | <u>\$ 836,651</u>                            | <u>\$ 2,143,028</u>             | <u>\$ 410,687</u>                                   |                                |

Amounts reported for the Component Unit - Downtown Development Authority on the statement of net position (page 31) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

4,596,009

Long-term liabilities such as bonds and notes payable, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds.

|                          |                |             |
|--------------------------|----------------|-------------|
| Bonds Payable            | \$ (6,530,000) |             |
| Accrued Interest payable | (12,400)       |             |
| Pollution remediation    | (156,876)      |             |
| Compensated absences     | <u>(5,717)</u> | (6,704,993) |

Net position -Component Unit - Downtown Development Authority. (page 31) \$ (204,368)

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the year ended December 31, 2013

|                                                              | DDA Tax<br>Increment | DDA<br>Operations<br>Special<br>Revenue Fund | DDA TIF<br>Debt Service<br>Fund | Capital<br>Improvements<br>Capital Project<br>Fund | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|----------------------|----------------------------------------------|---------------------------------|----------------------------------------------------|--------------------------------|
| <b>REVENUES</b>                                              |                      |                                              |                                 |                                                    |                                |
| Taxes                                                        | \$ 1,278,428         | \$ 298,011                                   | \$ -                            | \$ -                                               | \$ 1,576,439                   |
| Intergovernmental                                            | 459,085              | -                                            | -                               | -                                                  | 459,085                        |
| Charges for services                                         | -                    | 7,524                                        | -                               | -                                                  | 7,524                          |
| Miscellaneous                                                | -                    | 78,442                                       | -                               | 197,739                                            | 276,181                        |
| Investment income (loss)                                     | (1,852)              | (1,109)                                      | -                               | (6,834)                                            | (9,795)                        |
| Total revenues                                               | <u>1,735,661</u>     | <u>382,868</u>                               | <u>-</u>                        | <u>190,905</u>                                     | <u>2,309,434</u>               |
| <b>EXPENDITURES</b>                                          |                      |                                              |                                 |                                                    |                                |
| Current:                                                     |                      |                                              |                                 |                                                    |                                |
| Urban development and housing                                | 22,738               | 426,789                                      | -                               | -                                                  | 449,527                        |
| Debt service:                                                |                      |                                              |                                 |                                                    |                                |
| Principal retirement                                         | -                    | -                                            | 595,000                         | -                                                  | 595,000                        |
| Interest and fiscal charges                                  | -                    | -                                            | 316,846                         | -                                                  | 316,846                        |
| Capital outlay                                               | -                    | -                                            | -                               | 2,848,305                                          | 2,848,305                      |
| Total expenditures                                           | <u>22,738</u>        | <u>426,789</u>                               | <u>911,846</u>                  | <u>2,848,305</u>                                   | <u>4,209,678</u>               |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>1,712,923</u>     | <u>(43,921)</u>                              | <u>(911,846)</u>                | <u>(2,657,400)</u>                                 | <u>(1,900,244)</u>             |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                      |                                              |                                 |                                                    |                                |
| Transfers in                                                 | -                    | -                                            | 1,839,457                       | -                                                  | 1,839,457                      |
| Transfers out                                                | (1,839,457)          | -                                            | -                               | -                                                  | (1,839,457)                    |
| Sale of capital assets                                       | -                    | 1,083                                        | -                               | -                                                  | 1,083                          |
| Total other financing sources (uses)                         | <u>(1,839,457)</u>   | <u>1,083</u>                                 | <u>1,839,457</u>                | <u>-</u>                                           | <u>1,083</u>                   |
| Net change in fund balances                                  | (126,534)            | (42,838)                                     | 927,611                         | (2,657,400)                                        | (1,899,161)                    |
| Fund balances - beginning                                    | 126,534              | 609,430                                      | -                               | 3,067,813                                          | 3,803,777                      |
| <b>Fund balances - ending</b>                                | <u>\$ -</u>          | <u>\$ 566,592</u>                            | <u>\$ 927,611</u>               | <u>\$ 410,413</u>                                  | <u>\$ 1,904,616</u>            |

Amounts reported for Component Unit - Downtown Development Authority in the statement of activities (page 33) are different because:

Net change in fund balances - total governmental funds (above) \$ (1,899,161)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$279,445 exceeded depreciation (\$262,818) in the current period. 16,627

The net effect of transactions involving the sale, trade, and disposal of capital assets. 176,594

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, these transactions have no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

|                                   |                  |         |
|-----------------------------------|------------------|---------|
| Debt principal payments           | \$ 595,000       |         |
| Decrease in accrued interest      | 720              |         |
| Increase in pollution remediation | <u>(156,876)</u> |         |
|                                   |                  | 438,844 |

Expenditures for compensated absences and longevity are measured by the amount of financial resources used (essentially, the amounts actually paid to employees), whereas in the statement of activities, they are measured as the benefits are earned by employees during the year. 544

Change in net position of the Component Unit - Downtown Development Authority (page 33) \$ (1,266,552)

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DDA TAX INCREMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                         | Budgeted Amounts    |                     | Actual<br>GAAP<br>Basis<br>Amounts | Adjustment<br>to<br>Budgetary<br>Basis | Actual<br>on<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------------|---------------------|---------------------|------------------------------------|----------------------------------------|------------------------------------|-----------------------------------------------------------|
|                                         | Original            | Final               |                                    |                                        |                                    |                                                           |
| <b>REVENUES</b>                         |                     |                     |                                    |                                        |                                    |                                                           |
| Taxes                                   | \$ 1,255,634        | \$ 1,263,494        | \$ 1,278,428                       | \$ -                                   | \$ 1,278,428                       | \$ 14,934                                                 |
| Intergovernmental                       | 349,725             | 489,868             | 459,085                            | -                                      | 459,085                            | (30,783)                                                  |
| Investment income (loss)                | 7,000               | 7,000               | (1,852)                            | -                                      | (1,852)                            | (8,852)                                                   |
| Total revenues                          | <u>1,612,359</u>    | <u>1,760,362</u>    | <u>1,735,661</u>                   | <u>-</u>                               | <u>1,735,661</u>                   | <u>(24,701)</u>                                           |
| <b>EXPENDITURES</b>                     |                     |                     |                                    |                                        |                                    |                                                           |
| Current:                                |                     |                     |                                    |                                        |                                    |                                                           |
| Urban development and housing           | <u>25,115</u>       | <u>25,115</u>       | <u>22,738</u>                      | <u>-</u>                               | <u>22,738</u>                      | <u>2,377</u>                                              |
| Excess of revenues over<br>expenditures | 1,587,244           | 1,735,247           | 1,712,923                          | -                                      | 1,712,923                          | (22,324)                                                  |
| <b>OTHER FINANCING USES</b>             |                     |                     |                                    |                                        |                                    |                                                           |
| Transfers out                           | <u>(504,104)</u>    | <u>(774,486)</u>    | <u>(1,839,457)</u>                 | <u>1,062,594</u>                       | <u>(776,863)</u>                   | <u>(2,377)</u>                                            |
| Net change in fund balance              | 1,083,140           | 960,761             | (126,534)                          | 1,062,594                              | 936,060                            | (24,701)                                                  |
| Fund balances - beginning               | <u>126,534</u>      | <u>126,534</u>      | <u>126,534</u>                     | <u>-</u>                               | <u>126,534</u>                     | <u>-</u>                                                  |
| Fund balances - ending                  | <u>\$ 1,209,674</u> | <u>\$ 1,087,295</u> | <u>\$ -</u>                        | <u>\$ 1,062,594</u>                    | <u>\$ 1,062,594</u>                | <u>\$ (24,701)</u>                                        |

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DOWNTOWN DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                              | Original and<br>Final Budgeted<br>Amounts | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|----------------------------------------------|-------------------------------------------|-------------------|-----------------------------------------------------------|
| <b>REVENUES</b>                              |                                           |                   |                                                           |
| Taxes                                        | \$ 296,591                                | \$ 298,011        | \$ 1,420                                                  |
| Charges for services                         | 4,000                                     | 7,524             | 3,524                                                     |
| Miscellaneous                                | 79,300                                    | 78,442            | (858)                                                     |
| Investment income (loss)                     | 3,000                                     | (1,109)           | (4,109)                                                   |
| Total revenues                               | <u>382,891</u>                            | <u>382,868</u>    | <u>(23)</u>                                               |
| <b>EXPENDITURES</b>                          |                                           |                   |                                                           |
| Current:                                     |                                           |                   |                                                           |
| Urban development and housing                | <u>641,337</u>                            | <u>426,789</u>    | <u>214,548</u>                                            |
| Deficiency of revenues<br>under expenditures | (258,446)                                 | (43,921)          | 214,525                                                   |
| <b>OTHER FINANCING SOURCES</b>               |                                           |                   |                                                           |
| Sale of capital assets                       | <u>-</u>                                  | <u>1,083</u>      | <u>1,083</u>                                              |
| Net change in fund balance                   | (258,446)                                 | (42,838)          | 215,608                                                   |
| Fund balances - beginning                    | 609,430                                   | 609,430           | -                                                         |
| Fund balances - ending                       | <u>\$ 350,984</u>                         | <u>\$ 566,592</u> | <u>\$ 215,608</u>                                         |

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DDA TIF DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                              | Budgeted Amounts |              | Actual     | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|----------------------------------------------|------------------|--------------|------------|-----------------------------------------------------------|
|                                              | Original         | Final        |            |                                                           |
| <b>REVENUES</b>                              | \$ -             | \$ -         | \$ -       | \$ -                                                      |
| <b>EXPENDITURES</b>                          |                  |              |            |                                                           |
| Debt service:                                |                  |              |            |                                                           |
| Principal retirement                         | 365,000          | 595,000      | 595,000    | -                                                         |
| Interest and fiscal charges                  | 276,464          | 316,846      | 316,846    | -                                                         |
| Total expenditures                           | 641,464          | 911,846      | 911,846    | -                                                         |
| Deficiency of revenues<br>under expenditures | (641,464)        | (911,846)    | (911,846)  | -                                                         |
| <b>OTHER FINANCING SOURCES</b>               |                  |              |            |                                                           |
| Transfers in                                 | 504,104          | 774,486      | 1,839,457  | 1,064,971                                                 |
| Net change in fund balance                   | (137,360)        | (137,360)    | 927,611    | 1,064,971                                                 |
| Fund balances - beginning                    | -                | -            | -          | -                                                         |
| Fund balances - ending                       | \$ (137,360)     | \$ (137,360) | \$ 927,611 | \$ 1,064,971                                              |

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DDA CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2013

|                                              | Budgeted Amounts |             |             | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|----------------------------------------------|------------------|-------------|-------------|-----------------------------------------------------------|
|                                              | Original         | Final       | Actual      |                                                           |
| <b>REVENUES</b>                              |                  |             |             |                                                           |
| Miscellaneous                                | \$ -             | \$ 198,000  | \$ 197,739  | \$ (261)                                                  |
| Investment income (loss)                     | -                | -           | (6,834)     | (6,834)                                                   |
| Total revenues                               | -                | 198,000     | 190,905     | (7,095)                                                   |
| <b>EXPENDITURES</b>                          |                  |             |             |                                                           |
| Capital projects                             | 1,522,833        | 2,849,005   | 2,848,305   | 700                                                       |
| Deficiency of revenues<br>under expenditures | (1,522,833)      | (2,651,005) | (2,657,400) | (6,395)                                                   |
| Fund balances - beginning                    | 3,067,813        | 3,067,813   | 3,067,813   | -                                                         |
| Fund balances - ending                       | \$ 1,544,980     | \$ 416,808  | \$ 410,413  | \$ (6,395)                                                |



(This page intentionally left blank)





# STATISTICAL SECTION

This section of the City of Grand Junction Comprehensive Annual Financial Report represents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

| <b>Contents</b>                                                                                                                                                                                                                                    | <b>Pages</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <u>Financial Trends</u><br>These schedules contain trend information to help the reader understand how the City's financial condition has changed over time.                                                                                       | 125-129      |
| <u>Revenue Capacity</u><br>These schedules contain information to help the reader assess the City's largest revenue source, sales tax.                                                                                                             | 130-133      |
| <u>Debt Capacity</u><br>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.                            | 134-138      |
| <u>Demographic and Economic Information</u><br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.                                    | 139-140      |
| <u>Operating Information</u><br>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 141-142      |



(This page intentionally left blank)

TABLE 1  
City of Grand Junction, Colorado  
**NET POSITION**  
Last Ten Fiscal Years

|                                             | Fiscal Year    |                |                |                |                |                |                |                |                |                |
|---------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                             | 2004           | 2005           | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           | 2012           | 2013           |
| <b>Governmental Activities</b>              |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | \$ 224,544,344 | \$ 256,934,469 | \$ 326,336,540 | \$ 408,037,121 | \$ 498,158,781 | \$ 529,106,956 | \$ 555,543,770 | \$ 581,854,487 | \$ 607,986,872 | \$ 617,381,868 |
| Restricted                                  | 5,325,181      | 5,598,639      | 7,504,598      | 4,548,128      | 15,726,010     | 18,544,790     | 21,495,852     | 30,951,878     | 13,618,901     | 14,511,996     |
| Unrestricted                                | 38,061,750     | 48,107,386     | 59,014,985     | 60,693,788     | 40,514,664     | 28,682,910     | 28,430,021     | 26,937,580     | 26,568,548     | 23,367,630     |
| Total governmental activities net position  | \$ 267,931,275 | \$ 310,640,494 | \$ 392,856,123 | \$ 473,279,037 | \$ 554,399,455 | \$ 576,334,656 | \$ 605,469,643 | \$ 639,743,945 | \$ 648,174,321 | \$ 655,261,494 |
| <b>Business-type Activities</b>             |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | \$ 34,071,610  | \$ 33,697,216  | \$ 36,518,897  | \$ 39,673,423  | \$ 44,539,563  | \$ 46,087,527  | \$ 47,807,739  | \$ 45,541,828  | \$ 45,880,136  | \$ 45,720,564  |
| Restricted                                  | 905,137        | -              | 610,844        | -              | -              | -              | -              | -              | -              | -              |
| Unrestricted                                | 3,350,735      | 5,286,462      | 4,114,096      | 4,176,474      | (271,321)      | (2,881,656)    | (4,987,177)    | (4,277,701)    | (4,545,053)    | (4,148,827)    |
| Total business-type activities net position | \$ 38,327,482  | \$ 38,983,678  | \$ 41,243,837  | \$ 43,849,897  | \$ 44,268,242  | \$ 43,205,871  | \$ 42,820,562  | \$ 41,264,127  | \$ 41,335,083  | \$ 41,571,737  |
| <b>Primary Government</b>                   |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | \$ 258,615,954 | \$ 290,631,685 | \$ 362,855,437 | \$ 447,710,544 | \$ 542,698,344 | \$ 575,194,483 | \$ 603,351,509 | \$ 627,396,315 | \$ 653,867,008 | \$ 663,102,432 |
| Restricted                                  | 6,230,318      | 5,598,639      | 8,115,442      | 4,548,128      | 15,726,010     | 18,544,790     | 21,495,852     | 30,951,878     | 13,618,901     | 14,511,996     |
| Unrestricted                                | 41,412,485     | 53,393,848     | 63,129,081     | 64,870,262     | 40,243,343     | 25,801,254     | 23,442,844     | 22,659,879     | 22,023,495     | 19,218,803     |
| Total primary governmental net position     | \$ 306,258,757 | \$ 349,624,172 | \$ 434,099,960 | \$ 517,128,934 | \$ 598,667,697 | \$ 619,540,527 | \$ 648,290,205 | \$ 681,008,072 | \$ 689,509,404 | \$ 696,833,231 |
| <b>Component Unit:</b>                      |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | \$ 877,836     | \$ 2,196,484   | \$ 1,873,613   | \$ 1,968,943   | \$ 5,999,915   | \$ 6,222,119   | \$ 5,697,948   | \$ 4,870,916   | \$ 4,295,348   | \$ 4,542,743   |
| Restricted                                  | 850,062        | 1,340,387      | 1,325,219      | 834,551        | 3,334,219      | 2,810,117      | 1,462,300      | 1,278,049      | 955,845        | 1,890,167      |
| Unrestricted                                | 1,948,887      | 1,341,467      | 2,213,997      | 34,939         | (5,713,208)    | (5,147,792)    | (5,468,141)    | (6,144,689)    | (4,189,009)    | (6,637,278)    |
| Total component unit net position           | \$ 3,676,785   | \$ 4,878,338   | \$ 5,412,829   | \$ 2,838,433   | \$ 3,620,926   | \$ 3,884,444   | \$ 1,692,107   | \$ 4,276       | \$ 1,062,184   | \$ (204,368)   |

Source: Current and prior years' financial statements

**TABLE 2**  
City of Grand Junction, Colorado  
**CHANGES IN NET POSITION**  
Last Ten Fiscal Years

|                                                 | Fiscal Year   |               |               |               |               |                |               |               |                |                |
|-------------------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------------|----------------|
|                                                 | 2004          | 2005          | 2006          | 2007          | 2008          | 2009           | 2010          | 2011          | 2012           | 2013           |
| <b>Expenses</b>                                 |               |               |               |               |               |                |               |               |                |                |
| Governmental Activities:                        |               |               |               |               |               |                |               |               |                |                |
| General Government                              | \$ 9,548,713  | \$ 9,596,763  | \$ 8,775,975  | \$ 12,412,910 | \$ 16,143,424 | \$ 14,022,155  | \$ 11,591,395 | \$ 12,583,783 | \$ 12,735,595  | \$ 16,206,096  |
| Public Safety                                   | 23,823,248    | 22,904,850    | 24,638,801    | 28,167,497    | 32,088,791    | 32,487,535     | 33,423,757    | 33,105,266    | 41,301,254     | 40,054,201     |
| Public Works                                    | 10,223,079    | 15,386,497    | 19,400,979    | 15,521,625    | 19,680,247    | 21,353,413     | 20,728,384    | 6,512,483     | 19,980,846     | 20,093,321     |
| Parks and Recreation                            | 6,684,183     | 5,175,343     | 4,743,303     | 7,419,519     | 7,955,933     | 8,924,292      | 8,771,342     | 8,425,816     | 10,281,037     | 7,279,163      |
| Urban Development and Housing                   | 347,218       | 415,306       | 110,694       | 565,373       | 545,715       | 572,726        | 561,457       | 645,572       | 477,886        | 591,545        |
| Interest of Long-Term Debt                      | 3,015,337     | 2,544,479     | 2,474,655     | 3,233,840     | 3,332,614     | 3,188,419      | 3,645,322     | 5,443,771     | 4,713,532      | 3,952,399      |
| Total Governmental Activities Expense           | 53,641,776    | 56,023,236    | 60,144,407    | 67,320,764    | 79,746,724    | 80,548,540     | 78,721,657    | 66,716,691    | 89,490,150     | 88,176,725     |
| Business-Type Activities:                       |               |               |               |               |               |                |               |               |                |                |
| Water                                           | 4,158,777     | 4,222,594     | 4,349,852     | 4,671,765     | 5,067,168     | 5,283,655      | 5,419,125     | 4,881,038     | 5,405,744      | 5,420,503      |
| Convention Center                               | 2,130,427     | 2,641,066     | 2,805,768     | 2,968,119     | 3,514,396     | 3,396,100      | 2,857,866     | 2,600,896     | 2,881,584      | 2,591,225      |
| Solid Waste Removal                             | 2,302,588     | 2,340,292     | 2,632,219     | 2,820,253     | 2,907,325     | 4,196,468      | 3,462,854     | 3,113,744     | 3,179,267      | 3,130,852      |
| Swimming Pools                                  | 826,992       | 919,684       | 1,015,665     | 991,685       | 1,014,976     | 1,025,401      | 1,038,563     | 983,212       | -              | -              |
| Golf                                            | 2,040,033     | 1,898,642     | 1,966,353     | 2,123,769     | 2,285,777     | 2,472,997      | 2,266,394     | 2,181,540     | 2,072,890      | 2,064,247      |
| Parking                                         | 244,869       | 321,282       | 693,381       | 402,916       | 1,829,547     | 531,711        | 480,383       | 415,355       | 405,744        | 405,157        |
| Irrigation Systems                              | 279,556       | 273,642       | 298,439       | 289,528       | 318,708       | 300,130        | 306,572       | 298,694       | 302,106        | 315,178        |
| Ambulance Transport                             | -             | -             | 865,138       | 2,252,275     | 2,350,943     | 2,308,421      | 2,173,362     | 1,961,509     | -              | -              |
| Total Business-Type Activities Expense          | 11,983,242    | 12,617,202    | 14,626,815    | 16,520,310    | 19,288,840    | 19,514,883     | 18,005,119    | 16,435,988    | 14,247,335     | 13,927,162     |
| Total Primary Government Expenses               | \$ 65,625,020 | \$ 68,640,440 | \$ 74,771,222 | \$ 83,841,074 | \$ 99,035,564 | \$ 100,063,423 | \$ 96,726,776 | \$ 83,152,679 | \$ 103,737,485 | \$ 102,103,887 |
| Total Component Unit Expenses                   | \$ 464,709    | \$ 386,262    | \$ 1,378,932  | \$ 4,633,804  | \$ 2,117,208  | \$ 2,636,069   | \$ 4,826,697  | \$ 4,622,211  | \$ 1,511,186   | \$ 3,753,663   |
| <b>Program Revenues</b>                         |               |               |               |               |               |                |               |               |                |                |
| Governmental Activities:                        |               |               |               |               |               |                |               |               |                |                |
| Charge for Service:                             |               |               |               |               |               |                |               |               |                |                |
| General Government                              | \$ 2,072,365  | \$ 2,201,868  | \$ 2,350,160  | \$ 5,451,358  | \$ 2,929,275  | \$ 2,639,601   | \$ 3,274,890  | \$ 3,224,426  | \$ 3,002,193   | \$ 2,725,767   |
| Public Safety                                   | 4,270,121     | 4,636,026     | 4,503,743     | 4,774,346     | 5,895,984     | 6,406,830      | 7,104,163     | 8,071,588     | 10,741,763     | 10,718,690     |
| Public Works                                    | 1,137,608     | 1,100,555     | 2,595,528     | 3,325,868     | 5,554,332     | 1,884,073      | 2,659,523     | 1,895,207     | 1,927,747      | 3,200,996      |
| Parks and Recreation                            | 1,187,450     | 1,294,737     | 1,070,852     | 3,199,673     | 2,286,100     | 1,423,145      | 1,461,584     | 1,456,400     | 2,069,864      | 2,051,380      |
| Operating Grants and Contributions              | 492,464       | 718,425       | 565,044       | 1,182,795     | 1,548,954     | 1,661,118      | 2,184,680     | 3,608,414     | 3,204,209      | 3,950,533      |
| Capital Grants and Contributions                | 20,628,819    | 34,104,271    | 66,735,306    | 56,633,477    | 63,431,598    | 23,963,787     | 26,800,939    | 12,816,892    | 9,936,906      | 7,190,063      |
| Total Governmental Activities Program Revenues  | 29,788,827    | 44,055,882    | 77,820,833    | 74,567,517    | 81,646,243    | 37,978,554     | 43,485,779    | 31,072,927    | 30,882,682     | 29,837,429     |
| Business-Type Activities:                       |               |               |               |               |               |                |               |               |                |                |
| Water                                           | 4,397,730     | 4,476,728     | 4,670,635     | 4,987,126     | 5,293,379     | 5,527,333      | 5,231,378     | 4,913,952     | 5,271,849      | 5,303,609      |
| Convention Center                               | 1,603,083     | 2,114,443     | 2,437,970     | 2,544,726     | 2,840,966     | 2,657,327      | 2,322,730     | 2,279,695     | 2,385,684      | 1,998,488      |
| Solid Waste Removal                             | 2,260,492     | 2,427,094     | 2,500,954     | 2,841,130     | 3,051,483     | 2,976,883      | 3,251,274     | 3,324,152     | 3,311,362      | 3,337,992      |
| Swimming Pools                                  | 394,625       | 628,073       | 691,810       | 697,770       | 680,496       | 760,756        | 590,332       | 532,456       | -              | -              |
| Golf                                            | 1,648,009     | 1,802,903     | 1,956,584     | 2,106,921     | 2,221,204     | 2,147,161      | 1,901,601     | 1,949,258     | 1,980,120      | 1,748,166      |
| Parking                                         | 355,546       | 326,381       | 338,286       | 343,471       | 504,766       | 540,054        | 412,578       | 487,517       | 491,203        | 454,184        |
| Irrigation Systems                              | 172,016       | 178,709       | 179,837       | 191,854       | 204,956       | 212,043        | 219,820       | 219,367       | 216,915        | 229,676        |
| Ambulance Transport                             | -             | -             | 1,107,880     | 2,313,432     | 2,461,174     | 2,315,001      | 2,027,458     | 2,117,997     | -              | -              |
| Operating Grants and Contributions              | 159,346       | -             | -             | 1,998,637     | 523,422       | 406,834        | 595,361       | 148,215       | 85,190         | 79,894         |
| Capital Grants and Contributions                | 110,044       | 237,705       | 654,170       | 1,988,637     | 523,422       | 406,834        | 496,259       | 211,850       | 221,151        | 339,734        |
| Total Business-Type Activities Program Revenues | 11,100,891    | 12,192,036    | 14,538,126    | 18,025,067    | 17,781,846    | 17,543,392     | 17,048,791    | 16,184,459    | 13,963,474     | 13,491,743     |
| Total Primary Government Program Revenues       | \$ 40,889,718 | \$ 56,247,918 | \$ 92,358,759 | \$ 92,592,584 | \$ 99,428,089 | \$ 55,521,946  | \$ 60,534,570 | \$ 47,257,386 | \$ 44,846,156  | \$ 43,329,172  |
| Total Component Unit Program Revenues           | \$ 298,779    | \$ 247,614    | \$ 315,417    | \$ 411,870    | \$ 712,232    | \$ 601,094     | \$ 439,960    | \$ 752,974    | \$ 563,206     | \$ 742,790     |

City of Grand Junction, Colorado  
**CHANGES IN NET POSITION**  
Last Ten Fiscal Years

Source: Current and prior year's financial statements

TABLE 3

City of Grand Junction, Colorado  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years

|                                           | Fiscal Year          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|-------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                           | 2004                 | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 |
| <b>General Fund</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                              | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ 8,329,598         | \$ 7,498,417         | \$ 7,474,266         |
| Restricted                                | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 6,825,911            | 4,945,478            | 4,651,828            |
| Assigned                                  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 1,802,875            | 7,362,016            | 2,258,043            |
| Unassigned                                | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 13,193,886           | 10,535,731           | 10,198,700           |
| Reserved                                  | 2,146,185            | 2,105,728            | 6,391,927            | 7,958,173            | 9,135,472            | 9,589,625            | 11,740,961           | -                    | -                    | -                    |
| Unreserved                                | 13,084,091           | 17,146,236           | 20,157,996           | 26,430,185           | 18,320,471           | 9,573,798            | 14,916,902           | -                    | -                    | -                    |
| <b>Total General Fund</b>                 | <b>15,230,276</b>    | <b>19,251,964</b>    | <b>26,549,923</b>    | <b>34,388,358</b>    | <b>27,455,943</b>    | <b>19,163,423</b>    | <b>26,657,863</b>    | <b>30,152,270</b>    | <b>30,341,642</b>    | <b>24,582,837</b>    |
| <b>All Other Governmental Funds</b>       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable, reported in:                |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Special Revenue Funds                     | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ 13,605            | \$ 9,276             | \$ 9,189             |
| Permanent Funds                           | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 1,289,972            | 1,309,993            | 1,329,102            |
| Capital Projects Funds                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 20,157               | 91,149               | -                    |
| Restricted, reported in:                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Special Revenue Funds                     | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 4,095,089            | 3,192,341            | 2,390,993            |
| Debt Service Funds                        | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 19,245,569           | 4,238,829            | 6,483,403            |
| Capital Projects Funds                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 23,437,299           | 3,598,365            | 78,328               |
| Committed, reported in:                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Special Revenue Funds                     | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 1,353,572            | 1,299,165            | 1,235,568            |
| Capital Projects Funds                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 571,214              | 924,099              | 236,967              |
| Assigned, reported in:                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Capital Projects Funds                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 458,557              | 253,027              | 2,217,442            |
| Reserved                                  | 54,425,376           | 37,456,559           | 6,659,252            | 1,517,413            | 10,916,914           | 14,581,790           | 18,168,718           | -                    | -                    | -                    |
| Unreserved, reported in:                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Special Revenue Funds                     | 3,447,242            | 4,362,767            | 5,640,048            | 4,716,567            | 5,378,544            | 4,569,216            | 4,086,536            | -                    | -                    | -                    |
| Debt Service Funds                        | -                    | -                    | -                    | 150                  | (3,420)              | -                    | -                    | -                    | -                    | -                    |
| Capital Projects Funds                    | 12,818,435           | 15,981,722           | 19,384,444           | 11,513,358           | 2,482,529            | 1,532,966            | 41,078,067           | -                    | -                    | -                    |
| <b>Total All Other Governmental Funds</b> | <b>70,691,053</b>    | <b>57,801,048</b>    | <b>31,683,744</b>    | <b>17,747,488</b>    | <b>18,774,567</b>    | <b>20,683,972</b>    | <b>63,333,321</b>    | <b>50,485,034</b>    | <b>14,916,244</b>    | <b>13,980,992</b>    |
| <b>Total Governmental Funds</b>           | <b>\$ 85,921,329</b> | <b>\$ 77,053,012</b> | <b>\$ 58,233,667</b> | <b>\$ 52,135,846</b> | <b>\$ 46,230,510</b> | <b>\$ 39,847,395</b> | <b>\$ 89,991,184</b> | <b>\$ 80,637,304</b> | <b>\$ 45,257,886</b> | <b>\$ 38,563,829</b> |

Note: The City of Grand Junction implemented GASB 54 as of December 31, 2011

Source: Current and prior year's financial statements.

TABLE 4

City of Grand Junction, Colorado  
**CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years

|                                                         | Fiscal Year   |                |                 |                |                |                |               |                |                 |                |
|---------------------------------------------------------|---------------|----------------|-----------------|----------------|----------------|----------------|---------------|----------------|-----------------|----------------|
|                                                         | 2004          | 2005           | 2006            | 2007           | 2008           | 2009           | 2010          | 2011           | 2012            | 2013           |
| <b>Revenues</b>                                         |               |                |                 |                |                |                |               |                |                 |                |
| Taxes                                                   | \$ 50,191,182 | \$ 53,601,820  | \$ 63,459,234   | \$ 69,778,188  | \$ 78,042,097  | \$ 63,955,427  | \$ 64,267,871 | \$ 68,159,073  | \$ 67,043,063   | \$ 66,029,207  |
| Licenses, Fees, and Permits                             | 111,452       | 114,921        | 101,165         | 113,224        | 129,993        | 121,783        | 118,128       | 116,930        | 110,618         | 108,206        |
| Intergovernmental                                       | 3,065,737     | 2,002,220      | 3,535,141       | 4,260,519      | 12,009,672     | 4,955,308      | 4,776,793     | 5,131,948      | 5,096,820       | 7,541,086      |
| Charges for Services                                    | 5,884,254     | 6,077,290      | 11,513,267      | 8,633,619      | 8,997,208      | 8,311,362      | 9,923,697     | 9,940,383      | 12,462,603      | 13,956,659     |
| Fines and Forfeitures                                   | 701,941       | 546,162        | 1,001,569       | 1,152,790      | 1,094,388      | 945,666        | 1,234,810     | 1,296,959      | 1,533,575       | 896,190        |
| Special Assessments                                     | 148,289       | 65,949         | 75,103          | 146,610        | 24,493         | 92,198         | 49,372        | 32,868         | 15,814          | 14,708         |
| Investment Earnings                                     | 1,547,469     | 1,622,584      | 2,982,954       | 3,270,125      | 1,968,465      | 984,031        | 553,700       | 423,863        | 289,435         | 96,784         |
| Other Income                                            | 1,237,322     | 2,646,942      | 1,185,987       | 902,798        | 283,116        | 136,935        | 130,638       | 47,399         | 45,683          | 50,755         |
| Other Contributions                                     | 192,283       | 49,232         | 70,874          | 1,063,174      | 873,869        | 196,833        | 176,607       | 456,452        | 1,273,521       | 779,898        |
| Total Revenues                                          | 63,079,929    | 66,727,120     | 83,925,294      | 89,321,047     | 103,423,301    | 79,699,543     | 80,931,616    | 85,605,875     | 87,871,132      | 89,473,495     |
| <b>Expenditures</b>                                     |               |                |                 |                |                |                |               |                |                 |                |
| General Government                                      | \$ 8,716,681  | \$ 9,207,102   | \$ 10,404,115   | \$ 12,336,103  | \$ 15,596,506  | \$ 13,793,482  | \$ 10,301,970 | \$ 10,692,566  | \$ 10,922,302   | \$ 11,576,206  |
| Public Safety                                           | 19,977,861    | 20,490,870     | 22,930,060      | 25,791,977     | 29,657,426     | 29,092,018     | 27,193,471    | 28,691,061     | 33,791,689      | 35,406,743     |
| Public Works                                            | 8,049,960     | 8,185,303      | 8,865,640       | 9,562,091      | 10,779,300     | 9,954,111      | 9,686,215     | 10,035,622     | 9,752,185       | 10,014,670     |
| Parks and Recreation                                    | 5,378,915     | 5,302,211      | 5,795,820       | 6,432,863      | 7,273,190      | 7,347,609      | 7,067,698     | 7,083,898      | 8,421,297       | 8,456,460      |
| Urban Development and Housing                           | 347,218       | 593,786        | 249,847         | 565,373        | 545,715        | 572,726        | 561,457       | 645,572        | 477,886         | 591,545        |
| Debt Service                                            | -             | -              | -               | -              | -              | -              | -             | -              | 17,812,681      | -              |
| Advance Refunding Escrow                                | 869,787       | 1,914,672      | 2,216,032       | 2,584,661      | 3,907,232      | 3,883,479      | 4,073,479     | 4,275,000      | 5,130,000       | 5,380,000      |
| Principal Retirement                                    | 1,538,367     | 2,829,739      | 2,757,618       | 3,254,707      | 3,693,947      | 3,508,632      | 3,317,358     | 5,858,657      | 5,268,794       | 4,432,045      |
| Interest and Fiscal Charges                             | 723,626       | -              | -               | 163,569        | -              | -              | 364,048       | -              | 146,923         | -              |
| Bond Issuance Costs                                     | 19,983,688    | 25,615,550     | 46,927,452      | 55,168,305     | 36,484,253     | 16,879,724     | 9,916,907     | 26,126,955     | 28,376,550      | 17,516,041     |
| Capital Outlay: Construction                            | 65,586,103    | 74,139,233     | 100,146,584     | 115,859,649    | 107,937,569    | 85,031,781     | 72,482,603    | 93,409,331     | 120,100,307     | 93,373,710     |
| Total Expenditures                                      |               |                |                 |                |                |                |               |                |                 |                |
| <b>Other Financing Sources (Uses)</b>                   |               |                |                 |                |                |                |               |                |                 |                |
| Transfers In                                            | 8,278,967     | 7,907,490      | 13,272,934      | 25,222,052     | 41,941,154     | 24,695,090     | 15,000,174    | 13,823,542     | 13,491,409      | 16,759,243     |
| Transfers Out                                           | (7,949,841)   | (9,651,371)    | (16,525,848)    | (28,794,574)   | (43,974,059)   | (25,745,967)   | (15,652,330)  | (15,453,966)   | (16,792,117)    | (19,553,083)   |
| Bonds Issued                                            | 57,075,000    | -              | 654,860         | 22,925,000     | -              | -              | -             | -              | 30,645,000      | -              |
| Bond Premium                                            | 3,652,683     | -              | -               | 997,936        | -              | -              | -             | -              | 5,512,594       | -              |
| Payment to Refunded Bond Escrow Agent                   | -             | -              | -               | -              | -              | -              | -             | -              | (36,007,129)    | -              |
| Certificates of Participation Issued                    | -             | -              | -               | -              | -              | -              | 42,670,000    | -              | -               | -              |
| Discount on Certificates of Participation               | -             | -              | -               | -              | -              | -              | (422,392)     | -              | -               | -              |
| Sale of Capital Assets                                  | -             | -              | -               | -              | 641,837        | -              | 99,324        | 80,000         | -               | -              |
| Total Other Financing Sources(Uses)                     | 61,056,809    | (1,743,881)    | (2,598,054)     | 20,440,781     | (1,391,068)    | (1,050,877)    | 41,694,776    | (1,550,424)    | (3,150,243)     | (2,793,840)    |
| Net Change in Fund Balances                             | \$ 58,550,635 | \$ (9,155,994) | \$ (18,819,344) | \$ (6,097,821) | \$ (5,905,336) | \$ (6,383,115) | \$ 50,143,789 | \$ (9,353,880) | \$ (35,379,418) | \$ (6,694,057) |
| Debt Service as a Percentage of Noncapital Expenditures | 5.3%          | 9.8%           | 9.3%            | 9.7%           | 10.8%          | 10.9%          | 11.9%         | 18.7%          | 11.3%           | 12.9%          |

Source: Current and prior year's financial statements.

TABLE 5

City of Grand Junction, Colorado  
**SALES TAX REVENUE BY TYPE OF INDUSTRY<sup>1</sup>**  
 Last Ten Fiscal Years

| Fiscal Year | Auto & Campers | Building Materials | Clothing/Department Stores | Drug Stores | Furniture & Appliances | Grocery Stores | Liquor Stores | Motels & Hotels | Other      | Restaurants | Service Stations | Total Sales Tax | Total Direct Tax Rate |
|-------------|----------------|--------------------|----------------------------|-------------|------------------------|----------------|---------------|-----------------|------------|-------------|------------------|-----------------|-----------------------|
| 2004        | 4,281,235      | 3,813,959          | 7,109,518                  | 139,758     | 398,699                | 606,240        | 580,068       | 811,876         | 11,230,952 | 3,274,269   | 247,399          | 32,493,973      | 2.75%                 |
| 2005        | 4,588,778      | 4,075,360          | 7,531,171                  | 147,299     | 481,625                | 599,540        | 627,954       | 940,652         | 12,097,267 | 3,526,455   | 294,708          | 34,910,809      | 2.75%                 |
| 2006        | 5,671,555      | 4,847,206          | 8,340,443                  | 193,003     | 533,528                | 636,540        | 699,893       | 1,083,818       | 14,843,131 | 3,817,821   | 340,162          | 41,007,100      | 2.75%                 |
| 2007        | 6,330,907      | 5,850,932          | 8,976,739                  | 259,764     | 566,242                | 694,839        | 790,822       | 1,335,710       | 16,074,066 | 4,242,729   | 366,202          | 45,488,952      | 2.75%                 |
| 2008        | 6,413,694      | 5,867,638          | 8,876,297                  | 258,197     | 497,265                | 737,283        | 885,924       | 1,502,984       | 17,004,461 | 4,548,239   | 434,299          | 47,026,281      | 2.75%                 |
| 2009        | 4,864,852      | 4,073,914          | 7,879,172                  | 211,381     | 358,332                | 728,805        | 919,756       | 1,169,215       | 13,363,210 | 4,287,052   | 377,156          | 38,232,845      | 2.75%                 |
| 2010        | 5,231,731      | 3,631,602          | 7,861,591                  | 177,262     | 326,914                | 733,309        | 919,192       | 1,123,008       | 14,303,709 | 4,173,373   | 328,080          | 38,809,771      | 2.75%                 |
| 2011        | 5,208,289      | 3,814,687          | 8,158,366                  | 185,270     | 421,465                | 834,335        | 952,648       | 1,171,954       | 14,422,094 | 4,334,807   | 386,957          | 39,890,872      | 2.75%                 |
| 2012        | 5,381,939      | 3,645,309          | 8,129,361                  | 167,731     | 566,656                | 890,774        | 996,043       | 1,217,866       | 14,352,409 | 4,572,975   | 380,283          | 40,301,346      | 2.75%                 |
| 2013        | 5,465,000      | 3,878,061          | 8,082,849                  | 180,998     | 525,740                | 1,079,819      | 1,036,588     | 1,202,160       | 14,186,887 | 4,684,851   | 406,159          | 40,729,112      | 2.75%                 |

<sup>1</sup> Excludes use tax and the city's share of county sales tax. Refer to Table 8 for total sales and use tax collections.

Source: City Financial Operations Department: Sales Tax Reports

## 2013 Sales Tax Revenue by Type of Industry

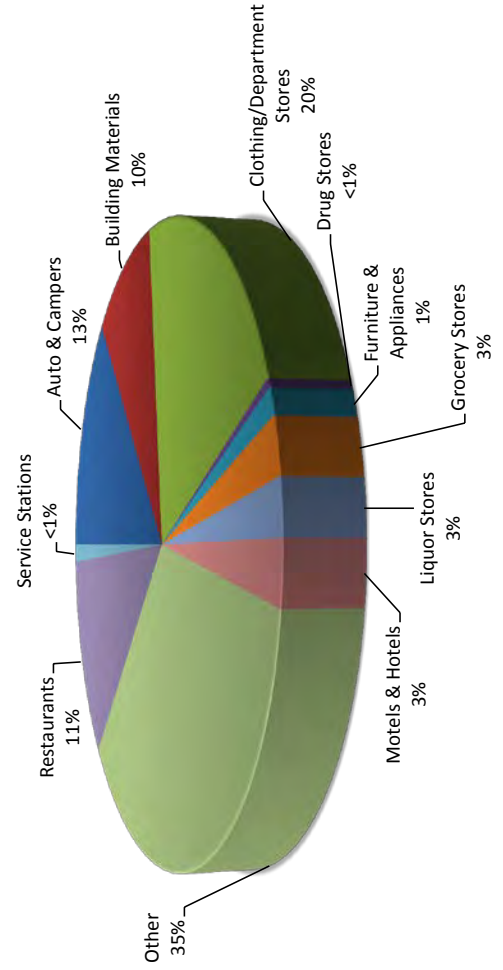




TABLE 6

City of Grand Junction, Colorado  
**DIRECT AND OVERLAPPING SALES TAX RATES**  
 Last Ten Fiscal Years

---

| Fiscal<br>Year | City Direct Rate             |                                   | Overlapping Rates |                      | Total<br>Overlapping<br>Sales Tax<br>Rate |
|----------------|------------------------------|-----------------------------------|-------------------|----------------------|-------------------------------------------|
|                | City of<br>Grand<br>Junction | Total Direct<br>Sales Tax<br>Rate | Mesa<br>County    | State of<br>Colorado |                                           |
| 2004           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2005           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2006           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2007           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2008           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2009           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2010           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2011           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2012           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2013           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |

Notes:           The City's sales tax rate may be increased only by a majority vote of the City's residents.

Source:           City Financial Operations Department: Sales Tax Reports

---

TABLE 7

City of Grand Junction, Colorado  
**PRINCIPAL SALES TAX PAYERS**  
 Last Ten Fiscal Years

|                                                   | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          |
|---------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Aggregate Top Ten Filers <sup>1,2</sup>           | \$ 8,587,499  | \$ 9,200,730  | \$ 10,330,320 | \$ 10,843,864 | \$ 11,216,552 | \$ 9,889,256  | \$ 9,964,913  | \$ 9,809,972  | \$ 9,742,148  | \$ 9,811,983  |
| Aggregate All Other Filers <sup>2</sup>           | 23,906,474    | 25,710,079    | 30,676,780    | 34,645,088    | 35,809,729    | 28,343,589    | 28,844,858    | 30,080,900    | 30,559,198    | 30,917,129    |
| Total Sales Tax                                   | \$ 32,493,973 | \$ 34,910,809 | \$ 41,007,100 | \$ 45,488,952 | \$ 47,026,281 | \$ 38,232,845 | \$ 38,809,771 | \$ 39,890,872 | \$ 40,301,346 | \$ 40,729,112 |
| Top Ten Filers as a Percentage of Total Sales Tax | 26.43%        | 26.35%        | 25.19%        | 23.84%        | 23.85%        | 25.87%        | 25.68%        | 24.59%        | 24.17%        | 24.09%        |

<sup>1</sup> Colorado State Statutes and the City of Grand Junction Ordinances prohibit disclosure of individual sales tax returns, therefore the current year top ten filers are listed in alphabetical order as follows: Best Buy, Cabela's, Home Depot, Lowes, Mesa County Colorado, Sams Club, Target Stores, Walmart-North Avenue, Walmart-Rimrock and Xcel Energy.

<sup>2</sup> Excludes use tax and the city's share of county sales tax. Refer to Table 8 for total sales and use tax collections.

Source: City Financial Operations Department: Sales Tax Reports

**Top Ten Filers as a Percentage of Total Sales Tax**

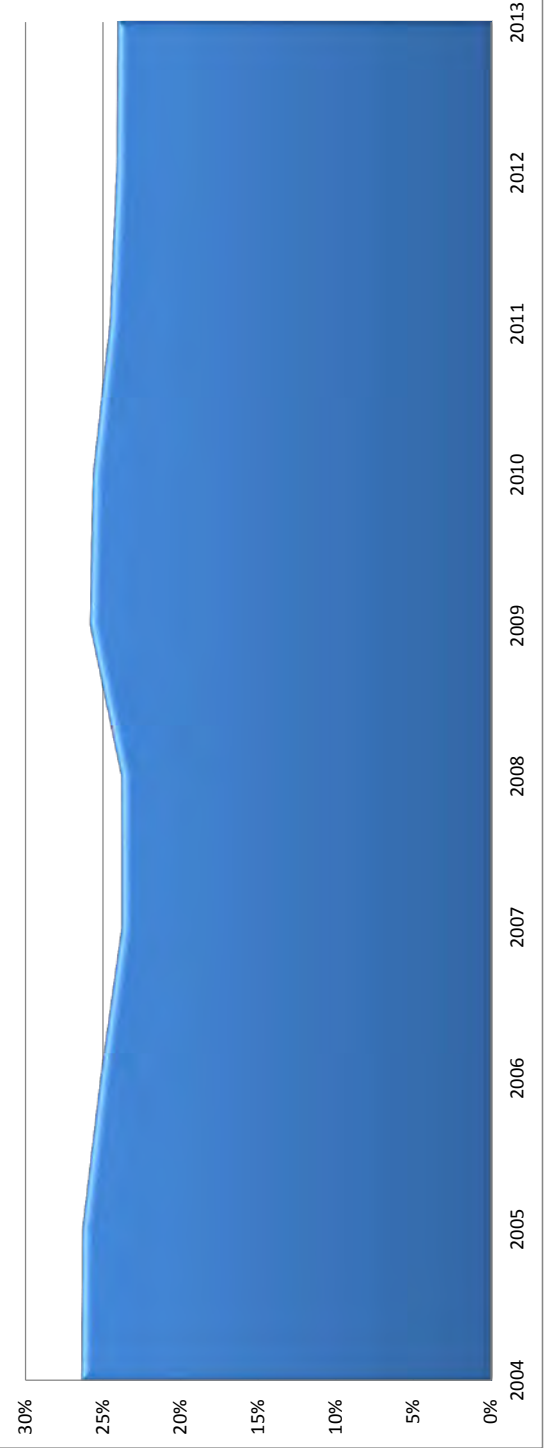


TABLE 8

City of Grand Junction, Colorado  
**SALES AND USE TAX COLLECTIONS**  
 Last Ten Fiscal Years

| Fiscal Year | City<br>Sales Tax | City<br>Use Tax | City Share<br>of County<br>Sales Tax | Lodging<br>Tax | Total      |
|-------------|-------------------|-----------------|--------------------------------------|----------------|------------|
| 2004        | 32,493,973        | 1,183,845       | 4,830,477                            | 790,161        | 39,298,456 |
| 2005        | 34,910,809        | 1,599,762       | 5,386,015                            | 928,549        | 42,825,135 |
| 2006        | 41,007,100        | 2,165,095       | 6,120,684                            | 1,081,096      | 50,373,975 |
| 2007        | 45,488,952        | 2,690,355       | 7,080,141                            | 1,323,806      | 56,583,254 |
| 2008        | 47,026,281        | 3,696,770       | 7,216,665                            | 1,507,981      | 59,447,697 |
| 2009        | 38,232,845        | 1,711,356       | 5,721,514                            | 1,190,907      | 46,856,622 |
| 2010        | 38,809,771        | 2,110,934       | 5,354,386                            | 1,148,921      | 47,424,012 |
| 2011        | 39,890,872        | 3,560,160       | 5,727,861                            | 1,133,628      | 50,312,521 |
| 2012        | 40,301,346        | 3,230,026       | 5,959,563                            | 1,212,038      | 50,702,973 |
| 2013        | 40,729,112        | 2,636,987       | 5,896,129                            | 1,205,999      | 50,468,227 |

Source: City Financial Operations Department: Sales Tax Reports

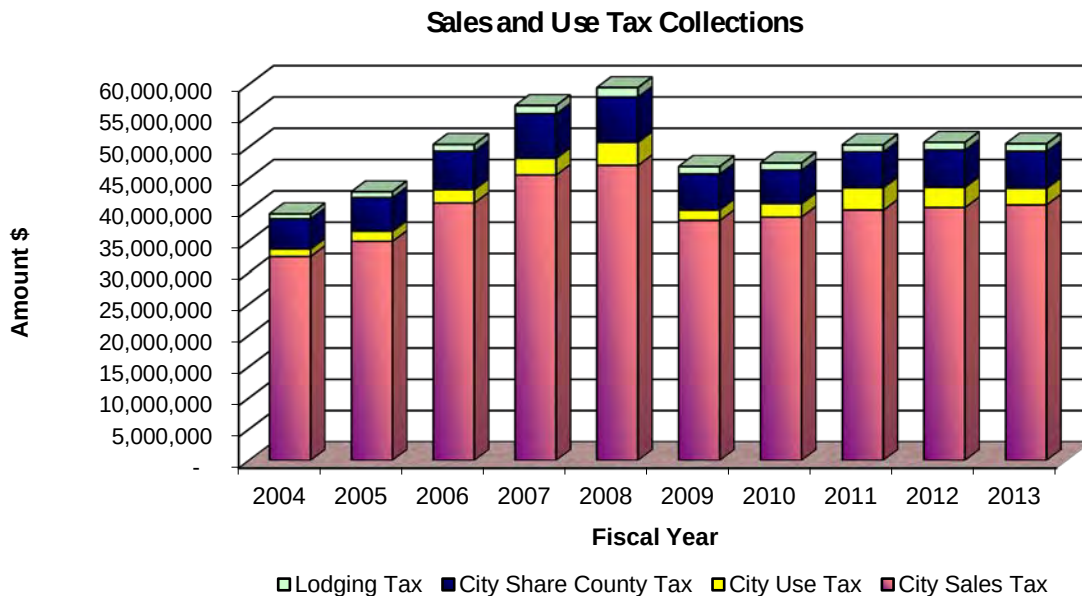


TABLE 9

City of Grand Junction, Colorado  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**TO PERSONAL INCOME AND OUTSTANDING DEBT PER CAPITA<sup>1</sup>**  
 Last Ten Fiscal Years

| Fiscal Year | Governmental Activities |                                           |                                       |            |         | Business-Type Activities |            |                |                  | Ratio of Outstanding Debt to Personal Income |                          |                             |
|-------------|-------------------------|-------------------------------------------|---------------------------------------|------------|---------|--------------------------|------------|----------------|------------------|----------------------------------------------|--------------------------|-----------------------------|
|             | Population <sup>A</sup> | Personal Income In Thousands <sup>C</sup> | General Obligation Bonds <sup>1</sup> | Revenue    |         | Promissory               |            | Capital Leases | Promissory Notes | Loan Payable                                 | Total Primary Government | Outstanding Debt Per Capita |
|             |                         |                                           |                                       | Bonds      | Notes   | Notes                    |            |                |                  |                                              |                          |                             |
| 2004        | 48,325                  | 1,318,403                                 | 1,927,348                             | 60,604,780 | 133,134 |                          | 1,283,063  | 107,346        | 3,347,672        | 67,403,343                                   | 4.97%                    | 1,355                       |
| 2005        | 49,420                  | 1,425,965                                 | 1,668,791                             | 59,359,891 | 104,448 |                          | 655,636    | 98,812         | 3,200,316        | 65,087,894                                   | 4.45%                    | 1,283                       |
| 2006        | 51,569                  | 1,656,035                                 | 1,389,950                             | 57,867,070 | 72,893  |                          | -          | 89,850         | 3,052,921        | 62,472,684                                   | 3.69%                    | 1,184                       |
| 2007        | 53,662                  | 1,874,682                                 | 1,090,000                             | 79,664,693 | 38,181  |                          | -          | 80,441         | 2,900,164        | 83,773,479                                   | 4.41%                    | 1,541                       |
| 2008        | 55,189                  | 2,060,868                                 | 935,000                               | 75,815,801 | -       |                          | -          | 70,561         | 2,747,362        | 79,568,724                                   | 3.82%                    | 1,425                       |
| 2009        | 56,446                  | 1,963,813                                 | 770,000                               | 71,838,039 | -       |                          | -          | -              | 2,589,193        | 75,197,232                                   | 3.79%                    | 1,319                       |
| 2010        | 58,566                  | 2,084,423                                 | 595,000                               | 67,723,497 | -       |                          | 42,286,843 | -              | 6,201,050        | 116,806,390                                  | 5.58%                    | 1,984                       |
| 2011        | 58,702                  | 2,038,310                                 | 410,000                               | 63,459,413 | -       |                          | 42,097,628 | -              | 5,864,020        | 111,831,061                                  | 5.47%                    | 1,898                       |
| 2012        | 60,170 <sup>B</sup>     | 2,169,008 <sup>D</sup>                    | 210,000                               | 43,920,951 | -       |                          | 41,286,270 | -              | 5,534,201        | 90,931,422                                   | 4.18%                    | 1,508                       |
| 2013        | 60,317 <sup>B</sup>     | 2,193,669 <sup>D</sup>                    | -                                     | 38,850,946 | -       |                          | 40,426,335 | -              | 5,198,101        | 84,475,382                                   | 3.85%                    | 1,401                       |

<sup>1</sup>The general obligation bonds consist of the Ridges Metropolitan District debt and the Grand Junction West Water and Sanatation District debt which are excluded from our ratio of outstanding debt to personal income calculation and our debt per capita calculation because they are to be paid with special property tax levys on property within these Districts only.

Source: Current and prior year's financial statements

<sup>A</sup> Colorado DOLA Demography Section - All other City Financial Operations Department

<sup>B</sup> Estimate, Colorado Department of Local Affairs, State Demography Office

<sup>C</sup> Bureau of Economic Analysis

<sup>D</sup> Estimate based on prior year data and Bureau of Economic Analysis

<sup>1</sup> The general obligation bonds consist of the Ridges Metropolitan District debt and the Grand Junction West Water and Sanitation District debt which are excluded from our ratio of outstanding debt to personal income calculation and our debt per capita calculation because they are to be paid with special property tax levies on property within these Districts only.

Source: Current and prior year's financial statements

<sup>A</sup> Colorado DOLA Demography Section - All other City Financial Operations Department

<sup>B</sup> Estimate, Colorado Department of Local Affairs, State Demography Office

<sup>C</sup> Bureau of Economic Analysis

<sup>D</sup> Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 10

City of Grand Junction, Colorado  
**RATIO OF NET GENERAL BONDED DEBT**  
**TO PERSONAL INCOME AND NET BONDED DEBT PER CAPITA<sup>1</sup>**  
 Last Ten Fiscal Years

| Fiscal Year | Population <sup>A</sup> | Personal Income in Thousands <sup>C</sup> | Revenue Bonded Debt | Debt Service Monies Available | Debt Payable From Enterprise Revenues | Net Bonded Debt | Ratio of Net Bonded Debt to Personal Income | Bonded Debt Per Capita |
|-------------|-------------------------|-------------------------------------------|---------------------|-------------------------------|---------------------------------------|-----------------|---------------------------------------------|------------------------|
| 2004        | 48,325                  | 1,318,403                                 | 60,604,780          | 52,948,731                    | -                                     | 7,656,049       | 0.58%                                       | 158                    |
| 2005        | 49,420                  | 1,425,965                                 | 59,359,891          | 36,917,477                    | -                                     | 22,442,414      | 1.57%                                       | 454                    |
| 2006        | 51,569                  | 1,656,035                                 | 57,867,070          | 6,240,215                     | -                                     | 51,626,855      | 3.12%                                       | 1,001                  |
| 2007        | 53,662                  | 1,874,682                                 | 79,664,693          | 3,568,205                     | -                                     | 76,096,488      | 4.06%                                       | 1,418                  |
| 2008        | 55,189                  | 2,060,868                                 | 75,815,801          | 9,374,254                     | -                                     | 66,441,547      | 3.22%                                       | 1,204                  |
| 2009        | 56,446                  | 1,963,813                                 | 71,838,039          | 12,186,977                    | -                                     | 59,651,062      | 3.04%                                       | 1,057                  |
| 2010        | 58,566                  | 2,084,423                                 | 67,723,497          | 15,100,529                    | -                                     | 52,622,968      | 2.52%                                       | 899                    |
| 2011        | 58,702                  | 2,038,310                                 | 63,459,413          | 19,079,054                    | -                                     | 44,380,359      | 2.18%                                       | 756                    |
| 2012        | 60,170 <sup>B</sup>     | 2,169,008 <sup>D</sup>                    | 43,920,951          | 4,117,083                     | -                                     | 39,803,868      | 1.84%                                       | 662                    |
| 2013        | 60,317 <sup>B</sup>     | 2,193,669 <sup>D</sup>                    | 38,850,946          | 6,467,441                     | -                                     | 32,383,505      | 1.48%                                       | 537                    |

Notes: Details regarding the city's outstanding debt can be found in note 7 of the financial statements.

The general obligation bonds consist of Ridges Metropolitan District debt and the Grand Junction West Water and Sanitation District debt which are excluded because they are to be paid with special property tax levys on property within these Districts only.

Source:

<sup>A</sup> Colorado DOLA Demography Section - All other City Financial Operations Department

<sup>B</sup> Estimate, Colorado Department of Local Affairs, State Demography Office

<sup>C</sup> Bureau of Economic Analysis

<sup>D</sup> Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 11

City of Grand Junction, Colorado  
**COMPUTATION OF LEGAL DEBT MARGIN**  
December 31, 2013

---

|                                                               |                         |
|---------------------------------------------------------------|-------------------------|
| Estimated actual value as determined by Assessor <sup>A</sup> | \$ <u>5,942,255,090</u> |
| Debt limit - 3% of actual value                               | \$ 178,267,653          |
| Legal debt margin                                             | \$ <u>178,267,653</u>   |

Source:

<sup>A</sup> Mesa County Assessor

<sup>B</sup> City Financial Operations Department

---

TABLE 12

City of Grand Junction, Colorado  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT** <sup>1</sup>  
December 31, 2013

| <u>Jurisdiction</u>                                    | <u>Net Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable<br/>to City of<br/>Grand Junction</u> | <u>Amount<br/>Applicable<br/>to City of<br/>Grand Junction</u> |
|--------------------------------------------------------|---------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------|
| Direct:                                                |                                 |                                                                    |                                                                |
| City of Grand Junction <sup>A</sup>                    | \$ 75,185,000                   | 100.00%                                                            | \$ 75,185,000                                                  |
| Overlapping:                                           |                                 |                                                                    |                                                                |
| Mesa County Valley School District No. 51 <sup>B</sup> | 95,280,000                      | 52.20%                                                             | 49,733,537                                                     |
| Mesa County <sup>C</sup>                               | 17,285,000                      | 52.20%                                                             | 9,022,294                                                      |
|                                                        |                                 |                                                                    | <u>58,755,831</u>                                              |
| Total                                                  |                                 |                                                                    | <u>\$ 133,940,831</u>                                          |

## Notes:

- <sup>1</sup> Computation of overlapping debt includes only the three major governmental units and excludes several special districts that partially overlap the City. For the purposes of GASB Statement 44, certificates of participation are included in the overlapping debt calculation. However, certificates of participation do not constitute a general obligation or other indebtedness or multiple fiscal year financial obligations within the meaning of any constitutional or statutory debt limitation.

## Source:

- <sup>A</sup> City Financial Operations Department  
<sup>B</sup> Mesa County Valley School District No. 51 Finance Department  
<sup>C</sup> Mesa County Financial Services Department

TABLE 13

City of Grand Junction, Colorado  
**REVENUE BOND COVERAGE**  
**WATER BONDS**  
 Last Ten Fiscal Years

| Fiscal<br>Year | Gross<br>Revenue | Direct<br>Operating<br>Expense | Net Revenue<br>Available for<br>Debt Service | Debt Service Requirements |          |       |          |
|----------------|------------------|--------------------------------|----------------------------------------------|---------------------------|----------|-------|----------|
|                |                  |                                |                                              | Principal                 | Interest | Total | Coverage |
| 2004           | 4,507,115        | 3,369,394                      | 1,137,721                                    | -                         | -        | -     | -        |
| 2005           | 4,616,835        | 3,444,021                      | 1,172,814                                    | -                         | -        | -     | -        |
| 2006           | 5,003,881        | 3,506,330                      | 1,497,551                                    | -                         | -        | -     | -        |
| 2007           | 5,319,132        | 3,794,036                      | 1,525,096                                    | -                         | -        | -     | -        |
| 2008           | 5,950,066        | 4,129,193                      | 1,820,873                                    | -                         | -        | -     | -        |
| 2009           | 5,977,671        | 4,299,638                      | 1,678,033                                    | -                         | -        | -     | -        |
| 2010           | 5,771,565        | 4,283,596                      | 1,487,969                                    | -                         | -        | -     | -        |
| 2011           | 5,241,766        | 3,860,748                      | 1,381,018                                    | -                         | -        | -     | -        |
| 2012           | 5,578,993        | 4,196,685                      | 1,382,308                                    | -                         | -        | -     | -        |
| 2013           | 5,452,497        | 4,305,490                      | 1,147,007                                    | -                         | -        | -     | -        |

Source: City Financial Operations Department



TABLE 14

City of Grand Junction, Colorado  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Fiscal Years

| Fiscal Year | City <sup>A</sup><br>Population | County <sup>A</sup><br>Population | Personal<br>Income in<br>Thousands <sup>C</sup> | Per<br>Capita<br>Income <sup>C</sup> | School <sup>B</sup><br>Enrollment | Unemployment Rate <sup>D, E</sup> |                      |
|-------------|---------------------------------|-----------------------------------|-------------------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|----------------------|
|             |                                 |                                   |                                                 |                                      |                                   | Grand<br>Junction MSA             | State of<br>Colorado |
| 2004        | 48,325                          | 127,808                           | 1,318,403                                       | 27,282                               | 20,207                            | 5.5%                              | 5.6%                 |
| 2005        | 49,420                          | 129,630                           | 1,425,965                                       | 28,854                               | 20,660                            | 5.0%                              | 5.1%                 |
| 2006        | 51,569                          | 135,468                           | 1,656,035                                       | 32,113                               | 20,877                            | 4.0%                              | 4.3%                 |
| 2007        | 53,662                          | 140,416                           | 1,874,682                                       | 34,935                               | 21,396                            | 3.2%                              | 3.8%                 |
| 2008        | 55,189                          | 144,440                           | 2,060,868                                       | 37,342                               | 22,272                            | 3.9%                              | 4.8%                 |
| 2009        | 56,446                          | 147,522                           | 1,963,813                                       | 34,791                               | 22,147                            | 9.3%                              | 8.1%                 |
| 2010        | 58,566                          | 146,723                           | 2,084,423                                       | 35,591                               | 22,203                            | 10.7%                             | 9.0%                 |
| 2011        | 58,702                          | 149,556                           | 2,038,310                                       | 34,723                               | 22,081                            | 9.9%                              | 8.5%                 |
| 2012        | 60,170                          | 147,753                           | 2,169,008                                       | 36,048                               | 21,914                            | 9.1%                              | 7.8%                 |
| 2013        | 60,317 <sup>F</sup>             | 148,013 <sup>F</sup>              | 2,193,669                                       | 36,369 <sup>G</sup>                  | 21,714                            | 8.1%                              | 6.8%                 |

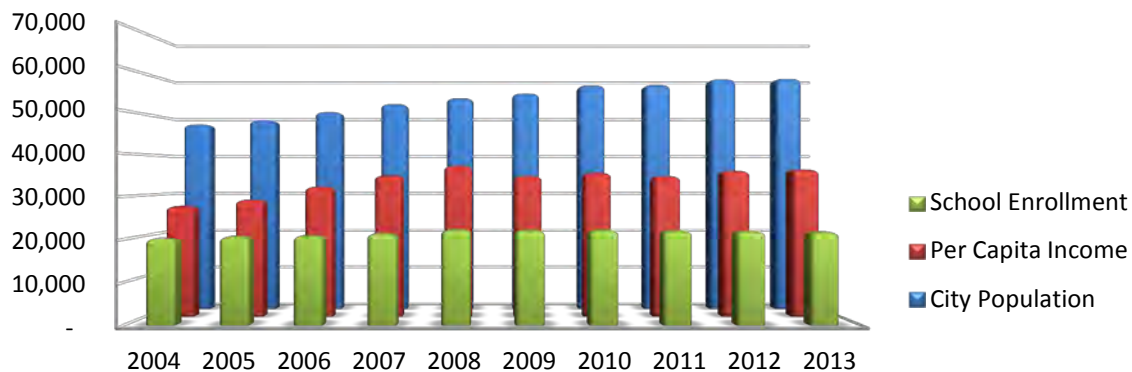
Note:

School enrollment is for Mesa County Valley School District No. 51 which includes the majority of Mesa County.

Source:

- <sup>A</sup> US Census Bureau and Colorado DOLA Demography Office
- <sup>B</sup> Mesa County Valley School District No. 51 - District wide enrollment
- <sup>C</sup> Bureau of Economic Analysis
- <sup>D</sup> US Department of Labor, Bureau of Labor Statistics, Non Seasonally Adjusted
- <sup>E</sup> Prior year reports reflected unemployment rates for Mesa County; those have been replaced in the current year report with unemployment rates for the Grand Junction Metropolitan Statistical Area
- <sup>F</sup> Colorado Department of Local Affairs, State Demography Office
- <sup>G</sup> Estimate, based on prior year data and Bureau of Economic Analysis

## Population, Income and School Enrollment Trend



City of Grand Junction, Colorado  
**TOP 10 PRINCIPAL EMPLOYERS**  
 December 31, 2013  
 Last Ten Fiscal Years

| Employer                            | Type of Business | Number of Employees<br>2004 <sup>a</sup> | Percentage of Total<br>2004 | Number of Employees<br>2005 <sup>a</sup> | Percentage of Total<br>2005 | Number of Employees<br>2006 <sup>a</sup> | Percentage of Total<br>2006 | Number of Employees<br>2007 <sup>a</sup> | Percentage of Total<br>2007 | Number of Employees<br>2008 <sup>a</sup> | Percentage of Total<br>2008 | Number of Employees<br>2009 <sup>a</sup> | Percentage of Total<br>2009 | Number of Employees<br>2010 <sup>a</sup> | Percentage of Total<br>2010 | Number of Employees<br>2011 <sup>a</sup> | Percentage of Total<br>2011 | Number of Employees<br>2012 <sup>a</sup> | Percentage of Total<br>2012 | Number of Employees<br>2013 <sup>a</sup> | Percentage of Total<br>2013 |
|-------------------------------------|------------------|------------------------------------------|-----------------------------|------------------------------------------|-----------------------------|------------------------------------------|-----------------------------|------------------------------------------|-----------------------------|------------------------------------------|-----------------------------|------------------------------------------|-----------------------------|------------------------------------------|-----------------------------|------------------------------------------|-----------------------------|------------------------------------------|-----------------------------|------------------------------------------|-----------------------------|
| School District #51                 | Schools          | 2,786                                    | 4.16%                       | 2,429                                    | 3.38%                       | 2,600                                    | 3.41%                       | 3,133                                    | 3.97%                       | 3,200                                    | 4.36%                       | 3,000                                    | 4.29%                       | 3,000                                    | 4.15%                       | 2,554                                    | 3.45%                       | 2,348                                    | 3.30%                       | 2,401                                    | 3.38%                       |
| St. Mary's Hospital                 | Medical          | 1,985                                    | 2.96%                       | 2,014                                    | 2.80%                       | 2,000                                    | 2.62%                       | 2,235                                    | 2.83%                       | 2,235                                    | 3.04%                       | 2,191                                    | 3.13%                       | 2,068                                    | 2.86%                       | 1,494                                    | 2.02%                       | 1,548                                    | 2.18%                       | 1,500                                    | 2.11%                       |
| Mesa County                         | Government       | 872                                      | 1.30%                       | 927                                      | 1.29%                       | 925                                      | 1.21%                       | 977                                      | 1.24%                       | 982                                      | 1.34%                       | 978                                      | 1.40%                       | 980                                      | 1.35%                       | 962                                      | 1.30%                       | 987                                      | 1.39%                       | 987                                      | 1.39%                       |
| Star Tek USA                        | Services         |                                          |                             |                                          |                             | 600                                      | 0.79%                       | 625                                      | 0.79%                       | 595                                      | 0.79%                       | 595                                      | 0.85%                       | 600                                      | 0.83%                       | 625                                      | 0.84%                       | 860                                      | 1.21%                       | 900                                      | 1.27%                       |
| City of Grand Junction              | Government       | 1,015                                    | 1.51%                       | 900                                      | 1.25%                       | 900                                      | 1.06%                       | 968                                      | 1.23%                       | 1,202                                    | 1.64%                       | 1,219                                    | 1.74%                       | 672                                      | 0.93%                       | 625                                      | 0.84%                       | 636                                      | 0.89%                       | 642                                      | 0.90%                       |
| City Markets, Inc.                  | Retail           | 600                                      | 0.90%                       | 400                                      | 0.56%                       | 589                                      | 0.77%                       | 590                                      | 0.75%                       | 650                                      | 0.88%                       | 677                                      | 0.97%                       | 565                                      | 0.78%                       | 1,655                                    | 2.24%                       |                                          |                             | 637                                      | 0.90%                       |
| Halliburton Energy                  | Services         |                                          |                             | 415                                      | 0.58%                       | 700                                      | 0.92%                       | 800                                      | 1.01%                       | 907                                      | 1.33%                       | 1,010                                    | 1.33%                       | 700                                      | 0.97%                       | 855                                      | 1.15%                       | 902                                      | 1.27%                       | 625                                      | 0.88%                       |
| State of Colorado                   | Government       | 922                                      | 1.38%                       | 969                                      | 1.35%                       | 982                                      | 1.29%                       | 982                                      | 1.24%                       | 1,197                                    | 1.63%                       | 1,212                                    | 1.73%                       | 995                                      | 1.38%                       | 973                                      | 1.31%                       |                                          |                             | 623                                      | 0.88%                       |
| Colorado Mesa University            | Schools          | 1,440                                    | 2.15%                       | 1,177                                    | 1.64%                       | 1,250                                    | 1.64%                       | 1,440                                    | 1.83%                       | 1,259                                    | 1.71%                       | 718                                      | 1.03%                       | 699                                      | 0.97%                       | 600                                      | 0.81%                       | 576                                      | 0.81%                       | 604                                      | 0.85%                       |
| VNA Medical Center                  | Medical          |                                          |                             |                                          |                             |                                          |                             |                                          |                             | 574                                      | 0.78%                       | 588                                      | 0.84%                       |                                          |                             | 583                                      | 0.79%                       | 648                                      | 0.91%                       | 569                                      | 0.80%                       |
| Philipp Community Resources         | Services         | 415                                      | 0.62%                       | 414                                      | 0.58%                       | 910                                      | 1.19%                       | 865                                      | 1.10%                       | 860                                      | 1.17%                       | 980                                      | 1.40%                       | 859                                      | 1.19%                       |                                          |                             | 593                                      | 0.83%                       |                                          | 0.00%                       |
| Community Hospital                  | Medical          | 860                                      | 1.28%                       | 865                                      | 1.20%                       |                                          |                             |                                          |                             |                                          |                             |                                          |                             |                                          |                             | 775                                      | 1.05%                       | 416                                      | 0.58%                       |                                          | 0.00%                       |
| Walmar                              | Retail           | 386                                      | 0.58%                       |                                          |                             |                                          |                             |                                          |                             |                                          |                             |                                          |                             |                                          |                             |                                          |                             |                                          |                             |                                          |                             |
| Rocky Mountain Health Plans         | Insurance        |                                          |                             |                                          |                             |                                          |                             |                                          |                             |                                          |                             |                                          |                             |                                          |                             |                                          |                             |                                          |                             |                                          |                             |
| Other                               |                  | 53,259                                   | 83.17%                      | 56,523                                   | 85.39%                      | 60,571                                   | 85.11%                      | 63,729                                   | 84.01%                      | 65,767                                   | 82.12%                      | 61,306                                   | 82.61%                      | 58,786                                   | 84.60%                      | 61,255                                   | 85.05%                      | 64,572                                   | 86.63%                      | 61,645                                   | 86.66%                      |
| Total of All Employees <sup>a</sup> |                  | 64,540                                   |                             | 67,033                                   |                             | 71,935                                   |                             | 76,344                                   |                             | 78,903                                   |                             | 73,464                                   |                             | 69,924                                   |                             | 72,332                                   |                             | 74,086                                   |                             | 71,133                                   |                             |

Source:

<sup>a</sup> Grand Junction Chamber of Commerce (Includes Part-Time and Seasonal Employees)

<sup>b</sup> Grand Junction Economic Partnership (Includes Part-Time and Seasonal Employees)

<sup>A</sup> Grand Junction Chamber of Commerce (Includes Part-Time and Seasonal Employees)

140

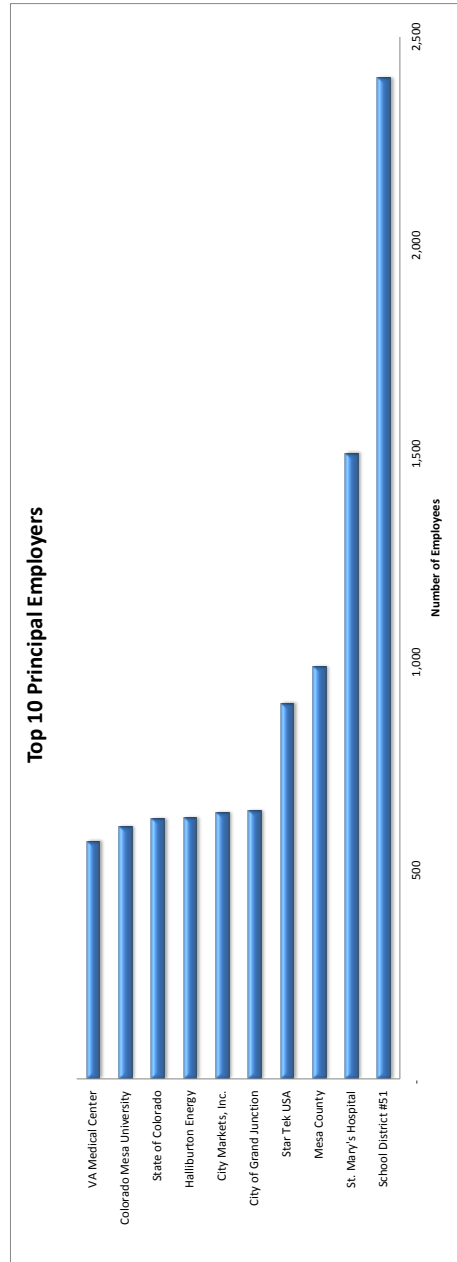


TABLE 16

City of Grand Junction, Colorado  
**MISCELLANEOUS STATISTICS**  
Last Ten Fiscal Years

|                                                                   |                                 |      |      |      |      |      |      |      |      |      |
|-------------------------------------------------------------------|---------------------------------|------|------|------|------|------|------|------|------|------|
| Date of incorporation:                                            | July 19, 1882 <sup>A</sup>      |      |      |      |      |      |      |      |      |      |
| Date charter adopted:                                             | September 14, 1909 <sup>A</sup> |      |      |      |      |      |      |      |      |      |
| Form of government:                                               | Council/Manager <sup>A</sup>    |      |      |      |      |      |      |      |      |      |
| City of Grand Junction Employees By Function (FTE's) <sup>E</sup> |                                 |      |      |      |      |      |      |      |      |      |
| Function                                                          | 2004                            | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Government                                                | 101                             | 102  | 119  | 113  | 116  | 122  | 115  | 114  | 115  | 131  |
| Fire Protection                                                   | 79                              | 83   | 98   | 98   | 99   | 99   | 95   | 96   | 103  | 112  |
| Parks and Recreation                                              | 72                              | 70   | 70   | 74   | 87   | 73   | 67   | 68   | 67   | 67   |
| Police Protection                                                 |                                 |      |      |      |      |      |      |      |      |      |
| Sworn                                                             | 81                              | 83   | 91   | 100  | 102  | 107  | 90   | 102  | 103  | 105  |
| Non-Sworn                                                         | 62                              | 60   | 70   | 65   | 78   | 80   | 82   | 72   | 86   | 86   |
| Public Works                                                      | 175                             | 170  | 161  | 187  | 197  | 187  | 160  | 153  | 156  | 136  |
| Total                                                             | 570                             | 568  | 609  | 637  | 679  | 668  | 609  | 605  | 624  | 637  |

|                                |      |          |             |                         |  |                             |  |                                          |  |            |
|--------------------------------|------|----------|-------------|-------------------------|--|-----------------------------|--|------------------------------------------|--|------------|
| Building permits: <sup>B</sup> | Year | # Issued | Value       | Elections: <sup>A</sup> |  | Number of Registered Voters |  | Number of Votes in last General Election |  | Percentage |
|                                |      |          |             | Year                    |  | Year                        |  | Year                                     |  |            |
|                                | 2004 | 2,080    | 158,746,233 | 2004                    |  | 2004                        |  | 2004                                     |  | 32.65%     |
|                                | 2005 | 2,250    | 234,133,308 | 2005                    |  | 2005                        |  | 2005                                     |  | 32.81%     |
|                                | 2006 | 2,205    | 286,484,081 | 2006                    |  | 2006                        |  | 2006                                     |  | 40.39%     |
|                                | 2007 | 2,183    | 323,358,687 | 2007                    |  | 2007                        |  | 2007                                     |  | 40.39%     |
|                                | 2008 | 1,762    | 254,912,474 | 2008                    |  | 2008                        |  | 2008                                     |  | 79.11%     |
|                                | 2009 | 984      | 89,935,667  | 2009                    |  | 2009                        |  | 2009                                     |  | 30.66%     |
|                                | 2010 | 929      | 128,551,321 | 2010                    |  | 2010                        |  | 2010                                     |  | 87.40%     |
|                                | 2011 | 881      | 96,498,756  | 2011                    |  | 2011                        |  | 2011                                     |  | 57.61%     |
|                                | 2012 | 899      | 90,830,317  | 2012                    |  | 2012                        |  | 2012                                     |  | 96.83%     |
|                                | 2013 | 988      | 124,466,999 | 2013                    |  | 2013                        |  | 2013                                     |  | 38.90%     |

Education:

|                                                                    |       |       |        |        |        |        |        |        |        |        |
|--------------------------------------------------------------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| Type                                                               | 2004  | 2005  | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   |
|                                                                    |       |       |        |        |        |        |        |        |        |        |
| Mesa County Valley School District No. 51 Enrollment: <sup>C</sup> |       |       |        |        |        |        |        |        |        |        |
| Elementary                                                         | 9,274 | 9,482 | 10,153 | 10,147 | 10,783 | 10,710 | 10,753 | 10,107 | 10,034 | 10,224 |
| Middle                                                             | 4,765 | 4,872 | 4,751  | 4,729  | 4,882  | 4,868  | 4,860  | 5,366  | 5,319  | 5,307  |
| High                                                               | 6,168 | 6,306 | 5,973  | 6,520  | 6,607  | 6,569  | 6,590  | 6,441  | 6,361  | 6,363  |
| Colorado Mesa University Enrollment: <sup>D</sup>                  | 5,725 | 6,235 | 5,938  | 6,127  | 6,205  | 6,665  | 7,746  | 8,826  | 9,010  | 9,325  |

Source:

- <sup>A</sup> City Clerk  
<sup>B</sup> City Planning Division/Mesa County Building Department  
<sup>C</sup> Mesa County Valley School District No. 51  
<sup>D</sup> Colorado Mesa University  
<sup>E</sup> City Personnel Department

TABLE 17

City of Grand Junction, Colorado  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
 Last Ten Fiscal Years

| Function                              | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Police <sup>B</sup>                   |        |        |        |        |        |        |        |        |        |        |
| Stations                              | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Vehicular Patrol Units                | 30     | 30     | 31     | 33     | 35     | 38     | 39     | 39     | 40     | 41     |
| Canine Units                          | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 2      |
| Motorcycles Units                     | 4      | 4      | 6      | 6      | 6      | 8      | 8      | 8      | 8      | 8      |
| Bicycles (Attached to Patrol Units)   | 18     | 18     | 23     | 23     | 26     | 20     | 17     | 22     | 22     | 20     |
| Fire Stations <sup>C</sup>            | 5      | 5      | 5      | 5      | 5      | 5      | 5      | 5      | 5      | 5      |
| Public Works <sup>A</sup>             |        |        |        |        |        |        |        |        |        |        |
| Area (Sq Miles)                       | 34.25  | 34.65  | 35.47  | 36.90  | 37.46  | 37.84  | 38.05  | 39.10  | 39.18  | 39.35  |
| Paved Streets (Centerline Miles)      | 304.10 | 318.50 | 333.50 | 342.60 | 353.70 | 357.10 | 360.60 | 361.80 | 362.54 | 368.54 |
| Unpaved Streets (Centerline Miles)    | 3.70   | 3.70   | 3.80   | 3.50   | 4.20   | 4.20   | 4.20   | 5.40   | 5.44   | 5.52   |
| Total Streets (Centerline Miles)      | 307.80 | 322.20 | 337.30 | 346.10 | 357.90 | 361.30 | 364.80 | 367.20 | 367.98 | 374.06 |
| Parks and Recreation <sup>D</sup>     |        |        |        |        |        |        |        |        |        |        |
| Developed Parks (Acres)               | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 |
| Undeveloped Parks (Acres)             | 389.00 | 389.00 | 389.00 | 389.00 | 389.00 | 389.00 | 389.00 | 389.00 | 514.11 | 514.90 |
| Total Parks (Acres)                   | 754.22 | 754.22 | 754.22 | 754.22 | 754.22 | 754.22 | 754.22 | 754.22 | 879.33 | 880.12 |
| Swimming Pools                        | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Waterslides                           | 1      | 1      | 1      | 1      | 2      | 2      | 2      | 2      | 2      | 2      |
| Tennis Courts                         | 16     | 16     | 16     | 16     | 22     | 22     | 22     | 22     | 22     | 24     |
| Shelters                              | 18     | 18     | 18     | 18     | 18     | 18     | 18     | 18     | 19     | 19     |
| Baseball Stadiums(Lighted)            | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Baseball Stadiums(Unlighted)          | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Football/Track Stadium (Lighted)      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Softball Fields(Lighted)              | 6      | 6      | 6      | 6      | 6      | 6      | 6      | 6      | 6      | 6      |
| Softball Fields(Unlighted)            | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Golf Courses                          | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Golf Courses (Acres)                  | 156    | 156    | 156    | 156    | 156    | 156    | 156    | 156    | 156    | 156    |
| Outdoor Basketball Courts (Lighted)   | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 2      |
| Outdoor Basketball Courts (Unlighted) | 7      | 7      | 7      | 7      | 10     | 10     | 10     | 10     | 10     | 10     |
| Multi-purpose Fields (Lighted)        |        | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Multi-purpose Fields (Unlighted)      |        | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 12     |
| Auditorium                            | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Senior Recreation Center              | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Riverfront Trail (Miles)              | 14.80  | 14.80  | 14.80  | 14.80  | 18.70  | 18.70  | 19.07  | 19.07  | 21.47  | 21.47  |
| Skateparks                            | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Activity Center                       |        |        | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Utilities <sup>E</sup>                |        |        |        |        |        |        |        |        |        |        |
| Storm sewers (Miles)                  | 136.00 | 166.83 | 135.24 | 216.07 | 138.57 | 161.37 | 185.03 | 186.63 | 192.17 | 205.76 |
| Sanitary sewer (Miles)                | 589.00 | 316.14 | 502.57 | 537.64 | 589.70 | 597.81 | 595.27 | 594.68 | 596.35 | 600.57 |

Source:

<sup>A</sup> City Administration GIS Department<sup>B</sup> City Police Department<sup>C</sup> City Fire Department<sup>D</sup> City Parks and Recreation Department<sup>E</sup> City Public Works Department



# **SINGLE AUDIT**



(This page intentionally left blank)



REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133

June 24, 2014

To the City Council  
City of Grand Junction, Colorado

We have audited the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of and for the year ended December 31, 2013, and our report thereon dated June 24, 2014, which expressed unmodified opinions on those financial statements, appears on page 17. Our audit was conducted for the purpose of forming opinions on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*



(This page intentionally left blank)



City of Grand Junction, Colorado  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended December 31, 2013

| Federal Grantor/Pass Through Grantor/Program Title                                              | Federal<br>CFDA<br>Number | Award<br>Amount | 2013<br>Amount<br>of Award<br>Expended |
|-------------------------------------------------------------------------------------------------|---------------------------|-----------------|----------------------------------------|
| <b>U.S. DEPARTMENT OF HOUSING AND<br/>URBAN DEVELOPMENT</b>                                     |                           |                 |                                        |
| Community Development Block Grants/<br>Entitlement Grants                                       | 14.218                    | \$ 1,084,543    | \$ 366,361                             |
| <b>U.S.DEPARTMENT OF JUSTICE</b>                                                                |                           |                 |                                        |
| Public Safety Partnership and Community<br>Policing Grants                                      | 16.710                    | 998,368         | 334,230                                |
| Public Safety Partnership and Community<br>Policing Grants-ARRA                                 | 16.710                    | 1,319,660       | 88,992                                 |
| Passed Through the Colorado Department of Revenue<br>Enforcing Underage Drinking Laws Program   | 16.727                    | 40,000          | 675                                    |
| Passed Through the Colorado Division of Criminal Justice<br>Edward Byrne Memorial Formula Grant | 16.579                    | 56,384          | <u>28,192</u>                          |
| Total U.S. Department of Justice                                                                |                           |                 | 452,089                                |
| <b>U.S.DEPARTMENT OF HEALTH AND<br/>HUMAN SERVICES</b>                                          |                           |                 |                                        |
| Early Retiree Reinsurance Program                                                               | 93.546                    | 136,323         | 26,974                                 |
| Passed Through Mesa County, Colorado<br>The Drug Free Community Support Program                 | 93.276                    | 41,378          | <u>41,378</u>                          |
| Total U.S. Department of Health and Human Services                                              |                           |                 | 68,352                                 |
| Total Federal Award Expenditures                                                                |                           |                 | <u>\$ 886,802</u>                      |

The accompanying notes are an integral part of this schedule.

City of Grand Junction, Colorado

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

December 31, 2013

---

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Grand Junction, Colorado and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**NOTE B – SUB-RECIPIENTS**

Of the federal expenditures presented in the schedule the City of Grand Junction, Colorado provided federal awards to sub-recipients as follows:

| <u>Program Title</u>                                      | <u>CFDA #</u> | <u>Amount Provided<br/>to Sub-recipient</u> |
|-----------------------------------------------------------|---------------|---------------------------------------------|
| Community Development Block Grants/<br>Entitlement Grants | 14.218        | \$ 235,584                                  |
| Edward Byrne Memorial Formula Grant                       | 16.579        | \$ 28,192                                   |



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

June 24, 2014

To the City Council  
City of Grand Junction, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of and for the year ended December 31, 2013, and the related notes to the financial statements which collectively comprise the City of Grand Junction's basic financial statements, and have issued our report thereon dated June 24, 2014.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

To the City Council  
June 24, 2014

**Purpose of this Report**

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

*Chadwick, Stinkiewicz, Davis & Co., P.C.*





**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

June 24, 2014

To the City Council  
City of Grand Junction, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited the City of Grand Junction, Colorado's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2013. The City of Grand Junction's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City of Grand Junction, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

**Report on Internal Control Over Compliance**

Management of the City of Grand Junction, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

To the City Council  
June 24, 2014

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses deficiencies or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Chadwick, Starkichner, Davis & Co., P.C.*

City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified

not considered to be material weaknesses?

\_\_\_\_\_ yes ✓ none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes ✓ no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified

not considered to be material weaknesses?

\_\_\_\_\_ yes ✓ none reported

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

Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?

\_\_\_\_\_ yes ✓ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

14.218

Community Development Block Grants – Entitlement Grants

16.710

Public Safety Partnership and Community Policing Grants - ARRA

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

✓ yes \_\_\_\_\_ no

City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

---

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no financial statement findings.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are findings or no questioned costs required to be reported under OMB Circular A-133.



City of Grand Junction, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2013

---

Prior year findings:

There were no prior year findings.



(This page intentionally left blank)



## **OTHER SUPPLEMENTAL INFORMATION**



(This page intentionally left blank)



INDEPENDENT AUDITOR'S REPORT ON OTHER  
SUPPLEMENTAL INFORMATION

June 24, 2014

To the City Council  
City of Grand Junction, Colorado

We have audited the basic financial statements of the City of Grand Junction, Colorado as of and for the year ended December 31, 2013, and our report thereon dated June 24, 2014, which expressed unmodified opinions on those financial statements, appears on page 17. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grand Junction, Colorado's basic financial statements as a whole. The accompanying Local Highway Finance Report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 basic financial statements as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*



(This page intentionally left blank)

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

**LOCAL HIGHWAY FINANCE REPORT**City or County:  
City of Grand Junction  
YEAR ENDING :  
December 2013This Information From The Records Of (example - City of \_ or County of \_) Prepared By:  
Phone:**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

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

| ITEM                                                        | AMOUNT     |
|-------------------------------------------------------------|------------|
| <b>A. Receipts from local sources:</b>                      |            |
| 1. Local highway-user taxes                                 |            |
| a. Motor Fuel (from Item I.A.5.)                            |            |
| b. Motor Vehicle (from Item I.B.5.)                         |            |
| c. Total (a.+b.)                                            |            |
| 2. General fund appropriations                              | 11,935,577 |
| 3. Other local imposts (from page 2)                        | 1,217,081  |
| 4. Miscellaneous local receipts (from page 2)               | 2,270,434  |
| 5. Transfers from toll facilities                           |            |
| 6. Proceeds of sale of bonds and notes:                     |            |
| a. Bonds - Original Issues                                  |            |
| b. Bonds - Refunding Issues                                 |            |
| c. Notes                                                    |            |
| d. Total (a. + b. + c.)                                     | 0          |
| 7. Total (1 through 6)                                      | 15,423,092 |
| <b>B. Private Contributions</b>                             |            |
| <b>C. Receipts from State government</b><br>(from page 2)   | 2,760,292  |
| <b>D. Receipts from Federal Government</b><br>(from page 2) | 0          |
| <b>E. Total receipts (A.7 + B + C + D)</b>                  | 18,183,384 |

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

| ITEM                                              | AMOUNT     |
|---------------------------------------------------|------------|
| <b>A. Local highway disbursements:</b>            |            |
| 1. Capital outlay (from page 2)                   | 8,139,230  |
| 2. Maintenance:                                   | 2,814,179  |
| 3. Road and street services:                      |            |
| a. Traffic control operations                     | 813,276    |
| b. Snow and ice removal                           | 236,977    |
| c. Other                                          |            |
| d. Total (a. through c.)                          | 1,050,253  |
| 4. General administration & miscellaneous         | 151,247    |
| 5. Highway law enforcement and safety             |            |
| 6. Total (1 through 5)                            | 12,154,909 |
| <b>B. Debt service on local obligations:</b>      |            |
| 1. Bonds:                                         |            |
| a. Interest                                       | 1,713,475  |
| b. Redemption                                     | 4,315,000  |
| c. Total (a. + b.)                                | 6,028,475  |
| 2. Notes:                                         |            |
| a. Interest                                       | 0          |
| b. Redemption                                     |            |
| c. Total (a. + b.)                                | 0          |
| 3. Total (1.c + 2.c)                              | 6,028,475  |
| <b>C. Payments to State for highways</b>          |            |
| <b>D. Payments to toll facilities</b>             |            |
| <b>E. Total disbursements (A.6 + B.3 + C + D)</b> | 18,183,384 |

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

|                              | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|------------------------------|--------------|---------------|-------------|--------------|
| <b>A. Bonds (Total)</b>      | 38,695,000   | 0             | 4,315,000   | 34,380,000   |
| 1. Bonds (Refunding Portion) |              |               |             |              |
| <b>B. Notes (Total)</b>      |              |               |             | 0            |

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

|  | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
|  | 0                    | 18,183,384        | 18,183,384             |                   | 0                 |

Notes and Comments:

|                              |  |                                       |  |
|------------------------------|--|---------------------------------------|--|
| LOCAL HIGHWAY FINANCE REPORT |  | STATE:<br>Colorado                    |  |
|                              |  | YEAR ENDING (mm/yy):<br>December 2013 |  |

| II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL |                           |                                           |                           |
|----------------------------------------------------|---------------------------|-------------------------------------------|---------------------------|
| ITEM                                               | AMOUNT                    | ITEM                                      | AMOUNT                    |
| <b>A.3. Other local imposts:</b>                   |                           | <b>A.4. Miscellaneous local receipts:</b> |                           |
| a. Property Taxes and Assessments                  | 14,298                    | a. Interest on investments                | 5,745                     |
| b. Other local imposts:                            |                           | b. Traffic Fines & Penalties              |                           |
| 1. Sales Taxes                                     |                           | c. Parking Garage Fees                    |                           |
| 2. Infrastructure & Impact Fees                    |                           | d. Parking Meter Fees                     |                           |
| 3. Liens                                           |                           | e. Sale of Surplus Property               |                           |
| 4. Licenses                                        |                           | f. Charges for Services                   | 45,277                    |
| 5. Specific Ownership &/or Other                   | 1,202,783                 | g. Other Misc. Receipts                   |                           |
| 6. Total (1. through 5.)                           | 1,202,783                 | h. Other                                  | 2,219,412                 |
| c. Total (a. + b.)                                 | 1,217,081                 | i. Total (a. through h.)                  | 2,270,434                 |
|                                                    | (Carry forward to page 1) |                                           | (Carry forward to page 1) |

| ITEM                                     | AMOUNT    | ITEM                                       | AMOUNT                    |
|------------------------------------------|-----------|--------------------------------------------|---------------------------|
| <b>C. Receipts from State Government</b> |           | <b>D. Receipts from Federal Government</b> |                           |
| 1. Highway-user taxes                    | 2,167,518 | 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           | 223,715   | d. Federal Transit Admin                   |                           |
| d. Other (Specify) - DOLA Grant          |           | e. U.S. Corps of Engineers                 |                           |
| e. Other (Specify)                       | 369,059   | f. Other Federal                           |                           |
| f. Total (a. through e.)                 | 592,774   | g. Total (a. through f.)                   | 0                         |
| 4. Total (1. + 2. + 3.f)                 | 2,760,292 | 3. Total (1. + 2.g)                        |                           |
|                                          |           |                                            | (Carry forward to page 1) |

| III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL |                                         |                                          |                           |
|----------------------------------------------------------|-----------------------------------------|------------------------------------------|---------------------------|
|                                                          | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a) | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b) | TOTAL<br>(c)              |
| <b>A.1. Capital outlay:</b>                              |                                         |                                          |                           |
| a. Right-Of-Way Costs                                    |                                         |                                          | 0                         |
| b. Engineering Costs                                     | 270,763                                 | 89,469                                   | 360,232                   |
| c. Construction:                                         |                                         |                                          |                           |
| (1). New Facilities                                      |                                         | 383,269                                  | 383,269                   |
| (2). Capacity Improvements                               | 4,560,582                               | 712,175                                  | 5,272,757                 |
| (3). System Preservation                                 |                                         | 1,861,420                                | 1,861,420                 |
| (4). System Enhancement & Operation                      | 56,016                                  | 205,536                                  | 261,552                   |
| (5). Total Construction (1) + (2) + (3) + (4)            | 4,616,598                               | 3,162,400                                | 7,778,998                 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)      | 4,887,361                               | 3,251,869                                | 8,139,230                 |
|                                                          |                                         |                                          | (Carry forward to page 1) |

|                     |
|---------------------|
| Notes and Comments: |
|---------------------|







(This page intentionally left blank)

2014

COMPREHENSIVE ANNUAL  
**FINANCIAL REPORT**

FISCAL YEAR ENDED DECEMBER 31, 2014



### **About our cover...**

Since its opening in 1923, the historic Avalon Theatre has been the cornerstone of downtown Grand Junction at 7th and Main Street for the past 92 years. The recently completed \$9.65 million renovation ensures its position as one of the premier performing arts venues in Western Colorado for years to come.

Highlights of the renovation include:

- New and expanded seating: from 900 to a capacity of 1090 seats.
- Stage and stage house expansion: the stage will nearly double in size, accommodating much larger performances that command higher ticket price and back stage will improve the venue's ability to draw more prestigious acts and host more complex performances
- Acoustic and digital audio/visual improvements: these improvements will not only allow the space to host larger acts, but will also make the Avalon a state of the art performance venue.
- Addition of a multi-purpose room: the Encore Hall will offer a smaller space for meetings and presentations without tying up the large performance area. The hall will accommodate the showing of smaller films and also provide excellent space for local groups to use.
- ADA compliance updates: a patron elevator and hearing loop will provide improvements to every guest's experience at the Avalon.
- New rooftop terrace: the rooftop will be able to host a variety of events such as receptions and weddings; catering services will make this a desirable space for both local and regional events and occasions.

Blending the historic Avalon Theatre with a modern addition creates a wonderful mix of warmth and sophistication that honors our historic roots while stating our aspirations for the future.

Photos are courtesy of the Grand Junction Visitor and Convention Bureau and Cat Mayer Studio.





# Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2014

Prepared by:

Financial Operations Department

Jodi Romero, Financial Operations Director

# *Grand Junction*



## INTRODUCTORY SECTION

---

|                                                                       |    |
|-----------------------------------------------------------------------|----|
| Letter of Transmittal .....                                           | 3  |
| Certificate of Achievement for Excellence in Financial Reporting..... | 11 |
| City Organization Chart .....                                         | 12 |
| City Map, Election District Boundaries .....                          | 13 |
| List of City Officials .....                                          | 13 |

## FINANCIAL SECTION

---

|                                           |    |
|-------------------------------------------|----|
| <b>Independent Auditor's Report</b> ..... | 17 |
|-------------------------------------------|----|

|                                                   |    |
|---------------------------------------------------|----|
| <b>Management's Discussion and Analysis</b> ..... | 19 |
|---------------------------------------------------|----|

|                                         |    |
|-----------------------------------------|----|
| <b>Basic Financial Statements</b> ..... | 29 |
|-----------------------------------------|----|

|                                                                                                                                                     |    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Government-wide Financial Statements:                                                                                                               |    |
| Statement of Net Position.....                                                                                                                      | 31 |
| Statement of Activities .....                                                                                                                       | 32 |
| Fund Financial Statements:                                                                                                                          |    |
| Balance Sheet – Governmental Funds .....                                                                                                            | 34 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net<br>Position .....                                                 | 35 |
| Statement of Revenues, Expenditures and Changes in Fund Balances –<br>Governmental Funds.....                                                       | 36 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund<br>Balances of Governmental Funds to the Statement of Activities..... | 37 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and<br>Actual (Non-GAAP Budgetary Basis) – General Fund.....              | 38 |
| Statement of Net Position – Proprietary Funds.....                                                                                                  | 39 |
| Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary<br>Funds.....                                                        | 40 |
| Statement of Cash Flows – Proprietary Funds.....                                                                                                    | 41 |
| Statement of Fiduciary Net Position – Fiduciary Funds .....                                                                                         | 42 |
| Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....                                                                              | 43 |
| Notes To Financial Statements .....                                                                                                                 | 45 |

### Required Supplementary Information

|                                                                              |    |
|------------------------------------------------------------------------------|----|
| Schedule of Funding Progress for Police Old Hire Pension Plan.....           | 77 |
| Schedule of Funding Progress for Fire Old Hire Pension Plan .....            | 77 |
| Schedule of Funding Progress for Other Post Employment Healthcare Plan ..... | 77 |

### Combining and Individual Fund Statements and Schedules:

|                                                                                                                     |    |
|---------------------------------------------------------------------------------------------------------------------|----|
| Non-Major Governmental Funds .....                                                                                  | 79 |
| Combining Balance Sheet – Non-Major Governmental Funds .....                                                        | 82 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-<br>Major Governmental Funds ..... | 84 |
| Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and<br>Actual:                            |    |
| Visitors and Convention Bureau.....                                                                                 | 86 |
| Enhanced 911 Special Revenue Fund.....                                                                              | 87 |
| Parkland Expansion Special Revenue Fund .....                                                                       | 88 |
| Conservation Trust Special Revenue Fund .....                                                                       | 89 |

## FINANCIAL SECTION (continued)

---

|                                                                                                          |     |
|----------------------------------------------------------------------------------------------------------|-----|
| Community Development Special Revenue Fund .....                                                         | 90  |
| Ridges Debt Service Fund.....                                                                            | 91  |
| Grand Junction Public Finance Corporation Debt Service Fund.....                                         | 92  |
| General Debt Service Fund .....                                                                          | 93  |
| Parkway Debt Retirement Debt Service Fund .....                                                          | 94  |
| Sales Tax Capital Improvements Capital Projects Fund .....                                               | 95  |
| Major Capital Projects Improvement Fund.....                                                             | 96  |
| Storm Drainage Development Capital Projects Fund .....                                                   | 97  |
| Street Assessments Capital Projects Fund .....                                                           | 98  |
| Cemetery Perpetual Care Permanent Trust Fund.....                                                        | 99  |
| Non-Major Proprietary Funds .....                                                                        | 100 |
| Combining Statement of Net Position – Non-Major Proprietary Funds.....                                   | 102 |
| Combining Statement of Revenues, Expenses and Changes in Net Position – Non-Major Proprietary Funds..... | 103 |
| Combining Statement of Cash Flows – Non-Major Proprietary Funds .....                                    | 104 |
| Combining Statement of Net Position – Internal Service Funds .....                                       | 105 |
| Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds.....      | 106 |
| Combining Statement of Cash Flows – Internal Service Funds.....                                          | 107 |
| Fiduciary Funds.....                                                                                     | 108 |
| Combining Statement of Fiduciary Net Position – Pension Trust Funds .....                                | 109 |
| Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds .....                     | 110 |
| Combining Statement of Fiduciary Net Position – Private-Purpose Trust Funds.....                         | 111 |
| Combining Statement of Changes in Fiduciary Net Position – Private-Purpose Trust Funds.....              | 112 |
| Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds.....                   | 113 |
| Downtown Development Authority – A Component Unit.....                                                   | 115 |
| Balance Sheet – Governmental Funds .....                                                                 | 116 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....               | 117 |
| Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual:                     |     |
| Downtown Development Authority Special Revenue Fund .....                                                | 118 |
| DDA TIF Debt Service Fund .....                                                                          | 119 |
| DDA Capital Improvements Capital Projects .....                                                          | 120 |

## STATISTICAL SECTION

---

|                                                              |     |
|--------------------------------------------------------------|-----|
| Table 1 - Net Position .....                                 | 123 |
| Table 2 - Changes in Net Position.....                       | 124 |
| Table 3 - Fund Balances, Governmental Funds .....            | 126 |
| Table 4 - Changes in Fund Balances, Governmental Funds ..... | 127 |
| Table 5 - Sales Tax Revenue by Type of Industry.....         | 128 |
| Table 6 - Direct and Overlapping Sales Tax Rates .....       | 129 |
| Table 7 - Principal Sales Tax Payers .....                   | 130 |
| Table 8 - Sales & Use Tax Collections .....                  | 131 |
| Table 9 - Ratio of Outstanding Debt by Type.....             | 132 |
| Table 10 - Ratio of Net General Bonded Debt.....             | 133 |



|                                                            |     |
|------------------------------------------------------------|-----|
| Table 11 - Computation of Legal Debt Margin.....           | 134 |
| Table 12 - Computation of Direct and Overlapping Debt..... | 135 |
| Table 13 - Revenue Bond Coverage.....                      | 136 |
| Table 14 - Demographic and Economic Statistics.....        | 137 |
| Table 15 - Top 10 Principal Employers.....                 | 138 |
| Table 16 - Miscellaneous Statistics.....                   | 139 |
| Table 17 - Capital Asset Statistics by Function.....       | 140 |

## **SINGLE AUDIT**

---

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular**

|                                                  |     |
|--------------------------------------------------|-----|
| <b>A-133</b> .....                               | 143 |
| Schedule of Expenditures of Federal Awards ..... | 145 |

### **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards .....**

147

### **Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 .....**

|                                                 |     |
|-------------------------------------------------|-----|
| Schedule of Findings and Questioned Costs ..... | 149 |
| Summary Schedule of Prior Audit Findings.....   | 151 |
|                                                 | 153 |

## **OTHER SUPPLEMENTAL INFORMATION**

---

|                                                                            |     |
|----------------------------------------------------------------------------|-----|
| <b>Independent Auditor's Report on Other Supplemental Information.....</b> | 157 |
| Schedule of Revenues and Expenditures for Roads, Bridges and Streets.....  | 159 |



(This page intentionally left blank)



# **INTRODUCTORY SECTION**



(This page intentionally left blank)



## Financial Operations Department

---

250 North 5<sup>th</sup> Street ♦ Grand Junction, Colorado 81501-2668 ♦ (970) 244-1515 ♦ fax (970) 256-4078

June 24, 2015

To the Honorable Mayor, Members of the City Council,  
City Manager and Citizens of the City of Grand Junction:

It is with great pleasure that the Comprehensive Annual Financial Report (CAFR) for the City of Grand Junction for the year ended December 31, 2014, is presented. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed public accountants. This Comprehensive Annual Financial Report is hereby issued and submitted to you for the fiscal year ended December 31, 2014, in accordance with these requirements.

This report consists of management's representations concerning the finances of the City of Grand Junction. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control framework that is designed to both protect the assets of the City from loss, theft, or misuse and to allow for the compiling of sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control procedures have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Grand Junction's financial statements have been audited by Chadwick, Steinkirchner, Davis & Co., P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Grand Junction for the fiscal year ended December 31, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Grand Junction's financial statements for the fiscal year ended December 31, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

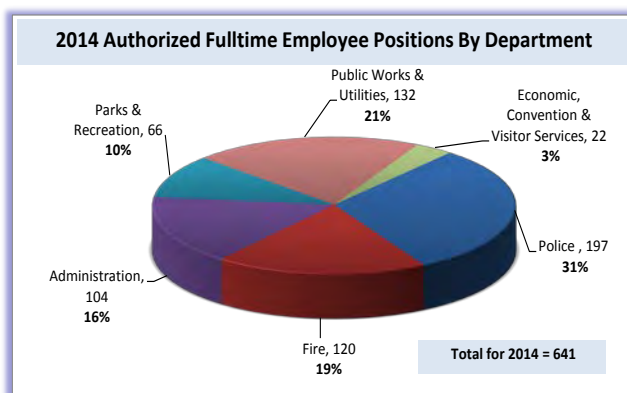
The independent audit of the financial statements of the City of Grand Junction was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Grand Junction's MD&A can be found immediately following the report of the independent auditors.

## PROFILE OF THE GOVERNMENT

The City was first settled in 1881 and was incorporated in 1882. It became a home rule city in 1909 by adopting its own charter pursuant to Article XX of the Constitution of the State of Colorado. The City operates using the Council-Manager form of government.

The City provides a full range of services including public safety (police, fire, emergency medical services and ambulance transport), public works (highways, streets, sanitation and water), culture-recreation (parks, cemeteries, swimming pools, golf courses, and general recreation), planning, visitor and convention, and general administrative services. The relative department sizes are depicted in the chart in terms of personnel.



Blended component units, although legally separate entities, are in substance part of the primary government's operations and are included as part of the primary government. Accordingly, the Ridges Metropolitan District and Grand Junction Public Finance Corporation are reported as debt service funds of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Downtown Development Authority is reported as a discretely presented component unit.

The City of Grand Junction currently occupies a land area of 39.4 square miles and serves an estimated population of 61,000. The City of Grand Junction is granted the authority to levy a property tax on both real and personal business properties located within its boundaries and to establish and collect its own sales and use tax. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

Policy-making and legislative authority are vested in a City Council consisting of seven members, one of which is elected mayor each year. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing boards and commissions, and hiring the City Manager, City Attorney, and Municipal Court Judge. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three or four council members elected every two years. Five of the council members must live in one of the five districts but are elected city-wide. The two remaining council members are elected at large.

As a supplement to internal controls, the City maintains comprehensive budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, and internal service funds are included in the annual appropriated budget ordinance. Appropriations for all funds lapse at year-end. Even though the budget enacted by the City Council is at the fund level, the City prepares a line item budget by department for control at the line item level. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Department heads have the authority to reallocate the distribution of budget amounts within the major category of operating expenditures within their department. Budget reallocations between major expenditure categories or within the major categories of personnel and capital require City Manager approval. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are not an actual use of appropriations. Therefore, open encumbrances at year-end for which the expenditure has not yet occurred either become expenditures against the new year's appropriation or are canceled.

Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 38 as part of the basic financial statements for the governmental funds. For other major governmental funds (and non-major) this comparison is presented in the governmental fund subsection of this report, which starts on page 79.

## FACTORS AFFECTING FINANCIAL CONDITION

The City of Grand Junction is located on the I-70 corridor, about 250 miles west of Denver and 27 miles east of the Utah border. The City lies in a valley formed at the junction of the Gunnison and Colorado Rivers, surrounded by majestic mesas. As the largest city in western Colorado, Grand Junction is the major service center for western Colorado and eastern Utah. Correspondingly Grand Junction is the regional hub for retail, banking and financial services, health care, higher education, social services, and public safety for a large population. Established by years of community economic development and private enterprise marketing, the area is home to manufacturing, agricultural, recreational, and service and energy exploration industries which provide for a diverse economic base.



The mild climate and close proximity to a great variety of outdoor activities year-round have made Grand Junction both a vacation destination and a retirement community. A 3% lodging tax passed by the voters and implemented in 1990 is funding promotion of the Grand Valley as a tourism destination.

As in the past, city management and leadership continue to finance current operations with current operating revenues, while debt has been kept to a minimum. The three-quarter cent increase in city sales and use taxes, effective January 1, 1988, provides funds for capital investment. The sales and use tax revenues allocated to the General Fund account for 58% of its revenues and

fund general government operations such as police, fire, streets, and parks, as well as economic development and community partnerships. The Sales, Use, & Lodging Tax Collections graph shows the elements of sales, use, and lodging taxes and their proportionate size while the Historical Sales, Use, & Lodging Tax graph below shows the historical collections and growth since 2005. These tax revenues showed some growth from 2013 to 2014 continuing to reflect a slow recovery of the local economy from the recession. After falling significantly in 2009, tax revenues continue to stay between 2006 and 2007 levels as they have for the last few years.

The Grand Junction Metropolitan Statistical Area (MSA), which is the greater metro area inside Mesa County, has experienced population growth since its inception in 1995. However, as a result of the national recession, a significant reduction of oil and gas exploration in the area, and a substantial decline in development and construction, Grand Junction experienced a 14 % job loss between October 2008 and January 2010. Since that time job recovery has been intermittent, but the average annual unemployment rate has continued to decline and is currently at 6%.



As demonstrated in the 10yr historical collections graph above, the recessionary job loss restricted consumer spending resulting in significant declines in retail activity and sales tax revenues. Since the low in 2009 revenues have recovered slowly settling to the current revenue base which is not anticipated to fluctuate significantly unless there is a resurgence in oil and gas exploration in the area.

The City has continued to work toward diversifying its economic base and business climate. The quality of life offered in Grand Junction, which is critical to the attraction, motivation and retention of skilled and talented workers, is appealing to businesses, individuals and tourists alike. Spectacular scenery and recreational opportunities, excellent climate and air quality, low crime rates, higher education opportunities, and quality medical services make the Grand Junction area a good choice for relocation.

The City has historically leveraged public and private partnerships as well as grant dollars to make significant capital investments each year in the community:

- Together with the Downtown Development Authority and the Avalon Theatre Foundation, the City completed a \$9.65 million major renovation of and addition to the historic Avalon Theatre in downtown Grand Junction.

- In partnership with the Horizon Drive Business Improvement District the City began a major reconstruction of the I-70 interchange at Horizon Drive in 2014. This \$4.6 million project will be funded in large part with a State of Colorado Responsible Acceleration of Maintenance and Partnership (RAMP) grant and is expected to be completed in 2016.
- The City began the relocation of Fire Station #4 in order to improve overall coverage and meet response time goals. The project began in 2014 with site selection and design with construction of the station expected to be completed in 2015.
- A \$1.3 million beautification project to one of the oldest east west thoroughfares in the City began in 2014. The North Avenue Streetscape is expected to be completed in 2016.
- Continuing to innovate in the use of natural gas for fleet, the City broke ground in late 2014 on a \$2.8 million biogas conditioning system and pipeline that will produce fuel from the wastewater treatment plant's digester gas. The project will be completed in 2015.
- By leveraging conservation trust funds, the City continues to invest in improvements to parks, playground systems, and pools. The City also continued the planning and development of Las Colonias Park along the south downtown riverfront. This investment includes the design of an amphitheater and breaking ground on the first phase of the long-term park improvement plan.
- Water and sewer enterprises invested \$4.3 million in replacements of pipelines and improvements to the water and sewer plants.

## **FUTURE OUTLOOK**

---

The City remains committed to providing high quality services and investing in the future of the community. The City's goal is to serve its citizenry in the long-term while maintaining a sound financial position. Priorities shaping the future are economic development, public safety, investments in infrastructure, and planned growth and development. The City continues to foster strong community partnerships in the pursuit of these priorities.

The Economic Development Plan which was adopted in 2014 serves as a decision making guide for City Council and firmly establishes the Council's commitment to taking a lead role in promoting and funding economic development in the area. The plan establishes a strategy for improving business conditions and attracting and retaining employers while confirming the City's standing as a viable, healthy and safe community. As part of the strategy the City put in motion several action steps including a branding and marketing analysis, exploration of foreign trade opportunities, and the launch of a new economic development website. The City works closely with the community partners in economic development including the Grand Junction Area Chamber of Commerce, Grand Junction Economic Partnership, Business Incubator, and Colorado Mesa University. The City has a department dedicated to convention and visitor services, and a 3% lodging tax is utilized for advertising the community, promoting tourism, and attracting conferences and conventions.

The higher educational opportunities provided by Colorado Mesa University (CMU) are pivotal to the economic diversity and quality of life enjoyed by the residents of Grand Junction and the surrounding community. Over the last decade, CMU has embarked on a multi-year, multi-million dollar campus expansion and renovation project. The City of Grand Junction has supported this project through economic development contributions of \$5.5 million through 2014 which includes a new academic classroom built in 2013. As funds are available and appropriated the City has committed to ongoing support of CMU through 2027.

As indicated by surveys and through dialogue with the Grand Junction community, public safety is recognized as one of the key foundations to a livable community and one of the primary responsibilities of local government. Public Safety facility needs have been addressed through the recent construction of the Public Safety Complex with a new state-of-the-art E911 Regional Communication Center, Fire Station #1, Fire Administration building, and the remodel of Fire Station #2. The City Council remains committed towards addressing future public safety needs and in particular improvements in fire and emergency medical services (ems) coverage including the move of Fire Station #4 to better serve the southeast area of the community.

One of the City's ongoing and major priorities is the preservation and improvement of the transportation infrastructure. The City's continuing infrastructure improvements are funded to a great extent by the three-quarter percent increase in the sales tax rate in 1988. This dedicated revenue stream is used for long-range capital planning efforts; however,



because the City is still growing and the related infrastructure is not complete, the capital needs far outweigh the capital resources.

The most significant capital project in the history of the City is the Riverside Parkway. The project entailed building a loop around the City that extends from 24 Road/Redlands Parkway to the intersection of 29 Road and D Road. The lower section of the Parkway extends from 4<sup>th</sup> Avenue to the intersection of 27½ and D Road. The most recently completed section extends from Highway 50 on Orchard Mesa over the I-70 Business Loop with the 29 Road viaduct. The final connection will extend to a new interchange at I-70. This loop is designed to provide interconnectivity to and around the City, as well as between different demographical areas of the valley, effectively connecting residential areas with jobs and services. In addition to this major transportation loop, the City has over 1,100 lane miles to maintain in streets infrastructure. The City has a sophisticated pavement management program that evaluates the condition of the roadways and designs an overlay schedule accordingly.

The City continues the commitment to parks development. A riverfront park area and trail system along the Colorado River is backed by the City through resources of personnel time, direct funding and facilitating grants from federal, state and private sources. The City has purchased land for park area and the riverfront trail system. Much of this property was the site of wrecking yards, which have now been removed. The park objectives are to provide additional recreational facilities, beautify the entrance to the City and improve flood control for the area. Several trails have been completed and are open to the public. In addition, the City Council has committed funding for major maintenance and improvement projects for the City's existing 30 developed parks. The City has also partnered with Mesa Land Trust in the acquisition of land to facilitate the development of a walking and bike trails along Monument Road.

The purchase and development of the 103-acre regional Canyon View Park began in 1996 with major softball and soccer facilities. Development continued with the construction of a baseball field in 1998, new tennis courts in 2008 and new restroom facilities in 2009. This park serves as the main venue for team sporting events for school and community leagues of all ages; with over 320 days of use a year and an average of 10 events per day. With nearly 1 million visits to the park facility each year, it is clearly a significant asset to the regional community and the City's park system. In 2014 the City began phase I of the development of a second regional park at the 101-acre Las Colonias Park in south downtown along the Colorado River. An amphitheater is currently being designed and is planned for future construction. After significant community involvement and dialogue a master plan was developed and adopted by City Council for the 207-acre Matchett Park in the northeast area of the City which will represent the third regional park for the City.

The City of Grand Junction is actively committed to energy efficiency and water conservation efforts and continually strives to implement strategies that preserve resources and increase efficiencies. One area of particular focus is the City's Compressed Natural Gas (CNG) Program. The City's CNG Program is threefold: transitioning the City's fleet into natural gas vehicles, construction of a CNG fueling station, and the Persigo Wastewater Treatment Plant component which began in 2006 and is the concept of converting methane into CNG. As a byproduct of treating the wastewater, excess digester gas (methane) is generated daily and currently being flared into the atmosphere. After conducting extensive studies, it has been determined that this excess gas can be captured and converted into compressed natural gas (CNG) that can be used as a vehicle fuel (biogas). The program is well underway with the continued purchase of City CNG vehicles, the completion of the fueling station, and the partnership with Grand Valley Transit to maintain and repair their new CNG public transportation buses. The Persigo Biogas project received authorization by City Council and the County Commissioners to proceed in 2014 with the construction of the infrastructure to convert the methane to compressed natural gas and the pipeline to transport it to the City's fleet operations and will be operational in 2015.

The Comprehensive Plan was formally adopted in 2010 after a three-year staff and community effort. This plan plays a critical role in guiding the future growth and development of the City of Grand Junction and the larger Mesa County area. In addition, the Comprehensive Plan serves as a compass for City Council in decision making and policy planning. As a regional plan, the Comprehensive Plan is intended to guide growth while retain the unique qualities of the area. A review and update of the Comprehensive plan is scheduled to begin in 2015. One of the goals of the Comprehensive Plan is to support the continued development of the downtown area of the City center. The City clearly demonstrates that support through the maintenance of the downtown shopping park, the commitment of tax increment funds to the Downtown Development Authority, and most recently in partnership with the Downtown Development Authority and the Avalon Theatre Foundation Board by the investment in the revitalization of the 90 year old historic Avalon Theatre. The theatre is owned and operated by the City and is one of the "book ends" of Main Street in the heart of downtown Grand Junction.

The City has a long standing record of collaborative management and resource sharing with other agencies in the community, and is committed to continuing and growing those relationships in the future. There are numerous examples of these alliances that result in added value to services as well as the highest and best use of resources. Public Safety: the City is the manager and a major partner agency in the E911 Regional Communication Center which serves more than twenty-two law enforcement, fire and emergency medical service responder agencies; the City of Grand Junction Police Department joins forces with the Mesa County Sheriff's Office and the Federal Drug Enforcement Agency on the Western Colorado Drug Task Force, a partnership designed to fight the battles of drugs and drug related crimes on the frontlines; the City, Mesa County, the City of Fruita and School District #51 provide a School Resource Officer Program to the schools in the valley. Public Utility: the City and Mesa County have a jointly owned and managed sewer system that provides wastewater services to the larger urban area. Public Parks: the City, Mesa County, School District #51, and Colorado Mesa University make use of and contribute towards improvements of the sports complex and stadium in the heart of Grand Junction. Public Transportation: the City assists Mesa County in the support of the Grand Valley Transit system, a limited fixed route "circulator" which began servicing the core areas of the valley and the outlying municipalities in 2000; currently this transit system has over 1 million passenger trips per year. Recently the City has contracted to provide maintenance and repair services for the CNG transit busses. Animal Control, Building Services: Mesa County is contracted by the City to provide professional services in animal control services as well as contractor licensing, building permitting and inspection services. Procurement: The City contracts with Mesa County to provide professional procurement services.

Each year the City Council commits over \$2 million per year for community partnerships, sponsorships, and memberships to organizations such as Kids Voting, Club 20, Riverfront Commission, Western Slope Center for Children, and Young Entrepreneurs Academy.

---

## **FINANCIAL POLICIES**

---

The City Council provides policy direction to the City Manager who guides the financial decisions of the organization. City Council's policy direction is to further economic development by taking a more proactive role while continuing to coordinate with all the community partners; invest in public infrastructure; continue to provide the essential services of public safety; operate within existing revenues; and preserve at least \$18.5 million in General Fund reserves. City management has been successful in following City Council's policy direction through responsive, conservative, and sound financial decisions. The City has financial policies and practices that guide budget, investments, debt, revenue, purchasing, risk management and reserves.

---

## **COMPLIANCE WITH THE TAXPAYER BILL OF RIGHTS**

---

The Colorado Constitutional Amendment passed in November 1992 (known as the TABOR – Taxpayer Bill of Rights amendment), restricts growth in governmental revenues and property tax revenues to amounts adjusted for inflation and a local growth factor. In 2013, the City did not exceed the overall revenue limitation, but did exceed the property tax revenue limitation. However, in April 2007, City of Grand Junction voters approved the retention by the City of all revenues exceeding the spending limit for 2006 and subsequent years until the bonded debt for the Riverside Parkway is paid in full. Therefore, the excess will be transferred to a debt service fund designated for payment of the Riverside Parkway bonds. The City also is subject to other TABOR requirements. For example, TABOR requires that no real estate transfer tax or income tax be imposed and that the City reserve 3% of its spending as an emergency reserve. The City is in compliance with these provisions. Finally, TABOR requires that the City have elections if it wishes to change its tax policy or issue general government debt.

---

## **AWARDS**

---

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This was the thirtieth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

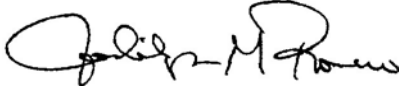
## **ACKNOWLEDGEMENTS**

---

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Financial Operations Department. I would like to express my appreciation of all members of the Department who assisted in and contributed to its preparation. It should be noted that staff from other departments provide great assistance in the preparation of the report and their work is also appreciated. I thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

The City's external auditors, Chadwick, Steinkirchner, Davis & Co., P.C., are also commended for their comprehensive and efficient examination of the various funds of the City for the fiscal year ended December 31, 2014.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jodi Romero", written in a cursive style.

Jodi Romero  
Financial Operations Director

# *Grand Junction*





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

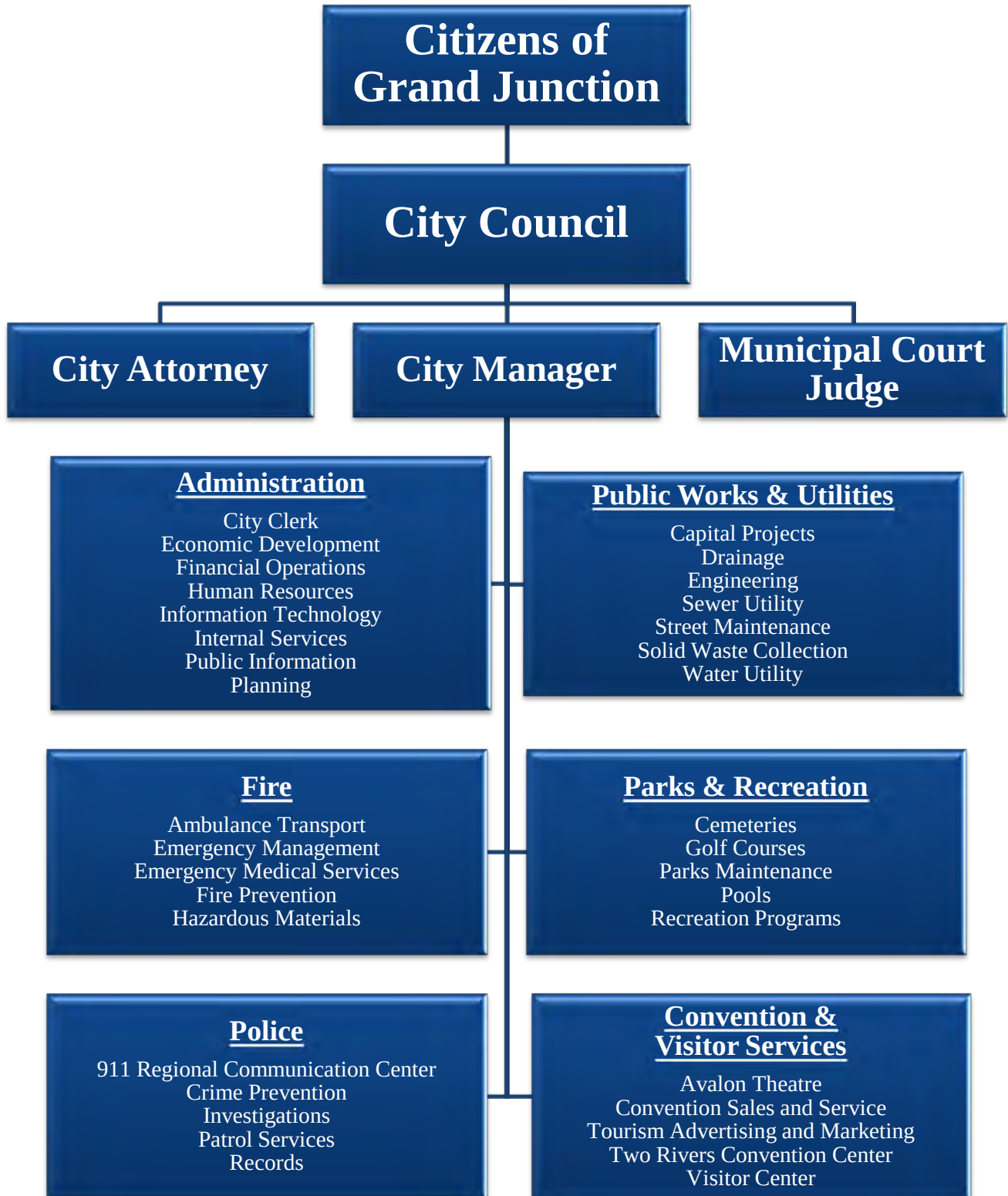
**City of Grand Junction  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

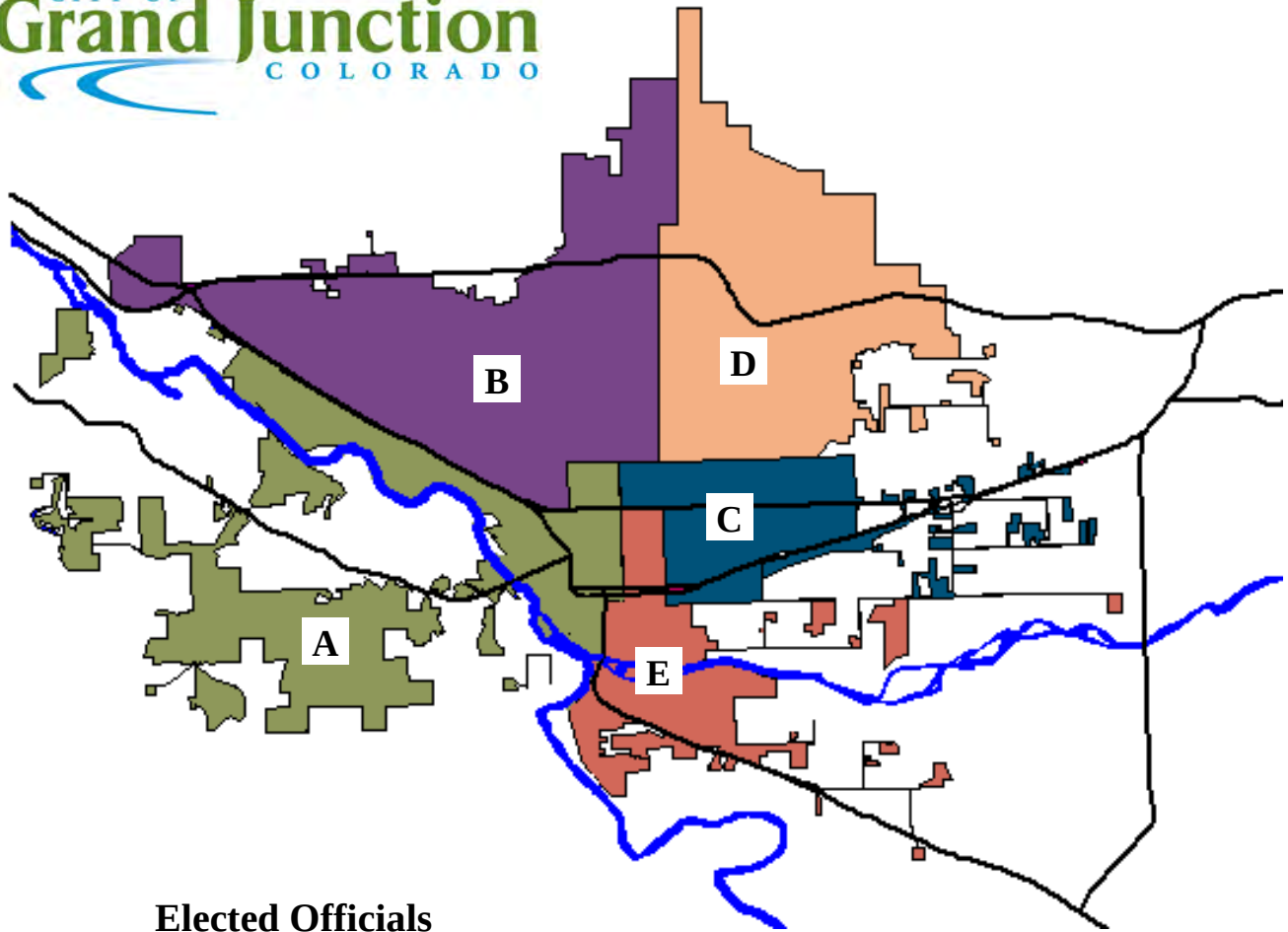
**December 31, 2013**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is fluid and cursive.

Executive Director/CEO







### Elected Officials

| <u>City Council</u>                           | <u>Expires</u> |
|-----------------------------------------------|----------------|
| Phyllis Norris, Mayor – District A.....       | May 2017       |
| Marty Chazen, Mayor Pro Tem – District D..... | May 2017       |
| Barbara Traylor Smith – District B.....       | May 2019       |
| Bennett Boeschstein – District C.....         | May 2019       |
| Duncan McArthur – District E.....             | May 2017       |
| Chris Kennedy – District at Large .....       | May 2019       |
| Rick Taggart – District at Large.....         | May 2017       |

### **Election District Boundaries**

### Appointed Officials

|                |                 |
|----------------|-----------------|
| Rich Englehart | City Manager    |
| John P. Shaver | City Attorney   |
| Caré McInnis   | Municipal Judge |

### Department Directors

Tim Moore, Deputy City Manager – Administration  
 Jodi Romero – Financial Operations  
 Claudia Hazelhurst – Human Resources  
 Debbie Kovalik – Convention & Visitor Services  
 Ken Watkins – Fire Chief  
 Rob Schoeber – Parks & Recreation  
 John Camper – Police Chief  
 Greg Lanning – Public Works & Utilities



(This page intentionally left blank)





**FINANCIAL SECTION**



(This page intentionally left blank)

**INDEPENDENT AUDITOR'S REPORT**

June 23, 2015

To the City Council  
City of Grand Junction, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of and for the year ended December 31, 2014, 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.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress 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.

To the City Council  
June 23, 2015

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grand Junction, Colorado's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, component unit financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, and component unit financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, and component unit financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the City's internal control over financial reporting and compliance.

*Chadwick Stiskin, Davis & Co., P.C.*



## MANAGEMENT'S DISCUSSION & ANALYSIS

Our discussion and analysis of the City of Grand Junction's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2014. Please read it in conjunction with the transmittal letter on page 3 and the City's financial statements, which begin on page 31.

### FINANCIAL HIGHLIGHTS

---

- The assets and deferred outflows of resources of the City of Grand Junction exceeded its liabilities and deferred inflows of resources at the close of 2014 by \$701 million (net position) primarily due to annexations. Of this amount, \$15 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City of Grand Junction General Fund revenues, on a budgetary basis, increased by 1.2% in 2014 after increases in some revenues (sales and use taxes, franchise taxes, severance taxes, intergovernmental revenues, and contributions) and decreases in others (property taxes, charges for service, fines and forfeitures, and investment income). In total, General Fund revenues were \$64.5 million, still significantly below 2008 but showing recovery since 2009.
- At the end of 2014, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$11.5 million, or 18.0% of the total General Fund expenditures. This is down \$1.0 million from 2013 which was 19.5% of General Fund expenditures. The overall General Fund balance decreased due to a planned spending of the fund balance for capital improvements.
- The City invested over \$15.4 million in capital projects in 2014. These projects included street construction, machinery, buildings, parks development, and technology and communications systems.
- At the close of 2014, the City had \$8.6 million accumulated for the early retirement of the Riverside Parkway Revenue Bonds. In 2012, \$19 million from the fund together with proceeds from the 2012 Revenue Refunding Bonds issuance were used to advance refund \$43.9 million of the 2004 Riverside Parkway Revenue Bonds.

### OVERVIEW OF FINANCIAL STATEMENTS

---

This discussion and analysis are intended to serve as an introduction to the City of Grand Junction's basic financial statements. The City of Grand Junction's basic financial statements comprise three components: 1) the 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 themselves.

#### Government-Wide Financial Statements

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

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

**The statement of activities** presents information showing how the City of Grand Junction'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 reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid time off).

Both of the government-wide financial statements distinguish functions of the City of Grand Junction that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The *Governmental Activities* of the City of Grand Junction include general government, public safety (police and fire), public works, parks and recreation, and urban development and housing. The *Business-type Activities* of the City of Grand Junction include Water, Convention Center, Solid Waste, Golf Courses, Parking, and Irrigation.

The government-wide financial statements include not only the City of Grand Junction but also a legally separate Grand Junction Downtown Development Authority, for which the City is financially accountable. Financial information for this component is reported separately from the financial information presented for the City itself.

The government-wide financial statements can be found on pages 31 through 33 of this report.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

---

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 of Grand Junction also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

1. **Governmental Funds** – These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

The City of Grand Junction maintains 15 governmental funds, of which (as determined by generally accepted accounting principles) the only major funds are the General Fund, Sales Tax Capital Improvement Fund, Major Capital Improvements Fund, General Debt Service Fund, and Parkway Debt Retirement Fund. The balances of the other 10 governmental funds are determined to be non-major and are included in the combining statements within this report.

The City of Grand Junction adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget. The General Fund budgetary comparison is presented as part of the basic governmental fund financial statements which can be found on pages 34 through 38 of this report. All other required budgetary comparisons, including the Sales Tax Capital Improvement Fund, Major Capital Improvements Fund, General Debt Service Fund, and Parkway Debt Retirement Fund, can be found on pages 86 through 99 of this report.

2. **Proprietary Funds** – The City of Grand Junction maintains two different types of proprietary funds. The first type is enterprise funds which are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Grand Junction uses enterprise funds to account for its Water Utility, Convention Center, Solid Waste, Golf Courses, Parking, and Irrigation.

As determined by generally accepted accounting principles, the Water, Two Rivers Convention Center, Golf Courses and Parking enterprise funds meet the criteria of major fund classification. All other funds are classified as non-major and are included in the combining statements within this report.

The second type is internal service funds which are an accounting device used to accumulate and allocate costs internally among the City of Grand Junction's various functions. The City uses internal service funds for data processing, equipment maintenance, self insurance and the communication center operations. Because these services primarily benefit governmental activities, they have been included with governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 39 through 41.

3. **Fiduciary Funds** – These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for these funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 42 through 43.

**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 45 through 74 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 of Grand Junction's Police Old Hire Pension Plan, Fire Old Hire Pension Plan, and Other Post Employment Healthcare Plan found on page 77 of this report. It also presents other supplemental information concerning the City's Local Highway Finance Report. This supplemental information can be found on pages 159-160 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major proprietary funds, internal service funds and fiduciary funds are presented immediately following the required notes to financial statements. Combining and individual fund statements and schedules can be found beginning on page 82 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the City of Grand Junction, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$701 million at the close of fiscal year 2014.

By far, the largest portion (95.3%) of the City of Grand Junction's total net position reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that 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.

### **STATEMENT OF NET POSITION (in Thousands)**

|                                      | Governmental<br>Activities |           | Business-type<br>Activities |           | Total Primary<br>Government |           |
|--------------------------------------|----------------------------|-----------|-----------------------------|-----------|-----------------------------|-----------|
|                                      | 2014                       | 2013      | 2014                        | 2013      | 2014                        | 2013      |
| Current and other assets             | \$58,024                   | \$61,120  | \$(2,480)                   | \$(3,076) | \$55,544                    | \$58,044  |
| Capital assets                       | 682,473                    | 692,182   | 61,059                      | 50,919    | 743,532                     | 743,101   |
| Total assets                         | 740,497                    | 753,302   | 58,579                      | 47,843    | 799,076                     | 801,145   |
| Total deferred outflows of resources | 1,878                      | 2,216     | -                           | -         | 1,878                       | 2,216     |
| Long-term debt outstanding           | 82,402                     | 87,253    | 5,412                       | 5,748     | 87,814                      | 93,001    |
| Other liabilities                    | 4,326                      | 5,335     | 688                         | 523       | 5,014                       | 5,858     |
| Total liabilities                    | 86,728                     | 92,588    | 6,100                       | 6,271     | 92,828                      | 98,859    |
| Total deferred inflows of resources  | 7,377                      | 7,669     | -                           | -         | 7,377                       | 7,669     |
| Net position:                        |                            |           |                             |           |                             |           |
| Net investment in capital assets     | 611,761                    | 617,382   | 56,208                      | 45,721    | 667,969                     | 663,103   |
| Restricted                           | 17,330                     | 14,512    | -                           | -         | 17,330                      | 14,512    |
| Unrestricted                         | 19,179                     | 23,367    | (3,729)                     | (4,149)   | 15,450                      | 19,218    |
| Total net position                   | \$648,270                  | \$655,261 | \$52,479                    | \$41,572  | \$700,749                   | \$696,833 |

An additional portion of the City of Grand Junction's net position, 2.5%, represents resources that are subject to external restrictions on how they may be used.

## Changes in Net Position

The City's total revenues of \$118.8 million exceeded program expenses of \$114.9 million for an increase in net position of \$3.9 million.

### CHANGES IN NET POSITION

(in Thousands)

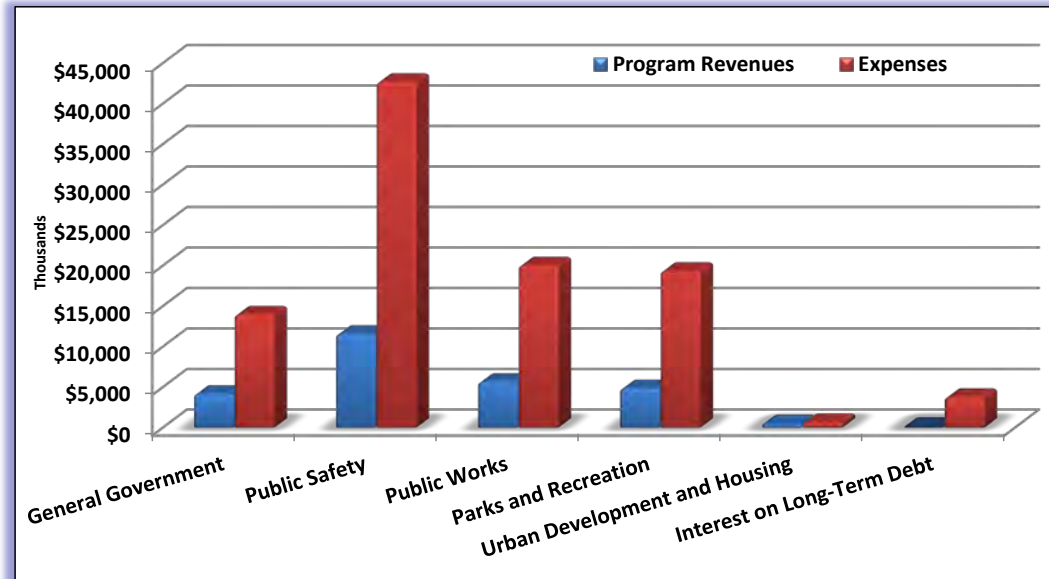
|                                                      | Governmental Activities |                  | Business-type Activities |                 | Total Primary Government |                  |
|------------------------------------------------------|-------------------------|------------------|--------------------------|-----------------|--------------------------|------------------|
|                                                      | 2014                    | 2013             | 2014                     | 2013            | 2014                     | 2013             |
| <b>Revenues:</b>                                     |                         |                  |                          |                 |                          |                  |
| Program revenues:                                    |                         |                  |                          |                 |                          |                  |
| Charges for services                                 | \$ 17,407               | \$ 18,697        | \$ 13,978                | \$ 13,072       | \$ 31,385                | \$ 31,769        |
| Operating grants                                     | 3,012                   | 3,951            | 173                      | 80              | 3,185                    | 4,031            |
| Capital grants                                       | 6,279                   | 7,190            | 10,729                   | 340             | 17,008                   | 7,530            |
| General revenues:                                    |                         |                  |                          |                 |                          |                  |
| Property taxes                                       | 8,089                   | 8,838            | -                        | -               | 8,089                    | 8,838            |
| Sales and use taxes                                  | 51,273                  | 50,468           | -                        | -               | 51,273                   | 50,468           |
| Other taxes                                          | 7,532                   | 6,723            | -                        | -               | 7,532                    | 6,723            |
| Other general revenues                               | 321                     | 77               | 19                       | (8)             | 340                      | 69               |
| Total revenues                                       | 93,913                  | 95,944           | 24,899                   | 13,484          | 118,812                  | 109,428          |
| <b>Expenses:</b>                                     |                         |                  |                          |                 |                          |                  |
| General government                                   | 13,966                  | 16,206           | -                        | -               | 13,966                   | 16,206           |
| Public safety                                        | 42,680                  | 40,054           | -                        | -               | 42,680                   | 40,054           |
| Public works                                         | 20,026                  | 20,093           | -                        | -               | 20,026                   | 20,093           |
| Parks and recreation                                 | 19,345                  | 7,279            | -                        | -               | 19,345                   | 7,279            |
| Urban development and housing                        | 635                     | 592              | -                        | -               | 635                      | 592              |
| Interest on long-term debt                           | 3,775                   | 3,953            | -                        | -               | 3,775                    | 3,953            |
| Water                                                | -                       | -                | 5,757                    | 5,421           | 5,757                    | 5,421            |
| Convention Center                                    | -                       | -                | 2,805                    | 2,591           | 2,805                    | 2,591            |
| Solid Waste Removal                                  | -                       | -                | 3,231                    | 3,131           | 3,231                    | 3,131            |
| Golf                                                 | -                       | -                | 1,929                    | 2,064           | 1,929                    | 2,064            |
| Parking                                              | -                       | -                | 422                      | 405             | 422                      | 405              |
| Irrigation systems                                   | -                       | -                | 325                      | 315             | 325                      | 315              |
| Total expenses                                       | 100,427                 | 88,177           | 14,469                   | 13,927          | 114,896                  | 102,104          |
| Increase (decrease) in net position before transfers | (6,514)                 | 7,767            | 10,430                   | (443)           | 3,916                    | 7,324            |
| Transfers                                            | (477)                   | (680)            | 477                      | 680             | -                        | -                |
| Increase (decrease) in net position                  | (6,991)                 | 7,087            | 10,907                   | 237             | 3,916                    | 7,324            |
| <b>Net position 1/1/14</b>                           | <b>655,261</b>          | <b>648,174</b>   | <b>41,572</b>            | <b>41,335</b>   | <b>696,833</b>           | <b>689,509</b>   |
| <b>Net position 12/31/14</b>                         | <b>\$648,270</b>        | <b>\$655,261</b> | <b>\$52,479</b>          | <b>\$41,572</b> | <b>\$700,749</b>         | <b>\$696,833</b> |

## Governmental Activities

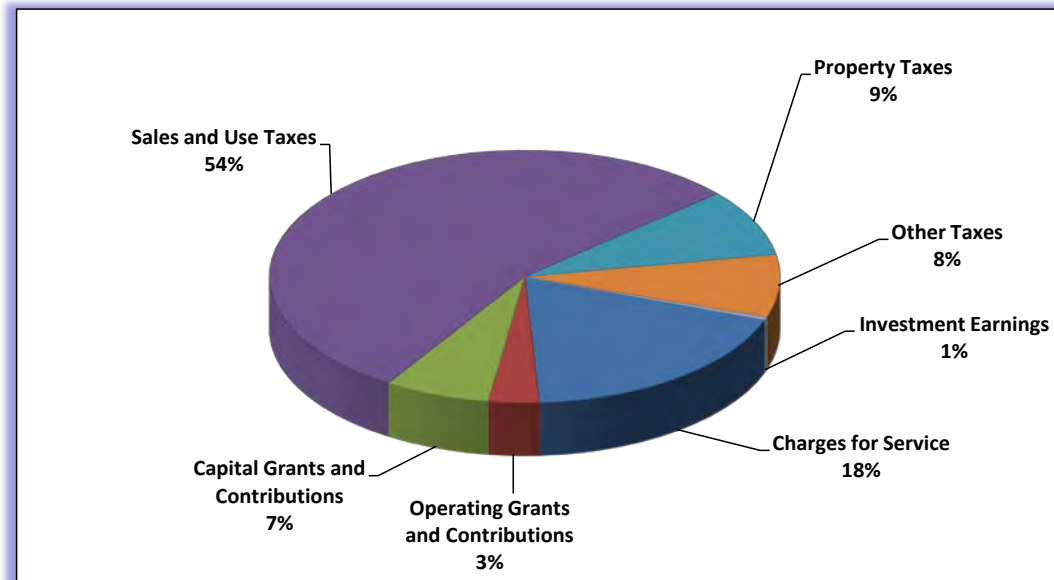
Governmental Activities decreased the City of Grand Junction's net position by \$7.0 million. Following are illustrative summaries of Governmental Activities breaking out revenues and expenses.



## EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES



## REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



While sales tax revenue increased \$1.5 million compared to 2013, use tax revenues decreased \$726 thousand. The majority of use tax revenues come from the energy, construction and development industries which continue to experience varying levels of activity from year to year. Property tax revenue decreased by \$749 thousand, or 8.5%, during the year. This decrease was attributed to decreased valuations of existing properties and minimal new construction during the last valuation period (June 2012). The mill levy has remained constant since 1992. Other tax revenues, including severance tax and federal mineral leasing, have increased by \$809 thousand, or 12.0%, compared to 2013.

Charges for services revenue decreased by \$1.3 million compared to 2013. This decrease was a result of fees associated with several large commercial developments in 2013 that did not occur in 2014.

Capital grants and contributions decreased by \$911 thousand, or 12.7%, compared to 2013. This is a result of continued reductions in local development and infrastructure annexations.

### Business-type Activities

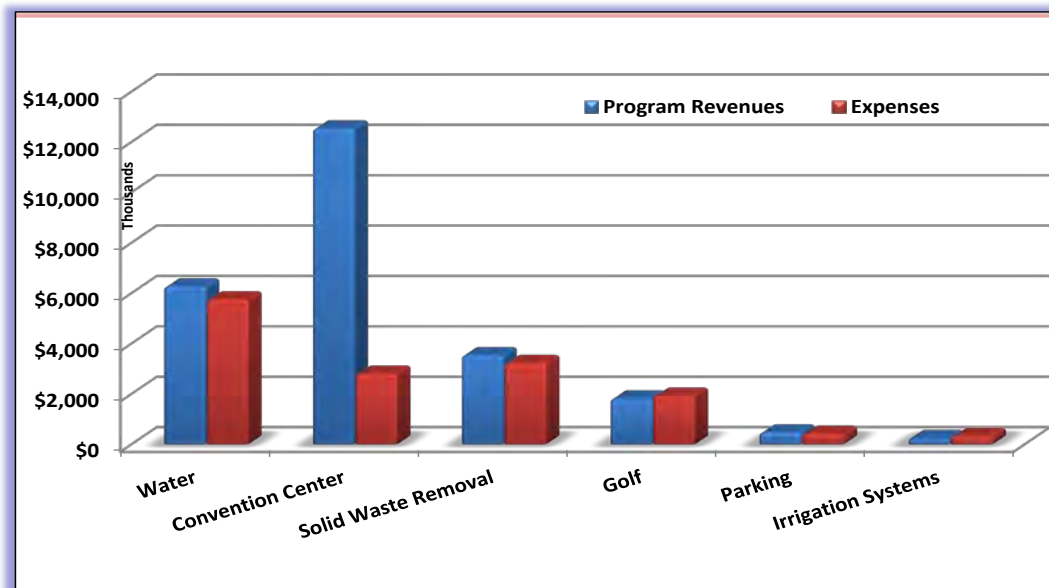
Net position in the Business-type activities increased by \$10.9 million due to significant capital contributions from Governmental activities for improvements made to the Avalon Theatre. Business-type activities include Water, Convention Center, Solid Waste, Golf Courses, Parking, and Irrigation.

The Two Rivers Convention Center and Golf Fund received transfers from the Visitors and Convention Bureau Fund, Conservation Trust Fund and General Fund to subsidize operations and fund capital improvements.

Unrestricted net position at the end of the year for business-type activities amounted to (\$3.7) million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Grand Junction business-type activities.

The following chart demonstrates the current level of recovery for the City's business-type activities:

**EXPENSE AND PROGRAM REVENUES – BUSINESS-TYPE ACTIVITIES**



**REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES**



## **FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS**

---

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

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.

As of December 31, 2014, the City's governmental funds (general, special revenue, debt service, capital projects and permanent) reported combined fund balances of \$37.9 million. This represents a decrease of \$617 thousand under last year's ending balances. The reasons for significant changes in fund balances are described below.

Revenues, on a budgetary basis, in the General Fund increased 1.2% over 2013 while expenditures increased 1.5%. The majority of these revenue increases were from sales and use taxes while expenditure increases were in public safety. The General Fund's total fund balance, on a budgetary basis, decreased \$2.2 million from last year. The General Fund expenditures (including transfers) of \$67.4 million were 1.03% of General Fund revenues. During 2014, the General Fund transferred \$1.3 million to fund several capital improvement projects. The City of Grand Junction has continued to manage its expenditures to operate within its current financial resources.

The fund balance in the Sales Tax Capital Improvements Fund increased by nearly \$1.0 million during the year ended December 31, 2014. This increase was a result of several capital improvement projects that were started but not completed in 2014. The completion of these projects is anticipated for 2015.

The total fund balance in the Major Capital Improvements Fund decreased \$2.2 million during the year ended December 31, 2014. All of the remaining local and Downtown Development Authority contributions as well as City sales and use tax revenues were used for the completion of improvements and expansion of the Avalon Theatre.

The fund balance in the Parkway Debt Retirement Fund increased by \$2.1 million from the General Fund transfer of TABOR revenue excess to be set aside for the payment of the outstanding Riverside Parkway bonded debt, as approved by the voters in April 2007.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

---

During the year, the General Fund budget was amended from an original appropriation total of \$67.0 million to a final budget of \$68.0 million. All recommended revisions for budget changes came through the Financial Operations Department and City Manager to City Council as required. Any budget revisions that require supplemental appropriations at the fund level are presented to City Council via Ordinance and enactment requiring a public hearing and the opportunity for public discussion. The City does allow small intra-departmental budget changes that modify line items within departments within the same fund. The original and final adopted budgets for the General Fund are presented on page 38.

For the General Fund, the original budget for revenues was \$63.9 million while the final budgeted amount was \$64.3 million, reflecting an increase in the projection for tax revenues. Actual revenues, on a budgetary basis, for 2014 came in \$907 thousand higher than the final budget at \$65.2 million. This was primarily due to various tax revenues and charges for services performing better than expected, offset slightly by a decrease in intergovernmental revenues.

Actual General Fund expenditures (including transfers) totaled \$67.4 million. General Fund expenditures (including transfers) were approximately \$650 thousand, 1.0%, less than the final budget. This was due to achieving higher than expected budget savings in the department operating budgets from prudent spending and a mild winter as well as savings in transfers out for capital expenditures.

The year-end budgetary basis fund balance of \$22.2 million was nearly \$1.6 million above the final budgeted amount. This was due to higher than anticipated growth in sales and use taxes and franchise taxes as well as department operational savings.

The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds, either by state or local ordinance or by a desire to maintain a matching of revenues and expenses, are accounted for in this fund. Revenues exceeded expenditures in the General Fund by \$614 thousand during the year. The General Fund's total fund balance decreased \$2.2 million from last year. An analysis for this fund balance shows that it represents over 34.2% of projected revenues for the new fiscal year which ends December 31, 2015.

Taxes continue to be the largest source of revenue in the General Fund and represent 82.7% of total general fund revenues. The largest element of taxes is sales taxes, as it has been for many years. It represents 70.7% of total tax revenues and represents 58.4% of total general fund revenues.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2014, the City had invested in a broad range of capital assets, including police and fire equipment, roads, parks, water, storm drainage and other infrastructure.

The following table provides a summary of total capital assets at December 31, 2014.

### **CAPITAL ASSETS AT YEAR-END (Net of Depreciation, in Thousands)**

|                                      | Governmental<br>Activities |             | Business-type<br>Activities |             | Total       |             |
|--------------------------------------|----------------------------|-------------|-----------------------------|-------------|-------------|-------------|
|                                      | <u>2014</u>                | <u>2013</u> | <u>2014</u>                 | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| Land                                 | \$303,071                  | \$302,050   | \$ 5,194                    | \$ 5,149    | \$308,265   | \$307,199   |
| Buildings and systems                | 74,927                     | 76,870      | 48,709                      | 39,441      | 123,636     | 116,311     |
| Improvements other than<br>buildings | 13,895                     | 14,864      | 4,353                       | 4,587       | 18,248      | 19,451      |
| Vehicles, machinery &<br>equipment   | 22,707                     | 21,429      | 1,610                       | 1,366       | 24,317      | 22,795      |
| Infrastructure                       | 265,158                    | 266,285     | -                           | -           | 265,158     | 266,285     |
| Construction in progress             | 1,406                      | 9,375       | 1,002                       | 185         | 2,408       | 9,560       |
| Intangible assets                    | 1,309                      | 1,309       | 191                         | 191         | 1,500       | 1,500       |
| Total                                | \$682,473                  | \$692,182   | \$61,059                    | \$50,919    | \$743,532   | \$743,101   |

Major capital additions during 2014 include:

|                                                 | <u>2014</u> |
|-------------------------------------------------|-------------|
| Avalon Theatre Renovation                       | \$5,560,251 |
| Equipment Replacement Program                   | 3,093,693   |
| Street Overlay Program                          | 817,688     |
| Water Tank Painting                             | 713,698     |
| Information Technology Replacement Program      | 542,259     |
| Kannah Creek Flowline Replacement               | 507,816     |
| 800MHz Radio Infrastructure                     | 360,242     |
| Information Technology Core Switch Replacements | 347,058     |
| Cardiac Monitors                                | 341,634     |
| Curb, Gutter & Sidewalk Program                 | 183,215     |

The City remains committed to the upkeep and maintenance of the City's largest assets. More detailed information about the City's capital assets is presented in Note 5 on pages 57 through 59.

### **Debt Administration**

The City has traditionally adhered to a conservative debt management policy that carefully controls the amount of outstanding debt. Because of our strong capital improvement budgeting process, the City of Grand Junction has been able to maintain and improve its infrastructure while avoiding unreasonable debt burdens. To take advantage of favorable rates, the City did issue \$30.6 million in General Fund Revenue Refunding Bonds in 2012 to advance refund

part of the outstanding 2004 General Fund Revenue Bonds issued to finance the construction of the Riverside Parkway project. Standard and Poor's Rating Group gave the City the rating of AA on the revenue bond issue while the City's general obligation bond ratings and certificates of participation ratings are A+.

As of December 31, 2014, the City of Grand Junction had \$78.8 million in outstanding debt. Of this amount, \$74.0 million represents General Government debt. The largest portion, \$39.6 million, is the liability from the issuance of certificates of participation for the Stadium Improvements Project and the Public Safety Buildings Project. \$34.4 million is the liability from the Riverside Parkway Refunding revenue bonds issued in 2012. The remaining \$4.8 million of outstanding debt is bonds, notes and loans to be repaid by fee revenue and appropriated funds. Total debt service payments of approximately \$4.4 million in 2015 represents 4.3% of total budgeted operating expenditures. Additional information on the City's long-term debt can be found in Note 7 on pages 61 through 63.

The table below provides a summary of total debt at December 31, 2014.

**OUTSTANDING DEBT, AT YEAR-END**  
**(in Thousands)**

|                                                                     | Governmental<br>Activities |                 | Business-type<br>Activities |                | Total           |                 |
|---------------------------------------------------------------------|----------------------------|-----------------|-----------------------------|----------------|-----------------|-----------------|
|                                                                     | <u>2014</u>                | <u>2013</u>     | <u>2014</u>                 | <u>2013</u>    | <u>2014</u>     | <u>2013</u>     |
| Revenue bonds and notes<br>(backed by tax and fee revenue)          | \$34,413                   | \$38,851        | \$ -                        | \$ -           | \$34,413        | \$38,851        |
| Certificates of participation<br>(backed by the constructed assets) | 39,557                     | 40,426          | -                           | -              | 39,557          | 40,426          |
| Loans (backed by fee revenue)                                       | -                          | -               | 4,851                       | 5,198          | 4,851           | 5,198           |
| Total                                                               | <u>\$73,970</u>            | <u>\$79,277</u> | <u>\$4,851</u>              | <u>\$5,198</u> | <u>\$78,821</u> | <u>\$84,475</u> |

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The local economy continues to show signs of gradual recover since the national recession. Sales tax revenues for 2014 were budgeted at a 3% increase, and City-wide reserves are at levels currently directed by City Council. Grand Junction continues to be the educational, retail, and medical center for most of Western Colorado and Eastern Utah. Those factors, coupled with tourism, the abundance of outdoor recreational opportunities, the expansion of Colorado Mesa University, and the ability to attract new businesses and retirees, all contribute to our local economy.

General Fund balances are above amounts recommended per the City Council's budget policy direction. The City's investment in capital; transportation infrastructure, public safety, utility systems, parks, and economic development continues to be a significant portion (17%) of the budget.

Rates in the Utility Funds will be set to cover operating and future capital investment. In 2015, utility revenues will be increased by an average of 6% in residential water fees, an average of 5% increase in commercial water fees, a .5% increase in sewer fees, and a 4% increase in solid waste rates.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact the City's Financial Operations Department at City of Grand Junction, 250 N. 5<sup>th</sup> Street, Grand Junction, CO 81501.



# Grand Junction





**BASIC FINANCIAL STATEMENTS**



(This page intentionally left blank)



City of Grand Junction  
**STATEMENT OF NET POSITION**  
December 31, 2014

|                                                        | Primary Government      |                          |                       | Component Unit                 |
|--------------------------------------------------------|-------------------------|--------------------------|-----------------------|--------------------------------|
|                                                        | Governmental Activities | Business-type Activities | Total                 | Downtown Development Authority |
| <b>ASSETS</b>                                          |                         |                          |                       |                                |
| Cash and investments                                   | \$ 31,914,957           | \$ 3,062,645             | \$ 34,977,602         | \$ 2,526,146                   |
| Other receivables, net of allowance for uncollectibles | 17,649,859              | 986,777                  | 18,636,636            | 1,413,859                      |
| Internal balances                                      | 6,568,557               | (6,568,557)              | -                     | -                              |
| Prepays                                                | 103,741                 | 1,300                    | 105,041               | -                              |
| Inventories                                            | 180,095                 | 37,842                   | 217,937               | -                              |
| Restricted cash and investments                        | 534,188                 | -                        | 534,188               | -                              |
| Net pension asset                                      | 1,073,017               | -                        | 1,073,017             | -                              |
| Capital assets (net of accumulated depreciation):      |                         |                          |                       |                                |
| Land                                                   | 303,071,068             | 5,193,890                | 308,264,958           | 794,691                        |
| Buildings and systems                                  | 74,927,105              | 48,708,629               | 123,635,734           | 1,686,060                      |
| Improvements other than buildings                      | 13,895,372              | 4,353,406                | 18,248,778            | 742,621                        |
| Equipment                                              | 22,706,770              | 1,609,732                | 24,316,502            | 642,809                        |
| Infrastructure                                         | 265,158,274             | -                        | 265,158,274           | -                              |
| Construction in progress                               | 1,405,307               | 1,002,815                | 2,408,122             | 7,430                          |
| Intangible assets                                      | 1,308,632               | 190,464                  | 1,499,096             | -                              |
| Total assets                                           | <u>740,496,942</u>      | <u>58,578,943</u>        | <u>799,075,885</u>    | <u>7,813,616</u>               |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |                         |                          |                       |                                |
| Deferred charge on refunding                           | 1,878,462               | -                        | 1,878,462             | -                              |
| Total deferred outflows of resources                   | <u>1,878,462</u>        | <u>-</u>                 | <u>1,878,462</u>      | <u>-</u>                       |
| <b>LIABILITIES</b>                                     |                         |                          |                       |                                |
| Accounts payable and other current liabilities         | 3,458,840               | 646,645                  | 4,105,485             | 31,096                         |
| Accrued interest payable                               | 706,294                 | 41,240                   | 747,534               | 11,451                         |
| Unearned revenue                                       | 161,592                 | -                        | 161,592               | -                              |
| Noncurrent liabilities:                                |                         |                          |                       |                                |
| Due within one year                                    | 5,018,650               | 388,718                  | 5,407,368             | 635,586                        |
| Due in more than one year                              | 77,383,085              | 5,023,736                | 82,406,821            | 5,289,690                      |
| Total liabilities                                      | <u>86,728,461</u>       | <u>6,100,339</u>         | <u>92,828,800</u>     | <u>5,967,823</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                   |                         |                          |                       |                                |
| Property taxes                                         | 7,377,313               | -                        | 7,377,313             | 1,399,429                      |
| Total deferred inflows of resources                    | <u>7,377,313</u>        | <u>-</u>                 | <u>7,377,313</u>      | <u>1,399,429</u>               |
| <b>NET POSITION</b>                                    |                         |                          |                       |                                |
| Net investment in capital assets                       | 611,760,765             | 56,207,881               | 667,968,646           | 3,816,756                      |
| Restricted for :                                       |                         |                          |                       |                                |
| Perpetual care:                                        |                         |                          |                       |                                |
| Nonexpendable                                          | 1,352,852               | -                        | 1,352,852             | -                              |
| Debt service                                           | 9,839,927               | -                        | 9,839,927             | 1,810,050                      |
| Emergency reserves                                     | 2,000,000               | -                        | 2,000,000             | -                              |
| General capital improvements                           | 1,040,494               | -                        | 1,040,494             | -                              |
| Legends historical sculptures project                  | -                       | -                        | -                     | 53,299                         |
| Museum and library                                     | 160,880                 | -                        | 160,880               | -                              |
| Parks and recreation                                   | 208,860                 | -                        | 208,860               | -                              |
| Public safety                                          | 2,727,282               | -                        | 2,727,282             | -                              |
| Urban development and housing                          | -                       | -                        | -                     | 645,545                        |
| Unrestricted                                           | 19,178,570              | (3,729,277)              | 15,449,293            | (5,879,286)                    |
| Total net position                                     | <u>\$ 648,269,630</u>   | <u>\$ 52,478,604</u>     | <u>\$ 700,748,234</u> | <u>\$ 446,364</u>              |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2014

| FUNCTIONS/PROGRAMS             | Expenses              | Program Revenues     |                                    |                                  |
|--------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|
|                                |                       | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary government:</b>     |                       |                      |                                    |                                  |
| Governmental activities:       |                       |                      |                                    |                                  |
| General government             | \$ 13,966,239         | \$ 2,940,902         | \$ 1,235,700                       | \$ -                             |
| Public safety                  | 42,680,344            | 10,485,105           | 451,884                            | 628,125                          |
| Public works                   | 20,025,758            | 1,925,024            | 3,165                              | 3,712,516                        |
| Parks and recreation           | 19,345,400            | 2,056,017            | 857,965                            | 1,938,717                        |
| Urban development and housing  | 634,827               | -                    | 462,899                            | -                                |
| Interest on long-term debt     | 3,774,690             | -                    | -                                  | -                                |
| Total governmental activities  | <u>100,427,258</u>    | <u>17,407,048</u>    | <u>3,011,613</u>                   | <u>6,279,358</u>                 |
|                                |                       |                      |                                    |                                  |
| Business-type Activities:      |                       |                      |                                    |                                  |
| Water                          | 5,757,132             | 5,877,233            | 169,465                            | 219,802                          |
| Convention Center              | 2,804,818             | 2,026,520            | 3,096                              | 10,507,815                       |
| Solid Waste Removal            | 3,231,386             | 3,538,962            | -                                  | -                                |
| Golf                           | 1,928,826             | 1,818,323            | -                                  | -                                |
| Parking                        | 421,526               | 475,368              | -                                  | -                                |
| Irrigation Systems             | 325,255               | 241,265              | -                                  | 1,820                            |
| Total business-type activities | <u>14,468,943</u>     | <u>13,977,671</u>    | <u>172,561</u>                     | <u>10,729,437</u>                |
| Total primary government       | <u>\$ 114,896,201</u> | <u>\$ 31,384,719</u> | <u>\$ 3,184,174</u>                | <u>\$ 17,008,795</u>             |
|                                |                       |                      |                                    |                                  |
| <b>Component unit:</b>         |                       |                      |                                    |                                  |
| Downtown Development Authority | \$ 1,565,280          | \$ 36,292            | \$ -                               | \$ 515,340                       |

General revenues:

- Sales & use taxes
- Property taxes
- Franchise taxes
- Highway users tax
- Other shared taxes
- Investment earnings
- Gain on sale of capital assets

Transfers

- Total general revenues
- Change in net position
- Net position - beginning
- Net position - ending

The notes to the financial statements are an integral part of this statement.

**Net (Expense) Revenue and Changes in Net Assets**

| Primary Government            |                             |                               | Component Unit                 |
|-------------------------------|-----------------------------|-------------------------------|--------------------------------|
| Governmental Activities       | Business-type Activities    | Total                         | Downtown Development Authority |
| \$ (9,789,637)                | \$ -                        | \$ (9,789,637)                | \$ -                           |
| (31,115,230)                  | -                           | (31,115,230)                  | -                              |
| (14,385,053)                  | -                           | (14,385,053)                  | -                              |
| (14,492,701)                  | -                           | (14,492,701)                  | -                              |
| (171,928)                     | -                           | (171,928)                     | -                              |
| (3,774,690)                   | -                           | (3,774,690)                   | -                              |
| <u>(73,729,239)</u>           | <u>-</u>                    | <u>(73,729,239)</u>           | <u>-</u>                       |
| -                             | 509,368                     | 509,368                       | -                              |
| -                             | 9,732,613                   | 9,732,613                     | -                              |
| -                             | 307,576                     | 307,576                       | -                              |
| -                             | (110,503)                   | (110,503)                     | -                              |
| -                             | 53,842                      | 53,842                        | -                              |
| -                             | (82,170)                    | (82,170)                      | -                              |
| <u>-</u>                      | <u>10,410,726</u>           | <u>10,410,726</u>             | <u>-</u>                       |
| \$ <u><u>(73,729,239)</u></u> | \$ <u><u>10,410,726</u></u> | \$ <u><u>(63,318,513)</u></u> | \$ <u><u>-</u></u>             |
| -                             | -                           | -                             | (1,013,648)                    |
| 51,272,814                    | -                           | 51,272,814                    | -                              |
| 8,089,029                     | -                           | 8,089,029                     | 1,651,056                      |
| 2,977,638                     | -                           | 2,977,638                     | -                              |
| 2,240,348                     | -                           | 2,240,348                     | -                              |
| 2,313,571                     | -                           | 2,313,571                     | -                              |
| 320,989                       | 19,127                      | 340,116                       | 13,324                         |
| -                             | -                           | -                             | -                              |
| <u>(477,014)</u>              | <u>477,014</u>              | <u>-</u>                      | <u>-</u>                       |
| <u>66,737,375</u>             | <u>496,141</u>              | <u>67,233,516</u>             | <u>1,664,380</u>               |
| (6,991,864)                   | 10,906,867                  | 3,915,003                     | 650,732                        |
| 655,261,494                   | 41,571,737                  | 696,833,231                   | (204,368)                      |
| \$ <u><u>648,269,630</u></u>  | \$ <u><u>52,478,604</u></u> | \$ <u><u>700,748,234</u></u>  | \$ <u><u>446,364</u></u>       |

City of Grand Junction  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2014

|                                                                     | General Fund         | Sales Tax Capital Improvements Capital Projects Fund | Major Capital Improvements Capital Projects Fund | General Debt Service Fund | Parkway Debt Retirement Fund | Other Governmental Funds | Total Governmental Funds |
|---------------------------------------------------------------------|----------------------|------------------------------------------------------|--------------------------------------------------|---------------------------|------------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                                                       |                      |                                                      |                                                  |                           |                              |                          |                          |
| Cash and investments                                                | \$ 9,268,324         | \$ -                                                 | \$ -                                             | \$ -                      | \$ 8,604,537                 | \$ 6,205,168             | \$ 24,078,029            |
| Interest receivable                                                 | 57,847               | -                                                    | -                                                | -                         | -                            | -                        | 57,847                   |
| Accounts receivable, net of allowances                              |                      |                                                      |                                                  |                           |                              |                          |                          |
| for uncollectibles                                                  | 1,459,072            | -                                                    | 150,000                                          | -                         | -                            | 372,153                  | 1,981,225                |
| Taxes receivable                                                    | 11,923,972           | 1,303,288                                            | -                                                | -                         | -                            | 134,436                  | 13,361,696               |
| Special assessments receivable                                      | -                    | 39,567                                               | -                                                | -                         | -                            | -                        | 39,567                   |
| Intergovernmental receivables                                       | 338,136              | 117,628                                              | 292,957                                          | 351,556                   | -                            | 30,780                   | 1,131,057                |
| Due from other funds                                                | 1,475,373            | -                                                    | -                                                | -                         | -                            | -                        | 1,475,373                |
| Prepaid Items                                                       | 12,811               | -                                                    | -                                                | -                         | -                            | 9,120                    | 21,931                   |
| Inventories                                                         | 180,095              | -                                                    | -                                                | -                         | -                            | -                        | 180,095                  |
| Restricted cash and investments                                     | 533,500              | -                                                    | -                                                | -                         | -                            | -                        | 533,500                  |
| Advances to other funds                                             | 6,659,711            | -                                                    | -                                                | -                         | -                            | -                        | 6,659,711                |
| Total assets                                                        | <u>\$ 31,908,841</u> | <u>\$ 1,460,483</u>                                  | <u>\$ 442,957</u>                                | <u>\$ 351,556</u>         | <u>\$ 8,604,537</u>          | <u>\$ 6,751,657</u>      | <u>\$ 49,520,031</u>     |
| <b>LIABILITIES</b>                                                  |                      |                                                      |                                                  |                           |                              |                          |                          |
| Accounts payable                                                    | 902,082              | 135,428                                              | 12,186                                           | 2,516                     | -                            | 639,272                  | 1,691,484                |
| Accrued liabilities                                                 | 1,270,723            | -                                                    | -                                                | -                         | -                            | 25,026                   | 1,295,749                |
| Due to other funds                                                  | -                    | 218,017                                              | 430,771                                          | 348,965                   | -                            | 10,289                   | 1,008,042                |
| Unearned revenue                                                    | 103,802              | 26,977                                               | -                                                | -                         | -                            | 30,813                   | 161,592                  |
| Total liabilities                                                   | <u>2,276,607</u>     | <u>380,422</u>                                       | <u>442,957</u>                                   | <u>351,481</u>            | <u>-</u>                     | <u>705,400</u>           | <u>4,156,867</u>         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                |                      |                                                      |                                                  |                           |                              |                          |                          |
| Property taxes                                                      | 7,377,313            | -                                                    | -                                                | -                         | -                            | -                        | 7,377,313                |
| Unavailable revenue-special assessments                             | -                    | 39,567                                               | -                                                | -                         | -                            | -                        | 39,567                   |
| Total deferred inflows of resources                                 | <u>7,377,313</u>     | <u>39,567</u>                                        | <u>-</u>                                         | <u>-</u>                  | <u>-</u>                     | <u>-</u>                 | <u>7,416,880</u>         |
| <b>FUND BALANCES</b>                                                |                      |                                                      |                                                  |                           |                              |                          |                          |
| Nonspendable:                                                       |                      |                                                      |                                                  |                           |                              |                          |                          |
| Advances                                                            | \$ 6,659,711         | \$ -                                                 | \$ -                                             | \$ -                      | \$ -                         | \$ -                     | \$ 6,659,711             |
| Inventories and prepaids                                            | 192,906              | -                                                    | -                                                | -                         | -                            | 9,120                    | 202,026                  |
| Permanent fund principal                                            | -                    | -                                                    | -                                                | -                         | -                            | 1,352,852                | 1,352,852                |
| Restricted for:                                                     |                      |                                                      |                                                  |                           |                              |                          |                          |
| Debt service                                                        | 1,751,455            | -                                                    | -                                                | 75                        | 8,604,537                    | 17,360                   | 10,373,427               |
| Emergency reserves                                                  | 2,000,000            | -                                                    | -                                                | -                         | -                            | -                        | 2,000,000                |
| General capital improvements                                        | -                    | 1,040,494                                            | -                                                | -                         | -                            | -                        | 1,040,494                |
| Museum and library                                                  | 160,880              | -                                                    | -                                                | -                         | -                            | -                        | 160,880                  |
| Parks and recreation                                                | 25,000               | -                                                    | -                                                | -                         | -                            | 183,860                  | 208,860                  |
| Public safety                                                       | -                    | -                                                    | -                                                | -                         | -                            | 2,563,041                | 2,563,041                |
| Committed to:                                                       |                      |                                                      |                                                  |                           |                              |                          |                          |
| Open space                                                          | -                    | -                                                    | -                                                | -                         | -                            | 988,197                  | 988,197                  |
| Street capacity expansion                                           | -                    | -                                                    | -                                                | -                         | -                            | 645,455                  | 645,455                  |
| Tourism and convention                                              | -                    | -                                                    | -                                                | -                         | -                            | 286,372                  | 286,372                  |
| Assigned to:                                                        |                      |                                                      |                                                  |                           |                              |                          |                          |
| Avalon Theatre building improvements                                | -                    | -                                                    | -                                                | -                         | -                            | -                        | -                        |
| Cultural arts                                                       | 13,856               | -                                                    | -                                                | -                         | -                            | -                        | 13,856                   |
| Public safety building improvements                                 | -                    | -                                                    | -                                                | -                         | -                            | -                        | -                        |
| Retiree health benefits                                             | 1,089,170            | -                                                    | -                                                | -                         | -                            | -                        | 1,089,170                |
| Subsequent year's expenditures                                      | 1,245,409            | -                                                    | -                                                | -                         | -                            | -                        | 1,245,409                |
| Unassigned:                                                         | 9,116,534            | -                                                    | -                                                | -                         | -                            | -                        | 9,116,534                |
| Total fund balances                                                 | <u>22,254,921</u>    | <u>1,040,494</u>                                     | <u>-</u>                                         | <u>75</u>                 | <u>8,604,537</u>             | <u>6,046,257</u>         | <u>37,946,284</u>        |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 31,908,841</u> | <u>\$ 1,460,483</u>                                  | <u>\$ 442,957</u>                                | <u>\$ 351,556</u>         | <u>\$ 8,604,537</u>          | <u>\$ 6,751,657</u>      | <u>\$ 49,520,031</u>     |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION**  
 December 31, 2014

Amounts reported for governmental activities on the statement of net position (page 31)  
 are different because:

|                                                                                                                                                                                                                                                                                                                                                                                      |                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Total fund balance - governmental funds (page 34)                                                                                                                                                                                                                                                                                                                                    | \$ 37,946,284                |
| Capital assets used in governmental activities are not financial resources and, therefore,<br>are not reported in the funds.                                                                                                                                                                                                                                                         | 663,245,964                  |
| The net pension asset is not an available resource and , therefore, is not reported in the funds                                                                                                                                                                                                                                                                                     | 1,073,017                    |
| Other long-term assets are not available to pay current expenditures, and therefore,<br>are reported as unavailable revenue in the funds.                                                                                                                                                                                                                                            | 90,626                       |
| Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation & maintenance,<br>self-insurance activities, and communication services to individual funds. The assets \$28,173,398 and liabilities (\$3,220,343) of the<br>internal service funds are included in governmental activities in the statement of net position. | 24,953,055                   |
| Interfund for internal service fund allocated to business-type activities.                                                                                                                                                                                                                                                                                                           | (558,485)                    |
| Long-term liabilities including bonds and notes payable, capital leases, compensated absences and accrued<br>interest are not due and payable in the current period and therefore are not reported in the funds.                                                                                                                                                                     |                              |
| Revenue bonds                                                                                                                                                                                                                                                                                                                                                                        | \$ (30,645,000)              |
| Bond premium (to be amortized over life of debt)                                                                                                                                                                                                                                                                                                                                     | (3,767,916)                  |
| Deferred charge on refunding (to be amortized<br>over life of debt)                                                                                                                                                                                                                                                                                                                  | 1,878,462                    |
| Certificates of participation                                                                                                                                                                                                                                                                                                                                                        | (39,920,000)                 |
| Discount on certificates of participation (to be amortized over life of lease)                                                                                                                                                                                                                                                                                                       | 362,673                      |
| Net pension obligation                                                                                                                                                                                                                                                                                                                                                               | (147,294)                    |
| Accrued interest payable                                                                                                                                                                                                                                                                                                                                                             | (706,294)                    |
| Compensated absences                                                                                                                                                                                                                                                                                                                                                                 | (3,188,967)                  |
| Other Post Employment Benefit Obligation                                                                                                                                                                                                                                                                                                                                             | (2,346,495)                  |
|                                                                                                                                                                                                                                                                                                                                                                                      | (78,480,831)                 |
| Total net position - governmental activities (page 31)                                                                                                                                                                                                                                                                                                                               | \$ <u><u>648,269,630</u></u> |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2014

|                                                           | General Fund         | Sales Tax Capital Improvements Capital Projects Fund | Major Capital Improvements Capital Projects Fund | General Debt Service Fund | Parkway Debt Retirement Fund | Other Governmental Funds | Total Governmental Funds |
|-----------------------------------------------------------|----------------------|------------------------------------------------------|--------------------------------------------------|---------------------------|------------------------------|--------------------------|--------------------------|
| <b>REVENUES</b>                                           |                      |                                                      |                                                  |                           |                              |                          |                          |
| <b>Taxes:</b>                                             |                      |                                                      |                                                  |                           |                              |                          |                          |
| Property                                                  | \$ 8,087,870         | \$ -                                                 | \$ -                                             | \$ -                      | \$ -                         | \$ 1,159                 | \$ 8,089,029             |
| Sales and use                                             | 37,509,096           | 11,846,964                                           | -                                                | -                         | -                            | 1,916,754                | 51,272,814               |
| Franchise                                                 | 2,977,638            | -                                                    | -                                                | -                         | -                            | -                        | 2,977,638                |
| Severance                                                 | 1,557,603            | -                                                    | -                                                | -                         | -                            | -                        | 1,557,603                |
| Other                                                     | 2,996,316            | -                                                    | -                                                | -                         | -                            | -                        | 2,996,316                |
| Licenses and permits                                      | 118,991              | -                                                    | -                                                | -                         | -                            | -                        | 118,991                  |
| Intergovernmental revenues                                | 3,021,767            | 194,818                                              | 1,023,145                                        | 709,097                   | -                            | 1,209,022                | 6,157,849                |
| Charges for services                                      | 6,755,386            | 57,307                                               | -                                                | -                         | -                            | 3,338,597                | 10,151,290               |
| Fines and forfeitures                                     | 862,026              | -                                                    | -                                                | -                         | -                            | 7,190                    | 869,216                  |
| Special assessments                                       | -                    | 16,050                                               | -                                                | -                         | -                            | -                        | 16,050                   |
| Investment earnings                                       | 212,066              | 4,503                                                | -                                                | 153                       | 28,768                       | 34,672                   | 280,162                  |
| Other income                                              | 15,953               | -                                                    | -                                                | -                         | -                            | 11,607                   | 27,560                   |
| Other contributions                                       | 204,243              | 246,166                                              | 741,410                                          | -                         | -                            | 461,080                  | 1,652,899                |
| Total revenues                                            | <u>64,318,955</u>    | <u>12,365,808</u>                                    | <u>1,764,555</u>                                 | <u>709,250</u>            | <u>28,768</u>                | <u>6,980,081</u>         | <u>86,167,417</u>        |
| <b>EXPENDITURES</b>                                       |                      |                                                      |                                                  |                           |                              |                          |                          |
| <b>Current:</b>                                           |                      |                                                      |                                                  |                           |                              |                          |                          |
| General government                                        | 9,980,302            | -                                                    | -                                                | 3,091                     | -                            | 1,889,280                | 11,872,673               |
| Public safety                                             | 35,610,598           | -                                                    | -                                                | -                         | -                            | -                        | 35,610,598               |
| Public works                                              | 9,509,928            | -                                                    | -                                                | -                         | -                            | -                        | 9,509,928                |
| Parks and recreation                                      | 8,403,649            | -                                                    | -                                                | -                         | -                            | -                        | 8,403,649                |
| Urban development and housing                             | 332,901              | -                                                    | -                                                | -                         | -                            | 301,926                  | 634,827                  |
| <b>Debt service:</b>                                      |                      |                                                      |                                                  |                           |                              |                          |                          |
| Principal retirement                                      | -                    | -                                                    | -                                                | 4,405,000                 | -                            | 215,000                  | 4,620,000                |
| Interest and fiscal charges                               | -                    | -                                                    | -                                                | 3,871,147                 | -                            | 318,450                  | 4,189,597                |
| <b>Capital outlay:</b>                                    |                      |                                                      |                                                  |                           |                              |                          |                          |
| Construction                                              | -                    | 3,112,344                                            | 6,167,762                                        | -                         | -                            | 482,345                  | 9,762,451                |
| Total expenditures                                        | <u>63,837,378</u>    | <u>3,112,344</u>                                     | <u>6,167,762</u>                                 | <u>8,279,238</u>          | <u>-</u>                     | <u>3,207,001</u>         | <u>84,603,723</u>        |
| Excess (deficiency) of revenues over (under) expenditures | 481,577              | 9,253,464                                            | (4,403,207)                                      | (7,569,988)               | 28,768                       | 3,773,080                | 1,563,694                |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                      |                                                      |                                                  |                           |                              |                          |                          |
| Transfers in                                              | 698,211              | 306,128                                              | 2,185,765                                        | 7,569,958                 | 2,108,328                    | 282,313                  | 13,150,703               |
| Transfers out                                             | (3,552,702)          | (8,628,083)                                          | -                                                | -                         | -                            | (3,226,812)              | (15,407,597)             |
| Insurance recoveries                                      | -                    | 30,657                                               | -                                                | -                         | -                            | -                        | 30,657                   |
| Sale of capital assets                                    | 44,998               | -                                                    | -                                                | -                         | -                            | -                        | 44,998                   |
| Total other financing sources and uses                    | <u>(2,809,493)</u>   | <u>(8,291,298)</u>                                   | <u>2,185,765</u>                                 | <u>7,569,958</u>          | <u>2,108,328</u>             | <u>(2,944,499)</u>       | <u>(2,181,239)</u>       |
| Net change in fund balances                               | (2,327,916)          | 962,166                                              | (2,217,442)                                      | (30)                      | 2,137,096                    | 828,581                  | (617,545)                |
| Fund balances -- beginning                                | 24,582,837           | 78,328                                               | 2,217,442                                        | 105                       | 6,467,441                    | 5,217,676                | 38,563,829               |
| Fund balances -- ending                                   | <u>\$ 22,254,921</u> | <u>\$ 1,040,494</u>                                  | <u>\$ -</u>                                      | <u>\$ 75</u>              | <u>\$ 8,604,537</u>          | <u>\$ 6,046,257</u>      | <u>\$ 37,946,284</u>     |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
 For the Year Ended December 31, 2014

Amounts reported for governmental activities in the statement of activities (page 33)  
 are different because:

|                                                                  |    |           |
|------------------------------------------------------------------|----|-----------|
| Net change in fund balances - total governmental funds (page 36) | \$ | (617,545) |
|------------------------------------------------------------------|----|-----------|

|                                                                                                                                                                                                                                                                                                                                         |  |             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------|
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$13,882,017) exceeded capital outlays of \$9,173,150 in the current period. |  | (4,708,867) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------|

|                                                                                                                                                |  |             |
|------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------|
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trades, and disposals) is to decrease net position. |  | (9,962,481) |
|------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------|

|                                                                               |  |           |
|-------------------------------------------------------------------------------|--|-----------|
| The net effect of the donation of capital assets is to increase net position. |  | 3,632,169 |
|-------------------------------------------------------------------------------|--|-----------|

|                                                                                                                                    |  |        |
|------------------------------------------------------------------------------------------------------------------------------------|--|--------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. |  | 26,766 |
|------------------------------------------------------------------------------------------------------------------------------------|--|--------|

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, this transaction has no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

|                                                                                |    |           |  |
|--------------------------------------------------------------------------------|----|-----------|--|
| Debt principal payments                                                        | \$ | 4,620,000 |  |
| Bond premium (to be amortized over the life of debt)                           |    | 703,030   |  |
| Certificates of participation discount (to be amortized over the life of debt) |    | (15,992)  |  |
| Deferred charge on refunding (to be amortized over the life of debt)           |    | (337,420) |  |
| Decrease in accrued interest                                                   |    | 65,289    |  |
| Decrease in net pension obligation                                             |    | 882       |  |
| Decrease in net pension asset                                                  |    | (158,315) |  |
| Decrease in compensated absences                                               |    | 107,434   |  |
| Increase in other post employment benefit obligation                           |    | (677,114) |  |
|                                                                                |    | 4,307,794 |  |

Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation & maintenance, central stores and printing, self-insurance activities, and communication services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

|                                        |    |             |  |
|----------------------------------------|----|-------------|--|
| Revenues from external customers       | \$ | 3,685,609   |  |
| Expenses due to external customers     |    | (4,727,465) |  |
| Grants and contributions               |    | 321,116     |  |
| Gain (Loss) on disposition of property |    | 55,178      |  |
| Investment income                      |    | 48,674      |  |
| Operating income from operations       |    | 947,188     |  |
|                                        |    | 330,300     |  |

|                                                             |    |             |
|-------------------------------------------------------------|----|-------------|
| Change in net position of governmental activities (page 33) | \$ | (6,991,864) |
|-------------------------------------------------------------|----|-------------|

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Year Ended December 31, 2014

|                                                           | <u>Budgeted Amounts</u> |                      | <u>Actual</u>        | <u>Adjustment</u>  | <u>Actual</u>        | <u>Variance with</u>  |
|-----------------------------------------------------------|-------------------------|----------------------|----------------------|--------------------|----------------------|-----------------------|
|                                                           | <u>Original</u>         | <u>Final</u>         | <u>GAAP</u>          | <u>to</u>          | <u>on</u>            | <u>Final Budget -</u> |
|                                                           |                         |                      | <u>Basis</u>         | <u>Budgetary</u>   | <u>Budgetary</u>     | <u>Positive</u>       |
|                                                           |                         |                      | <u>Amounts</u>       | <u>Basis</u>       | <u>Basis</u>         | <u>(Negative)</u>     |
| <b>REVENUES</b>                                           |                         |                      |                      |                    |                      |                       |
| <b>Taxes:</b>                                             |                         |                      |                      |                    |                      |                       |
| Property                                                  | \$ 8,396,591            | \$ 8,085,091         | \$ 8,087,870         | \$ -               | \$ 8,087,870         | \$ 2,779              |
| Sales and use                                             | 36,395,910              | 37,250,652           | 37,509,096           | 151,781            | 37,660,877           | 410,225               |
| Franchise                                                 | 2,770,000               | 2,860,000            | 2,977,638            | -                  | 2,977,638            | 117,638               |
| Severance                                                 | 1,380,000               | 1,558,285            | 1,557,603            | -                  | 1,557,603            | (682)                 |
| Other                                                     | 2,923,527               | 2,913,527            | 2,996,316            | 11,411             | 3,007,727            | 94,200                |
| Licenses and permits                                      | 104,350                 | 104,350              | 118,991              | -                  | 118,991              | 14,641                |
| Intergovernmental revenues                                | 3,274,353               | 3,127,539            | 3,021,767            | -                  | 3,021,767            | (105,772)             |
| Charges for services                                      | 6,844,690               | 6,565,880            | 6,755,386            | -                  | 6,755,386            | 189,506               |
| Fines and forfeitures                                     | 799,500                 | 790,485              | 862,026              | -                  | 862,026              | 71,541                |
| Investment earnings                                       | 191,544                 | 191,544              | 212,066              | (31,061)           | 181,005              | (10,539)              |
| Other income                                              | 13,700                  | 13,700               | 15,953               | -                  | 15,953               | 2,253                 |
| Other contributions                                       | 25,700                  | 178,079              | 204,243              | -                  | 204,243              | 26,164                |
| Total revenues                                            | <u>63,119,865</u>       | <u>63,639,132</u>    | <u>64,318,955</u>    | <u>132,131</u>     | <u>64,451,086</u>    | <u>811,954</u>        |
| <b>EXPENDITURES</b>                                       |                         |                      |                      |                    |                      |                       |
| <b>Current:</b>                                           |                         |                      |                      |                    |                      |                       |
| General government:                                       |                         |                      |                      |                    |                      |                       |
| Administration                                            | 8,904,503               | 8,850,628            | 8,258,589            | -                  | 8,258,589            | 592,039               |
| Community development                                     | 1,686,828               | 1,729,050            | 1,721,713            | -                  | 1,721,713            | 7,337                 |
| Total general government                                  | <u>10,591,331</u>       | <u>10,579,678</u>    | <u>9,980,302</u>     | <u>-</u>           | <u>9,980,302</u>     | <u>599,376</u>        |
| Public safety:                                            |                         |                      |                      |                    |                      |                       |
| Police protection                                         | 19,985,188              | 20,097,255           | 20,358,416           | -                  | 20,358,416           | (261,161)             |
| Fire protection                                           | 15,067,062              | 15,034,654           | 15,252,182           | -                  | 15,252,182           | (217,528)             |
| Total public safety                                       | <u>35,052,250</u>       | <u>35,131,909</u>    | <u>35,610,598</u>    | <u>-</u>           | <u>35,610,598</u>    | <u>(478,689)</u>      |
| Public works                                              | 10,191,715              | 9,884,448            | 9,509,928            | -                  | 9,509,928            | 374,520               |
| Parks and recreation                                      | 8,579,281               | 8,441,042            | 8,403,649            | -                  | 8,403,649            | 37,393                |
| Urban development and housing                             | 356,268                 | 335,031              | 332,901              | -                  | 332,901              | 2,130                 |
| Total expenditures                                        | <u>64,770,845</u>       | <u>64,372,108</u>    | <u>63,837,378</u>    | <u>-</u>           | <u>63,837,378</u>    | <u>534,730</u>        |
| Excess (deficiency) of revenues over (under) expenditures | (1,650,980)             | (732,976)            | 481,577              | 132,131            | 613,708              | 1,346,684             |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                         |                      |                      |                    |                      |                       |
| Transfers in                                              | 794,245                 | 604,094              | 698,211              | -                  | 698,211              | 94,117                |
| Transfers out                                             | (2,244,368)             | (3,666,607)          | (3,552,702)          | -                  | (3,552,702)          | 113,905               |
| Sale of capital assets                                    | -                       | 43,825               | 44,998               | -                  | 44,998               | 1,173                 |
| Total other financing sources and uses                    | <u>(1,450,123)</u>      | <u>(3,018,688)</u>   | <u>(2,809,493)</u>   | <u>-</u>           | <u>(2,809,493)</u>   | <u>209,195</u>        |
| Net change in fund balances                               | (3,101,103)             | (3,751,664)          | (2,327,916)          | 132,131            | (2,195,785)          | 1,555,879             |
| Fund balances -- beginning                                | <u>24,440,066</u>       | <u>24,440,066</u>    | <u>24,582,837</u>    | <u>(142,771)</u>   | <u>24,440,066</u>    | <u>-</u>              |
| Fund balances -- ending                                   | <u>\$ 21,338,963</u>    | <u>\$ 20,688,402</u> | <u>\$ 22,254,921</u> | <u>\$ (10,640)</u> | <u>\$ 22,244,281</u> | <u>\$ 1,555,879</u>   |

The notes to the financial statements are an integral part of this statement.



City of Grand Junction, Colorado  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2014

| Business-Type Activities - Enterprise Funds            |                      |                                   |                     |                     |                        |                        |                                                 |
|--------------------------------------------------------|----------------------|-----------------------------------|---------------------|---------------------|------------------------|------------------------|-------------------------------------------------|
|                                                        | Water Fund           | Two Rivers Convention Center Fund | Golf Courses Fund   | Parking Fund        | Other Enterprise Funds | Total Enterprise Funds | Governmental Activities- Internal Service Funds |
| <b>ASSETS</b>                                          |                      |                                   |                     |                     |                        |                        |                                                 |
| Current assets:                                        |                      |                                   |                     |                     |                        |                        |                                                 |
| Cash and investments                                   | \$ 2,042,300         | \$ 139,489                        | \$ 57,585           | \$ 123,308          | \$ 699,963             | \$ 3,062,645           | \$ 7,837,616                                    |
| Accounts receivable, net of allowance                  | 417,698              | 113,205                           | 10                  | 4,534               | 445,450                | 980,897                | 607,206                                         |
| Intergovernmental receivable                           | 5,880                | -                                 | -                   | -                   | -                      | 5,880                  | 420,202                                         |
| Prepaid items                                          | -                    | 1,300                             | -                   | -                   | -                      | 1,300                  | 81,810                                          |
| Inventory                                              | -                    | -                                 | 37,842              | -                   | -                      | 37,842                 | -                                               |
| Total current assets                                   | <u>2,465,878</u>     | <u>253,994</u>                    | <u>95,437</u>       | <u>127,842</u>      | <u>1,145,413</u>       | <u>4,088,564</u>       | <u>8,946,834</u>                                |
| Noncurrent assets:                                     |                      |                                   |                     |                     |                        |                        |                                                 |
| Capital assets:                                        |                      |                                   |                     |                     |                        |                        |                                                 |
| Land                                                   | 2,506,211            | 197,993                           | 891,356             | 1,598,330           | -                      | 5,193,890              | -                                               |
| Buildings, improvements, plant and system              | 46,916,902           | 20,242,204                        | 7,346,930           | 5,058,459           | 3,685,557              | 83,250,052             | 2,753,984                                       |
| Equipment                                              | 991,837              | 1,163,491                         | 248,044             | 321,382             | 1,260,436              | 3,985,190              | 37,514,801                                      |
| Construction in progress                               | 1,002,815            | -                                 | -                   | -                   | -                      | 1,002,815              | 843,877                                         |
| Intangible assets                                      | 190,464              | -                                 | -                   | -                   | -                      | 190,464                | -                                               |
| Less accumulated depreciation                          | (18,959,535)         | (4,889,994)                       | (3,716,270)         | (1,231,920)         | (3,765,756)            | (32,563,475)           | (21,886,098)                                    |
| Total capital assets (net of accumulated depreciation) | <u>32,648,694</u>    | <u>16,713,694</u>                 | <u>4,770,060</u>    | <u>5,746,251</u>    | <u>1,180,237</u>       | <u>61,058,936</u>      | <u>19,226,564</u>                               |
| Total noncurrent assets                                | <u>32,648,694</u>    | <u>16,713,694</u>                 | <u>4,770,060</u>    | <u>5,746,251</u>    | <u>1,180,237</u>       | <u>61,058,936</u>      | <u>19,226,564</u>                               |
| Total assets                                           | <u>35,114,572</u>    | <u>16,967,688</u>                 | <u>4,865,497</u>    | <u>5,874,093</u>    | <u>2,325,650</u>       | <u>65,147,500</u>      | <u>28,173,398</u>                               |
| <b>LIABILITIES</b>                                     |                      |                                   |                     |                     |                        |                        |                                                 |
| Current liabilities:                                   |                      |                                   |                     |                     |                        |                        |                                                 |
| Accounts payable                                       | 159,140              | 226,955                           | 19,346              | 1,408               | 93,132                 | 499,981                | 458,151                                         |
| Accrued liabilities                                    | 67,498               | 27,040                            | 17,313              | 3,864               | 30,949                 | 146,664                | 206,466                                         |
| Accrued interest payable                               | 41,240               | -                                 | -                   | -                   | -                      | 41,240                 | -                                               |
| Compensated absences payable                           | 15,068               | 3,639                             | 5,130               | 501                 | 7,700                  | 32,038                 | 27,498                                          |
| Claims payable                                         | -                    | -                                 | -                   | -                   | -                      | -                      | 770,998                                         |
| Current portion of promissory notes payable            | 356,680              | -                                 | -                   | -                   | -                      | 356,680                | -                                               |
| Due to other funds                                     | -                    | -                                 | 184,534             | 197,902             | 84,895                 | 467,331                | -                                               |
| Total current liabilities                              | <u>639,626</u>       | <u>257,634</u>                    | <u>226,323</u>      | <u>203,675</u>      | <u>216,676</u>         | <u>1,543,934</u>       | <u>1,463,113</u>                                |
| Noncurrent liabilities:                                |                      |                                   |                     |                     |                        |                        |                                                 |
| Compensated absences payable                           | 248,961              | 60,113                            | 84,777              | 8,279               | 127,231                | 529,361                | 454,349                                         |
| Claims payable                                         | -                    | -                                 | -                   | -                   | -                      | -                      | 1,302,881                                       |
| Advances from other funds - general fund               | -                    | -                                 | 3,124,592           | 2,859,763           | 675,356                | 6,659,711              | -                                               |
| Promissory notes payable                               | 4,494,375            | -                                 | -                   | -                   | -                      | 4,494,375              | -                                               |
| Total noncurrent liabilities                           | <u>4,743,336</u>     | <u>60,113</u>                     | <u>3,209,369</u>    | <u>2,868,042</u>    | <u>802,587</u>         | <u>11,683,447</u>      | <u>1,757,230</u>                                |
| Total liabilities                                      | <u>5,382,962</u>     | <u>317,747</u>                    | <u>3,435,692</u>    | <u>3,071,717</u>    | <u>1,019,263</u>       | <u>13,227,381</u>      | <u>3,220,343</u>                                |
| <b>NET POSITION</b>                                    |                      |                                   |                     |                     |                        |                        |                                                 |
| Net investment in capital assets                       | 27,797,639           | 16,713,694                        | 4,770,060           | 5,746,251           | 1,180,237              | 56,207,881             | 19,226,564                                      |
| Restricted for:                                        |                      |                                   |                     |                     |                        |                        |                                                 |
| Public safety                                          | -                    | -                                 | -                   | -                   | -                      | -                      | 164,241                                         |
| Unrestricted                                           | 1,933,971            | (63,753)                          | (3,340,255)         | (2,943,875)         | 126,150                | (4,287,762)            | 5,562,250                                       |
| Total net position                                     | <u>\$ 29,731,610</u> | <u>\$ 16,649,941</u>              | <u>\$ 1,429,805</u> | <u>\$ 2,802,376</u> | <u>\$ 1,306,387</u>    | <u>\$ 51,920,119</u>   | <u>\$ 24,953,055</u>                            |

Amounts reported for business-type activities on the statement of net position (page 31) are different because:

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:

|                                                   |                      |
|---------------------------------------------------|----------------------|
| Current year:                                     | 141,817              |
| Prior years:                                      | 416,668              |
| Net position - business-type activities (page 31) | <u>\$ 52,478,604</u> |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2014

| Business-Type Activities - Enterprise Funds                 |                      |                                         |                      |                     |                              |                              |           | Governmental<br>Activities-<br>Internal<br>Service<br>Funds |
|-------------------------------------------------------------|----------------------|-----------------------------------------|----------------------|---------------------|------------------------------|------------------------------|-----------|-------------------------------------------------------------|
|                                                             | Water<br>Fund        | Two Rivers<br>Convention<br>Center Fund | Golf Courses<br>Fund | Parking<br>Fund     | Other<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds |           |                                                             |
| <b>Operating revenues:</b>                                  |                      |                                         |                      |                     |                              |                              |           |                                                             |
| Charges for sales and services                              | \$ 5,877,233         | \$ 2,026,520                            | \$ 1,818,323         | \$ 475,368          | \$ 3,780,227                 | \$ 13,977,671                | \$        | 16,492,387                                                  |
| Other income                                                | -                    | -                                       | -                    | -                   | -                            | -                            |           | 616,585                                                     |
| Total operating revenues                                    | <u>5,877,233</u>     | <u>2,026,520</u>                        | <u>1,818,323</u>     | <u>475,368</u>      | <u>3,780,227</u>             | <u>13,977,671</u>            |           | <u>17,108,972</u>                                           |
| <b>Operating expenses:</b>                                  |                      |                                         |                      |                     |                              |                              |           |                                                             |
| Personnel services                                          | 2,707,312            | 1,327,877                               | 861,327              | 146,154             | 1,155,003                    | 6,197,673                    |           | 7,324,068                                                   |
| Costs of sales and services                                 | 1,758,307            | 1,017,482                               | 801,276              | 96,470              | 2,305,497                    | 5,979,032                    |           | 8,261,635                                                   |
| Depreciation and amortization                               | 1,065,329            | 449,989                                 | 233,321              | 132,783             | 155,316                      | 2,036,738                    |           | 3,259,594                                                   |
| Total operating expenses                                    | <u>5,530,948</u>     | <u>2,795,348</u>                        | <u>1,895,924</u>     | <u>375,407</u>      | <u>3,615,816</u>             | <u>14,213,443</u>            |           | <u>18,845,297</u>                                           |
| Operating income (loss)                                     | <u>346,285</u>       | <u>(768,828)</u>                        | <u>(77,601)</u>      | <u>99,961</u>       | <u>164,411</u>               | <u>(235,772)</u>             |           | <u>(1,736,325)</u>                                          |
| <b>Nonoperating revenues (expenses):</b>                    |                      |                                         |                      |                     |                              |                              |           |                                                             |
| Intergovernmental                                           | 84,513               | -                                       | -                    | -                   | -                            | 84,513                       |           | 324,710                                                     |
| Miscellaneous                                               | 84,952               | 3,096                                   | -                    | -                   | -                            | 88,048                       |           | -                                                           |
| Investment income                                           | 14,076               | -                                       | 155                  | 996                 | 3,900                        | 19,127                       |           | 48,674                                                      |
| Gain (loss) on disposition of property<br>and equipment     | (131,006)            | (20,218)                                | 500                  | -                   | -                            | (150,724)                    |           | 55,178                                                      |
| Interest expense                                            | (145,428)            | -                                       | (52,375)             | (48,790)            | -                            | (246,593)                    |           | -                                                           |
| Total nonoperating revenues (expenses)                      | <u>(92,893)</u>      | <u>(17,122)</u>                         | <u>(51,720)</u>      | <u>(47,794)</u>     | <u>3,900</u>                 | <u>(205,629)</u>             |           | <u>428,562</u>                                              |
| <b>Income (loss) before contributions and<br/>transfers</b> | <u>253,392</u>       | <u>(785,950)</u>                        | <u>(129,321)</u>     | <u>52,167</u>       | <u>168,311</u>               | <u>(441,401)</u>             |           | <u>(1,307,763)</u>                                          |
| Capital contributions - tap fees                            | 39,825               | -                                       | -                    | -                   | 1,820                        | 41,645                       |           | -                                                           |
| Contributed capital                                         | 179,977              | 10,507,815                              | -                    | -                   | -                            | 10,687,792                   |           | -                                                           |
| Transfers in                                                | -                    | 416,601                                 | 160,413              | -                   | -                            | 577,014                      |           | 1,779,880                                                   |
| Transfers out                                               | -                    | -                                       | -                    | -                   | (100,000)                    | (100,000)                    |           | -                                                           |
| Change in net position                                      | <u>473,194</u>       | <u>10,138,466</u>                       | <u>31,092</u>        | <u>52,167</u>       | <u>70,131</u>                | <u>10,765,050</u>            |           | <u>472,117</u>                                              |
| Net position - beginning                                    | <u>29,258,416</u>    | <u>6,511,475</u>                        | <u>1,398,713</u>     | <u>2,750,209</u>    | <u>1,236,256</u>             | <u>41,155,069</u>            |           | <u>24,480,938</u>                                           |
| Net position - ending                                       | <u>\$ 29,731,610</u> | <u>\$ 16,649,941</u>                    | <u>\$ 1,429,805</u>  | <u>\$ 2,802,376</u> | <u>\$ 1,306,387</u>          | <u>\$ 51,920,119</u>         | <u>\$</u> | <u>24,953,055</u>                                           |

Amounts reported for business-type activities in the statement of activities (page 33)  
are different because:

|                                                                                                             |                      |
|-------------------------------------------------------------------------------------------------------------|----------------------|
| Change in net position-enterprise funds                                                                     | 10,765,050           |
| Adjustment to reflect the consolidation of internal<br>service fund activities related to enterprise funds: | 141,817              |
| Change in net position of business-type activities (page 33)                                                | <u>\$ 10,906,867</u> |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2014

|                                                                                                       | Business-Type Activities - Enterprise Funds |                                   |                   |              |                        |                        | Governmental Activities- Internal Service Funds |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------|-------------------|--------------|------------------------|------------------------|-------------------------------------------------|
|                                                                                                       | Water Fund                                  | Two Rivers Convention Center Fund | Golf Courses Fund | Parking Fund | Other Enterprise Funds | Total Enterprise Funds |                                                 |
| <b>Cash flows from operating activities:</b>                                                          |                                             |                                   |                   |              |                        |                        |                                                 |
| Cash received from interfund                                                                          | \$ 678,645                                  | \$ -                              | \$ -              | \$ -         | \$ -                   | \$ 678,645             | \$ 14,249,295                                   |
| Cash received from customers and users                                                                | 5,202,135                                   | 1,989,706                         | 1,827,592         | 470,987      | 3,757,460              | 13,247,880             | 2,168,764                                       |
| Cash paid to interfund                                                                                | (831,979)                                   | (177,958)                         | (314,134)         | (44,219)     | (979,729)              | (2,348,019)            | (1,507,367)                                     |
| Cash paid to suppliers                                                                                | (919,172)                                   | (835,217)                         | (483,694)         | (52,843)     | (1,325,169)            | (3,616,095)            | (6,820,576)                                     |
| Cash paid to employees                                                                                | (2,698,540)                                 | (1,327,814)                       | (865,531)         | (146,853)    | (1,144,481)            | (6,183,219)            | (7,249,492)                                     |
| Miscellaneous receipts                                                                                | 84,952                                      | 3,096                             | -                 | -            | -                      | 88,048                 | 1,337,876                                       |
| Net cash provided (used) by operating activities                                                      | 1,516,041                                   | (348,187)                         | 164,233           | 227,072      | 308,081                | 1,867,240              | 2,178,500                                       |
| <b>Cash flows from noncapital financing activities:</b>                                               |                                             |                                   |                   |              |                        |                        |                                                 |
| Transfers from other funds                                                                            | -                                           | 416,601                           | 160,413           | -            | -                      | 577,014                | 1,779,880                                       |
| Transfers to other funds                                                                              | -                                           | -                                 | -                 | -            | (100,000)              | (100,000)              | -                                               |
| Increase (decrease) in amount due other funds                                                         | -                                           | -                                 | 91,335            | 2,925        | 2,232                  | 96,492                 | -                                               |
| Intergovernmental receipts                                                                            | 79,373                                      | -                                 | -                 | -            | -                      | 79,373                 | 3,593                                           |
| Net cash provided (used) by noncapital financing activities                                           | 79,373                                      | 416,601                           | 251,748           | 2,925        | (97,768)               | 652,879                | 1,783,473                                       |
| <b>Cash flows from capital and related financing activities:</b>                                      |                                             |                                   |                   |              |                        |                        |                                                 |
| Tap fees                                                                                              | 39,825                                      | -                                 | -                 | -            | 1,820                  | 41,645                 | -                                               |
| Principal payments:                                                                                   |                                             |                                   |                   |              |                        |                        |                                                 |
| Promissory notes                                                                                      | (352,007)                                   | -                                 | -                 | -            | -                      | (352,007)              | -                                               |
| Repayment of interfund capital loans                                                                  | -                                           | -                                 | (273,876)         | (197,902)    | (84,895)               | (556,673)              | -                                               |
| Interest paid                                                                                         | (144,594)                                   | -                                 | (52,375)          | (48,790)     | -                      | (245,759)              | -                                               |
| Proceeds from disposition of capital assets                                                           | -                                           | -                                 | 500               | -            | -                      | 500                    | 86,820                                          |
| Purchase of capital assets                                                                            | (1,395,025)                                 | (6,634)                           | (42,768)          | (5,104)      | (35,659)               | (1,485,190)            | (4,947,097)                                     |
| Intergovernmental receipts                                                                            | -                                           | -                                 | -                 | -            | -                      | -                      | 103,524                                         |
| Net cash used in capital and related financing activities                                             | (1,851,801)                                 | (6,634)                           | (368,519)         | (251,796)    | (118,734)              | (2,597,484)            | (4,756,753)                                     |
| <b>Cash flows from investing activities:</b>                                                          |                                             |                                   |                   |              |                        |                        |                                                 |
| Investment income received                                                                            | 14,076                                      | -                                 | 155               | 996          | 3,900                  | 19,127                 | 48,674                                          |
| Net cash provided (used) by investing activities                                                      | 14,076                                      | -                                 | 155               | 996          | 3,900                  | 19,127                 | 48,674                                          |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                           | (242,311)                                   | 61,780                            | 47,617            | (20,803)     | 95,479                 | (58,238)               | (746,106)                                       |
| Cash and cash equivalents, January 1                                                                  | 2,284,611                                   | 77,709                            | 9,968             | 144,111      | 604,484                | 3,120,883              | 8,583,722                                       |
| Cash and cash equivalents, December 31                                                                | \$ 2,042,300                                | \$ 139,489                        | \$ 57,585         | \$ 123,308   | \$ 699,963             | \$ 3,062,645           | \$ 7,837,616                                    |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |                                             |                                   |                   |              |                        |                        |                                                 |
| Operating income (loss)                                                                               | \$ 346,285                                  | \$ (768,828)                      | \$ (77,601)       | \$ 99,961    | \$ 164,411             | \$ (235,772)           | \$ (1,736,325)                                  |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                                             |                                   |                   |              |                        |                        |                                                 |
| Depreciation expense                                                                                  | 1,065,329                                   | 449,989                           | 233,321           | 132,783      | 155,316                | 2,036,738              | 3,259,594                                       |
| (Increase) decrease in accounts receivable                                                            | 3,547                                       | (36,814)                          | 9,269             | (4,381)      | (22,767)               | (51,146)               | 646,963                                         |
| Miscellaneous receipts                                                                                | 84,952                                      | 3,096                             | -                 | -            | -                      | 88,048                 | -                                               |
| (Increase) decrease in inventory                                                                      | -                                           | -                                 | 4,834             | -            | -                      | 4,834                  | -                                               |
| (Increase) decrease in prepaid items                                                                  | -                                           | (892)                             | 185               | -            | -                      | (707)                  | 56,375                                          |
| Increase (decrease) in accounts payable                                                               | 79,830                                      | 104,215                           | (22,971)          | (592)        | 599                    | 161,081                | (304,450)                                       |
| Increase (decrease) in claims payable                                                                 | -                                           | -                                 | -                 | -            | -                      | -                      | (144,106)                                       |
| Increase (decrease) in accrued liabilities and compensated absences payable                           | 8,772                                       | 63                                | (4,204)           | (699)        | 10,522                 | 14,454                 | 74,576                                          |
| (Increase) decrease in accounts payable due to the purchase of capital assets on account              | (72,674)                                    | (99,016)                          | 21,400            | -            | -                      | (150,290)              | 325,873                                         |
| Total adjustments                                                                                     | 1,169,756                                   | 420,641                           | 241,834           | 127,111      | 143,670                | 2,103,012              | 3,914,825                                       |
| Net cash provided (used) by operating activities                                                      | \$ 1,516,041                                | \$ (348,187)                      | \$ 164,233        | \$ 227,072   | \$ 308,081             | \$ 1,867,240           | \$ 2,178,500                                    |
| <b>Noncash Investing, Capital and Financing Activities</b>                                            |                                             |                                   |                   |              |                        |                        |                                                 |
| Purchase of capital assets on account                                                                 | \$ 121,465                                  | \$ 103,444                        | \$ -              | \$ -         | \$ -                   | \$ 224,909             | \$ 104,096                                      |
| Capital contributions                                                                                 | 179,977                                     | 10,507,815                        | -                 | -            | -                      | 10,687,792             | -                                               |
| Net book value of capital assets traded in on capital assets acquired                                 | -                                           | -                                 | -                 | -            | -                      | -                      | 24,897                                          |
| Trade in value of disposed assets                                                                     | -                                           | -                                 | -                 | -            | -                      | -                      | 77,800                                          |
| Intergovernmental receivable from capital financing activities                                        | -                                           | -                                 | -                 | -            | -                      | -                      | 298,175                                         |
| Intergovernmental receivable from noncapital financing activities                                     | 5,880                                       | -                                 | -                 | -            | -                      | 5,880                  | -                                               |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
December 31, 2014

|                                       | Pension<br>Trust<br>Funds | Private<br>Purpose<br>Trust Funds | Joint Sewer<br>Investment<br>Trust Fund | Agency<br>Funds   |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------------|-------------------|
| <b>ASSETS</b>                         |                           |                                   |                                         |                   |
| Cash and cash equivalents             | \$ 149,923                | \$ 82,919                         | \$ 11,707,732                           | \$ 730,600        |
| Investments                           | 13,479,398                | -                                 | -                                       | -                 |
| Accounts receivable, net of allowance | -                         | -                                 | -                                       | 4,050             |
| Total assets                          | <u>13,629,321</u>         | <u>82,919</u>                     | <u>11,707,732</u>                       | <u>734,650</u>    |
| <b>LIABILITIES</b>                    |                           |                                   |                                         |                   |
| Accounts payable                      | -                         | -                                 | -                                       | 16,685            |
| Due to other governments              | -                         | -                                 | -                                       | 717,965           |
| Total liabilities                     | <u>-</u>                  | <u>-</u>                          | <u>-</u>                                | <u>\$ 734,650</u> |
| <b>NET POSITION</b>                   |                           |                                   |                                         |                   |
| Held in trust for:                    |                           |                                   |                                         |                   |
| External investment pool participants | -                         | -                                 | 11,707,732                              |                   |
| Pension benefits                      | 13,629,321                | -                                 | -                                       |                   |
| Individuals, organizations and others | -                         | 82,919                            | -                                       |                   |
| Total net position                    | <u>\$ 13,629,321</u>      | <u>\$ 82,919</u>                  | <u>\$ 11,707,732</u>                    |                   |

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
For the Year Ended December 31, 2014

|                                                         | Pension<br>Trust<br>Funds | Private<br>Purpose<br>Trust Funds | Joint Sewer<br>Investment<br>Trust Fund |
|---------------------------------------------------------|---------------------------|-----------------------------------|-----------------------------------------|
| <b>ADDITIONS</b>                                        |                           |                                   |                                         |
| Additions by participants                               | \$ -                      | \$ 136,954                        | \$ 12,370,077                           |
| Employer contributions                                  | 276,015                   | -                                 | -                                       |
| Total contributions                                     | <u>276,015</u>            | <u>136,954</u>                    | <u>12,370,077</u>                       |
| Investment earnings:                                    |                           |                                   |                                         |
| Interest income (loss)                                  | 279,008                   | 377                               | 82,986                                  |
| Net increase (decrease) in fair value<br>of investments | 732,200                   | -                                 | -                                       |
| Net investment earnings                                 | <u>1,011,208</u>          | <u>377</u>                        | <u>82,986</u>                           |
| Total additions                                         | <u>1,287,223</u>          | <u>137,331</u>                    | <u>12,453,063</u>                       |
| <b>DEDUCTIONS</b>                                       |                           |                                   |                                         |
| Distributions to participants                           | -                         | 166,577                           | 11,563,184                              |
| Benefits and refunds                                    | 1,582,982                 | -                                 | -                                       |
| Administrative expenses                                 | 122,986                   | 5,152                             | -                                       |
| Total deductions                                        | <u>1,705,968</u>          | <u>171,729</u>                    | <u>11,563,184</u>                       |
| Change in net position                                  | (418,745)                 | (34,398)                          | 889,879                                 |
| Net position - beginning                                | 14,048,066                | 117,317                           | 10,817,853                              |
| Net position - ending                                   | <u>\$ 13,629,321</u>      | <u>\$ 82,919</u>                  | <u>\$ 11,707,732</u>                    |

The notes to the financial statements are an integral part of this statement.



(This page intentionally left blank)



# **NOTES TO FINANCIAL STATEMENTS**



(This page intentionally left blank)



## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **A. REPORTING ENTITY**

The City of Grand Junction, Colorado was incorporated July 19, 1882, under provision of Article XX of the Constitution of the State of Colorado, as amended (Home Rule City). The City operates under a Council-Manager form of government with seven elected Council members.

The City's financial statements include the accounts and operations of all City functions including, but not limited to, public safety (police and fire protection), street construction and maintenance, water and sanitation, planning and zoning, parks and recreation and general administration as provided by the City charter. The City owns and operates a meeting and convention center, swimming pools, golf courses and parking facilities. The City also provides ambulance transport services for Mesa County, Colorado. The City maintains a data processing facility, a fleet facility, a central stores facility and a communications center. The communications center, fleet facility, and central stores facility provide services to other local governments in Mesa County, Colorado.

The accounting policies of the City of Grand Junction conform to generally accepted accounting principles (GAAP) as applicable to governments and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

As required by generally accepted accounting principles, these financial statements present the City of Grand Junction (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

**Blended Component Units.** The financial data for the following entities is reported as part of the primary government because the City Council of the City acts as the Board of Directors for each entity.

***The Ridges Metropolitan District*** was annexed into the City and dissolved as a separate district in 1992. The District continues in existence for the sole purpose of providing for the payment of the District's outstanding debt with a special levy of property taxes collected within the District only.

The financial data of the ***Grand Junction Public Finance Corporation*** (the Corporation) is reported as part of the primary government because it is fiscally dependent upon the City and provides financing solely to the City. The Corporation was incorporated as a nonprofit corporation in the State of Colorado during 1996. The purpose of the Corporation is to facilitate financing for the City (see Note 6). Although the Corporation is a separate legal entity, for financial reporting purposes it is considered part of the City and is reported in the Grand Junction Public Finance Debt Service Fund.

**Discretely Presented Component Unit.** The component unit column in the government-wide financial statements includes the financial data of the City's only discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

***The Downtown Development Authority (DDA)*** was formed to improve the downtown area of the City of Grand Junction. The Authority has an eleven-member board appointed by the City Council of the City of Grand Junction. The City Council also approves the Authority's budget and property tax levy and issues any debt for Authority projects. Financial statements for all funds and activities of the DDA are included in the City's Comprehensive Annual Financial Report because the Authority does not issue separate financial statements.

## **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements summarize information on governmental and business-type activities of the primary government and its component units. These statements do not include fiduciary activities, and for the most part, eliminations have been made to minimize the double-counting of interfund activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the *Downtown Development Authority*, the City's legally separate *component unit* for which the primary government is financially accountable.

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

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

## **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

### ***Government-Wide, Proprietary and Fiduciary Financial Statements:***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except that agency funds, as they are merely custodial funds, do not have a measurement focus. All assets, liabilities, and deferred outflows/inflows of resources including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

### ***Governmental Fund Financial Statements:***

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenues that are determined to be susceptible to accrual include sales and use taxes, property taxes, utility franchise fees, grants-in-aid earned, interest, rentals and charges for services. Grant revenue is considered available if it is expected to be collected within one year and all eligibility requirements are met. Only the portion of special assessments receivable due within the current fiscal year is considered susceptible to accrual as revenue of the current period. Major revenues that are determined to not be susceptible to accrual, because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable, include licenses, permits, fines and forfeitures.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The City reports the following major governmental funds:

The **General Fund** is the general operating fund of the City. It accounts for all activities of the general government except those required to be accounted for in another fund.

The **Sales Tax Capital Improvements Fund** is a capital projects fund used to account for the financing and construction of projects financed completely or partially with the  $\frac{3}{4}$  percent portion of the City's  $2\frac{3}{4}$  percent sales and use tax. The  $\frac{3}{4}$  percent portion is currently dedicated to general capital improvements and economic development.

The **Major Capital Improvements Fund** is a capital projects fund used to account for the financing and construction of major improvement projects. The Avalon Theatre Renovation Project is funded by City sales and use tax, Downtown Development Authority TIF revenue, as well as local contributions.

The **General Debt Service Fund** is a debt service fund used to account for all resources which are being accumulated for general long-term debt principal and interest payments maturing in future years other than long-term debt accounted for in enterprise and internal service funds or where a separate debt service fund is legally mandated.

The **Parkway Debt Retirement Fund** is a debt service fund used to account for all resources which are being accumulated for the early retirement of the Parkway Project long-term debt principal and interest payments maturing in future years.

The City reports the following major proprietary funds:

The **Water Fund** accounts for all activities associated with providing water services to customers within the water service area.

The **Two Rivers Convention Center Fund** accounts for all activities associated with the municipally owned meeting and convention center and recently renovated Avalon Theatre.

The **Golf Courses Fund** accounts for all activities associated with both municipally owned golf courses, Lincoln Park Golf Course and Tiara Rado Golf Course.

The **Parking Fund** is used to account for the revenue and expense associated with the operation of all municipally owned and leased parking facilities. Construction of a parking garage in the downtown area was completed late in 2007.

Additionally the City reports the following fund types:

The **Permanent Fund** accumulates resources to provide future maintenance of municipal cemeteries.

The **Internal Service Funds** account for data processing, equipment acquisition, operation & maintenance, self-insurance activities, and communication services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

The **Private-Purpose Trust Funds** account for resources legally held in trust for use by the local school district to purchase land and other uses specified by parties outside the City government.

The **Pension Trust Funds** account for Police and Fire defined benefit pension plans administered by the Fire and Police Pension Association of Colorado.

The **Investment Trust Fund** accounts for the net position held on behalf of the City of Grand Junction/Mesa County Joint Sewer System in the City's cash pool. The Joint Sewer System is not part of the City's financial reporting entity.

The **Agency Funds** account for custodial functions in operations of an advisory board, and collecting and forwarding special assessment debt payments for property owners.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments to the General Fund by various enterprise funds for providing administrative and billing services for such funds, and charges between the City's water and solid waste removal fund and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Interfund activity has not been eliminated in the fund financial statements.

Amounts reported as program revenues include:

1. charges to customers for goods and services
2. operating grants and contributions
3. capital grants and contributions, including special assessments

Internally dedicated resources are reported as *general revenues* rather than program revenues. Likewise, general revenues include all taxes.

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 all the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include cost of sales and services, personal services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Ambulance transports have agreements with third-party payers, Medicaid, and Medicare that provide for payments to the City at amounts different from its established rates. Net patient service revenue is reported at estimated net realizable amounts.

#### **D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

##### *1. Cash and Investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits with banks and other financial institutions, and short-term investments with original maturities of three months or less from the date of acquisition.

Colorado State Statutes limit the local governments to the following types of investments, unless others are specifically identified by home rule cities, such as the City of Grand Junction:

1. *Obligations of the United States or obligations unconditionally guaranteed by the United States*
2. *Bonds of the State of Colorado and its political subdivisions*
3. *Certain obligations secured by mortgages*
4. *Bankers acceptances*
5. *Commercial paper*
6. *State investment pools*
7. *Repurchase agreements*
8. *Money market funds*
9. *Guaranteed investment contracts*

The City Council has formally established an investment policy allowing investments to have maturities beyond five years and to include mutual funds (composed of U.S. Government obligations) and collateralized mortgage obligations. Some additional restrictions apply to the various investments.

Assets of the pension trust funds may be invested by the Fire and Police Pension Association of Colorado (FPPA) in publicly traded common and preferred stock, convertible bonds, venture capital and real estate. Investments are presented at fair value except real-estate which is recorded at estimated fair value based upon periodic appraisals and valuations, investments in limited

partnerships which are recorded at estimated fair value as derived from financial statements, and guaranteed investment contracts which are recorded at contract value.

Investments are stated at fair value determined from quoted market prices. The state investment pools exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State of Colorado. The state investment pools and mutual funds are similar to money market funds, with each share valued at \$1.

Investments in joint ventures by governmental funds are recorded as expenditures at the time the investment is made.

## *2. Interfund Receivables and Payables*

Receivables and payables classified as "due from other funds" or "due to other funds" on the balance sheet arise from negative equity in pooled cash and investments. Current portions of long-term interfund loan receivables are classified as "interfund receivables" and "interfund payables" on the balance sheet. Non-current portions of long-term interfund loan receivables are reported as "advances" and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

## *3. Property Taxes*

Property taxes as set by the City Council are collected by the County Treasurer. The County Treasurer remits property taxes collected to the City by the 10th day of the month following collection. Property taxes receivable represent 2014 taxes collectible in 2015 and are also shown as unavailable revenue. Following are details of the property tax calendar:

|                             |                          |
|-----------------------------|--------------------------|
| Levy date:                  | November 15 (prior year) |
| Lien date:                  | January 1 (current year) |
| First 1/2 installment due:  | February 28              |
| Second 1/2 installment due: | June 15                  |
| If paid in full:            | April 30                 |

## *4. Special Assessments Receivable*

Special assessments receivable are recorded for the property owners' share of the cost of street or utility improvements within special improvement districts. Corresponding unavailable revenue is recorded until the assessments meet the revenue recognition availability criteria. Special assessments receivable for projects which were initially financed with existing governmental resources are recorded together with the corresponding deferred inflow of resources in the fund which provided the resources.

## *5. Inventories and Prepaid Items*

All inventories are valued at cost using the moving average method. Inventories in governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items in governmental funds are recorded as expenditures when consumed rather than when purchased.

## *6. Restricted Cash and Investments*

Certain proceeds of the Governmental Fund certificates of participation are classified as restricted assets on the balance sheet since their use is limited by applicable bond covenants.

## 7. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., streets, bridges, alleys, traffic signal systems and storm drainage), and intangible assets (e.g., water rights and permanent easements) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair market value on the date donated.

Maintenance, repairs and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in income.

Improvements are capitalized and depreciated over the remaining useful lives of the capital asset, as applicable. Infrastructure assets are capitalized as a separate category.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

Estimated useful lives for asset types are as follows:

|                           | <u>Estimated lives</u> |
|---------------------------|------------------------|
| Building and improvements | 10 to 50 years         |
| Utility plant and system  | 50 years               |
| Equipment                 | 5 to 10 years          |
| Infrastructure            | 20 to 40 years         |

## 8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City only has one type of item that qualifies for reporting in this category. It is unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## 9. Compensated Absences

During 1992, the City implemented a "Paid Time Off" (PTO) policy. This policy integrates holidays, vacation leave and sick leave into a single leave time accrual. An employee may accrue up to from 480 to 624 hours of PTO, depending upon years of service.

The City pays a terminating employee for all accumulated PTO time up to from 80 to 152 hours, depending on years of service. One-half of accumulated PTO in excess of this base amount will be paid to a terminating employee. In addition, employees hired prior to 1992 may have vacation and sick leave balances. The City pays a terminating employee for all accumulated vacation time and one-third of accumulated sick leave in excess of 720 hours.

Compensated absences are accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of an employee's resignation or retirement.

#### *10. Encumbrances*

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure are recorded during the year as an extension of formal budgetary integration in order to reserve that portion of the applicable appropriation, is not included for financial reporting purposes at year-end because unused appropriations and encumbrances lapse at year-end and must be reappropriated in the following year to be expended.

#### *11. Long-Term Liabilities*

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### *12. Net Position Flow Assumption*

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

#### *13. Fund Balance Policies and Flow Assumptions*

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned or unassigned fund balances. When funds from more than one classification are available, the order of spending of resources will be restricted, committed, assigned and, lastly unassigned.

Fund balances are classified as nonspendable when they are nonspendable in form or legally or contractually required to be maintained intact.

Fund balances are classified as restricted when constraints placed on the use of resources are externally imposed by creditors, grantors, contributors, laws and regulations of other governments, or by law through constitutional provisions or enabling legislation.

Fund balances are classified as committed when constraints placed upon the use of resources are adopted by the City Council through ordinance prior to the end of the calendar year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Fund balances are classified as assigned when constraints placed upon the use of resources are imposed by the City Council through the adoption of the City's annual budget. Assigned fund balances represent the City's intent for future use of financial resources that are subject to change. An intended use of any amount may also be expressed by the City Council and recorded in the minutes of a Council meeting. Assigned fund balances in special revenue funds will include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

The residual fund balance that does not meet any of the above criteria is classified as unassigned. The City will only report a positive unassigned fund balance in the General Fund.

#### 14. Comparative Data/Reclassifications

Comparative total data for the prior year has been presented in the accompanying Management's Discussion and Analysis in order to provide an understanding of the changes in the City's financial position and operations. However, complete comparative data has not been reported since their inclusion would make the financial statements unduly complex and difficult to read. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

### NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### **A. BUDGETARY INFORMATION**

Annual appropriated expenditure budgets are adopted for all governmental funds on a basis consistent with generally accepted accounting principles with the exception of the General Fund, the Sales Tax Capital Improvements Fund, and the Parkway Debt Retirement Fund. The annual budget for the General Fund is prepared on the modified accrual basis of accounting excluding certain basis differences for tax accruals and market value adjustments. The annual budget for the Sales Tax Capital Improvements Fund is prepared on the modified accrual basis of accounting except for certain basis differences for tax accruals and market value adjustments. The annual budget for the Parkway Debt Retirement Fund is prepared on the modified accrual basis of accounting except for certain basis differences for market value adjustments. Annual appropriation budgets are also adopted for all proprietary funds on the accrual basis of accounting modified to include capital expenditures and debt service principal payments and to exclude depreciation and amortization. The budget is prepared under the direction of the City Manager. The appropriations are adopted, and may not be exceeded, on a total fund basis.

The details of the budget calendar follow:

|              |                                                                                               |
|--------------|-----------------------------------------------------------------------------------------------|
| December 15, | Statutory deadline for certification of all mill levies to the Board of County Commissioners  |
| December 22, | Statutory deadline for Board of County Commissioners to levy all taxes and certify the levies |

On or before December 31, the City Council enacts an ordinance appropriating the budgets for the ensuing fiscal year. The City Council may amend the appropriation ordinance at any time during the year, as a result of any casualty, accident, or unforeseen contingency.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Even though the budget enacted by the City Council is at the fund level, the City prepares a line item budget by department and cost center for control at the line item level. Department heads have the authority to reallocate the distribution of budget amounts within the major categories of personnel expenditures, operating expenditures and capital expenditures within their fund and department. Budget reallocation between major expenditure categories within a fund requires City Manager approval. Budget reallocation between funds requires City Council approval.



Supplemental appropriation ordinances during 2014 resulted in budget amendments as follows:

| <u>Fund</u>                                                    | <u>Original Amount</u> | <u>Amended Amount</u> |
|----------------------------------------------------------------|------------------------|-----------------------|
| <b><i>Primary Government - City of Grand Junction:</i></b>     |                        |                       |
| <b><i>Governmental Activities</i></b>                          |                        |                       |
| General Fund                                                   | \$ 67,015,213          | \$ 68,038,715         |
| Special Revenue Funds:                                         |                        |                       |
| Visitors and Convention Bureau                                 | 2,066,588              | 2,167,078             |
| Parkland Expansion                                             | 406,717                | 428,001               |
| Community Development                                          | 614,441                | 643,289               |
| Capital Projects Funds:                                        |                        |                       |
| Sales Tax Capital                                              | 14,419,396             | 14,986,069            |
| Storm Drainage Development                                     | 50,000                 | 79,967                |
| Major Projects Capital                                         | 3,584,770              | 6,175,470             |
| Street Assessment Capital                                      | 410,000                | 649,967               |
| <b><i>Business-Type Activities</i></b>                         |                        |                       |
| Enterprise Funds:                                              |                        |                       |
| Water                                                          | 6,708,933              | 6,943,114             |
| Parking                                                        | 478,007                | 498,892               |
| Internal Service Funds:                                        |                        |                       |
| Equipment                                                      | 5,273,996              | 6,534,865             |
| Communications Center                                          | 7,647,455              | 8,223,372             |
| <b><i>Component Unit - Downtown Development Authority:</i></b> |                        |                       |
| Special Revenue Funds:                                         |                        |                       |
| DDA Operations                                                 | 384,037                | 409,037               |

## **B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The City charter prohibits the expenditure of City funds for any purpose not covered in the annual appropriation ordinance based upon the annual City budget. Colorado statutes prohibit expenditures on a total fund basis in excess of amounts appropriated.

## **NOTE 3. DEPOSITS AND INVESTMENTS**

Substantially all the City's cash and investments are part of the City's sponsored cash pool, which includes both internal and external participants. The pool is not registered with the Securities and Exchange Commission as an investment company. The City Finance Director (Treasurer) is granted authority for managing the pool by City Council. The City Treasurer reports investment activity quarterly to the Investment Advisory Committee, which is appointed by the City Manager, and reports annually to the City Council.

Cash and investments held for the City of Grand Junction/Mesa County, Colorado, Joint Sewer System are included in and inseparable from the City's pooled cash and investments. Since the Joint Sewer System is not part of the City's reporting entity, they are considered involuntary external participants of the City's cash pool. Under *GASB Statement 31*, the Joint Sewer System's pool share value is reported as an Investment Trust Fund in the City's financial statements. See Note 12 for more information on the Joint Sewer System.

### **Cash Deposits**

Colorado State Statutes require that all deposits be secured by federal deposit insurance or secured by collateral. Statutes require a financial institution to deposit collateral with another financial institution securing 102% of the market value of public funds held which exceed the amount insured by federal deposit

insurance. All deposits of the City are insured or collateralized with government securities held by or for the entity.

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The composition of all cash held by the City cash pool at December 31, 2014, is as follows:

|                                                          | <b>Bank<br/>Balance</b> | <b>Carrying<br/>Balance</b> |
|----------------------------------------------------------|-------------------------|-----------------------------|
| Cash on hand                                             | \$ -                    | \$ 16,922                   |
| Insured deposits                                         | 250,000                 | 250,000                     |
| Deposits collateralized in single<br>institutional pools | 3,162,270               | 2,758,314                   |
|                                                          | <u>\$3,412,270</u>      | <u>\$3,025,236</u>          |

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair value by maintaining a minimum of 30% of the portfolio in short-term securities (less than one year) and employing a buy-and-hold strategy.

The City voluntarily participates in the state investment pools. The state investment pools exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State of Colorado. The state investment pools and mutual funds are similar to money market funds, with each share valued at \$1. The designated custodial banks provide safekeeping and depository services, and securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. Investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. The investment in the Fire and Police Pension Association of Colorado (FPPA) investment pool is set by Colorado statute for funding of police and fire defined benefit pension plans. Investments consist of publicly traded common and preferred stock, convertible bonds, venture capital and real estate. Investments in state investment pools, mutual funds, and FPPA are not categorized by risk, as they are not evidenced by securities that exist in physical or book entry form. The fair value of the position in the state investment pools and FPPA approximate the value of the City's investment in the pools.

As of December 31, 2014, the City had the following investments:

| <b><u>Investment Type</u></b>         | <b><u>S&amp;P<br/>Rating</u></b> | <b><u>Fair Value</u></b> | <b><u>Weighted Average<br/>Maturity (Months)</u></b> |
|---------------------------------------|----------------------------------|--------------------------|------------------------------------------------------|
| Federal Agency Securities             | AA+                              | \$ 11,911,463            | 33.63                                                |
| Treasury Coupon Securities            | AA+                              | 10,031,991               | 16.04                                                |
| Pass Through Securities<br>(GNMA/CMO) | AA+                              | 844,249                  | 59.34                                                |
| Commercial Paper                      | A-1+                             | 1,995,965                | 5.82                                                 |
| State investment pools                | AAAm                             | 22,750,283               | 0.00                                                 |
| Pension trust fund                    | Not rated                        | 13,629,321               | 0.00                                                 |
| Total                                 |                                  | <u>\$61,163,272</u>      | <u>13.25</u>                                         |

*Credit risk.* The City's investment practices are governed by the City of Grand Junction Charter, Article IX paragraph 72, the Colorado Revised Statutes 24-75-601 to 605, and the City's investment policy as adopted by its legislative body. These controls limit investments to U.S. Government and Agency obligations, collateralized deposits, and commercial paper with the highest rating issued by one of the nationally recognized statistical rating organizations (NRSRO's).

*Concentration of credit risk.* The City's investment policy dictates diversification and does not allow for an investment in any one issuer that is in excess of five percent of the City's total investments.

*Custodial credit risk.* State law requires financial institutions to collateralize deposits of government funds. By City policy, all marketable securities shall be deposited in a safe keeping account with an independent third party state or national bank having an office in Colorado.

*Foreign Currency Risk.* The City's investment policy, excluding the FPPA pension trust funds, does not allow for investment in foreign currency.

#### NOTE 4. ACCOUNTS RECEIVABLE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts receivable of the various funds of the City at December 31, 2014, is as follows:

|                              |                 |
|------------------------------|-----------------|
| General Fund                 | \$ 933,440      |
| Enterprise Funds:            |                 |
| Water                        | \$ 1,054        |
| Solid Waste Removal          | 274             |
| Two Rivers Convention Center | 2,898           |
|                              | <u>\$ 4,226</u> |
| Internal Service Funds:      |                 |
| Communications Center        | <u>\$ 817</u>   |

#### NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

##### *Primary Government - City of Grand Junction:*

|                                               | Beginning<br>Balance | Increase           | Decreases            | Ending<br>Balance    |
|-----------------------------------------------|----------------------|--------------------|----------------------|----------------------|
| <b>Governmental Activities:</b>               |                      |                    |                      |                      |
| <i>Capital assets, not being depreciated:</i> |                      |                    |                      |                      |
| Land                                          | \$302,050,439        | \$ 1,317,519       | \$ 296,890           | \$303,071,068        |
| Construction in progress                      | 9,374,703            | 800,319            | 8,769,715            | 1,405,307            |
| Intangible assets                             | 1,308,632            | -                  | -                    | 1,308,632            |
| Total capital assets, not being depreciated   | <u>312,733,774</u>   | <u>2,117,838</u>   | <u>9,066,605</u>     | <u>305,785,007</u>   |
| <i>Capital assets, being depreciated:</i>     |                      |                    |                      |                      |
| Buildings                                     | 96,193,562           | 10,006,023         | 9,306,631            | 96,892,954           |
| Improvements other than buildings             | 31,645,337           | 296,339            | -                    | 31,941,676           |
| Equipment                                     | 48,567,785           | 6,288,398          | 1,639,637            | 53,216,546           |
| Infrastructure                                | 383,205,875          | 7,565,460          | 79,024               | 390,692,311          |
| Total capital assets, being depreciated       | <u>559,612,559</u>   | <u>24,156,220</u>  | <u>11,025,292</u>    | <u>572,743,487</u>   |
| <i>Less accumulated depreciation for:</i>     |                      |                    |                      |                      |
| Buildings                                     | 19,323,284           | 2,642,565          | -                    | 21,965,849           |
| Improvements other than buildings             | 16,781,408           | 1,264,896          | -                    | 18,046,304           |
| Equipment                                     | 27,138,872           | 4,542,139          | 1,171,235            | 30,509,776           |
| Infrastructure                                | 116,921,050          | 8,692,011          | 79,024               | 125,534,037          |
| Total accumulated depreciation                | <u>180,164,614</u>   | <u>17,141,611</u>  | <u>1,250,259</u>     | <u>196,055,966</u>   |
| Total capital assets, being depreciated, net  | <u>379,447,945</u>   | <u>7,014,609</u>   | <u>9,775,033</u>     | <u>376,687,521</u>   |
| Governmental activities capital assets, net   | <u>\$692,181,719</u> | <u>\$9,132,447</u> | <u>\$ 18,841,638</u> | <u>\$682,472,528</u> |

|                                               | Beginning<br>Balance | Increase     | Decreases | Ending<br>Balance |
|-----------------------------------------------|----------------------|--------------|-----------|-------------------|
| <b>Business-type Activities:</b>              |                      |              |           |                   |
| <i>Capital assets, not being depreciated:</i> |                      |              |           |                   |
| Land                                          | \$ 5,148,898         | \$ 44,992    | \$ -      | \$ 5,193,890      |
| Construction in progress                      | 185,285              | 880,093      | 62,563    | 1,002,815         |
| Intangible assets                             | 190,464              | -            | -         | 190,464           |
| Total capital assets, not being depreciated   | 5,524,647            | 925,085      | 62,563    | 6,387,169         |
| <i>Capital assets, being depreciated:</i>     |                      |              |           |                   |
| Buildings and systems                         | 63,668,088           | 11,883,331   | 79,146    | 75,472,273        |
| Improvements other than buildings             | 7,777,779            | -            | -         | 7,777,779         |
| Equipment                                     | 3,505,933            | 578,923      | 99,666    | 3,985,190         |
| Total capital assets, being depreciated       | 74,951,800           | 12,462,254   | 178,812   | 87,235,242        |
| <i>Less accumulated depreciation for:</i>     |                      |              |           |                   |
| Buildings and systems                         | 24,226,784           | 2,559,464    | 22,604    | 26,763,644        |
| Improvements other than buildings             | 3,190,994            | 233,379      | -         | 3,424,373         |
| Equipment                                     | 2,140,004            | 240,438      | 4,984     | 2,375,458         |
| Total accumulated depreciation                | 29,557,782           | 3,033,281    | 27,588    | 32,563,475        |
| Total capital assets, being depreciated, net  | 45,394,018           | 9,428,973    | 151,224   | 54,671,767        |
| Business-type activities capital assets, net  | \$ 50,918,665        | \$10,354,058 | \$213,787 | \$ 61,058,936     |

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

|                                                                                                                                |               |
|--------------------------------------------------------------------------------------------------------------------------------|---------------|
| <b>Governmental Activities</b>                                                                                                 |               |
| General government                                                                                                             | \$ 1,154,847  |
| Public safety                                                                                                                  | 1,875,858     |
| Public works                                                                                                                   | 9,159,661     |
| Parks and recreation                                                                                                           | 1,691,651     |
| Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets | 3,259,594     |
| Total depreciation expense – governmental activities                                                                           | \$ 17,141,611 |
| <b>Business-Type Activities</b>                                                                                                |               |
| Water                                                                                                                          | \$ 1,060,368  |
| Solid waste                                                                                                                    | 69,356        |
| Meeting and convention center                                                                                                  | 1,451,493     |
| Golf courses                                                                                                                   | 233,321       |
| Parking                                                                                                                        | 132,783       |
| Irrigation                                                                                                                     | 85,960        |
| Total depreciation expense – business-type activities                                                                          | \$ 3,033,281  |

The increase in business -type activities capital assets and the decrease in the Downtown Development Authority capital assets include a transfer of assets of \$1,799,321 and accumulated depreciation of \$1,001,504 between the discretely presented component unit and the business-type activities of the primary government.

## Discretely Presented Component Unit

Activity for the **Downtown Development Authority** for the year ended December 31, 2014, was as follows:

|                                               | Beginning<br>Balance | Increases  | Decreases    | Ending<br>Balance |
|-----------------------------------------------|----------------------|------------|--------------|-------------------|
| <i>Capital assets, not being depreciated:</i> |                      |            |              |                   |
| Land                                          | \$ 794,691           | \$ -       | \$ -         | \$ 794,691        |
| Construction in progress                      | 588,915              | 4,336      | 585,821      | 7,430             |
| Total capital assets, not being depreciated   | 1,383,606            | 4,336      | 585,821      | 802,121           |
| <i>Capital assets, being depreciated:</i>     |                      |            |              |                   |
| Buildings and systems                         | 3,787,023            | 46,737     | 1,799,321    | 2,034,439         |
| Improvements other than buildings             | -                    | 761,663    | -            | 761,663           |
| Equipment                                     | 1,429,747            | 73,400     | -            | 1,503,147         |
| Total capital assets, being depreciated       | 5,216,770            | 881,800    | 1,799,321    | 4,299,249         |
| <i>Less accumulated depreciation for:</i>     |                      |            |              |                   |
| Buildings                                     | 1,299,475            | 50,408     | 1,001,504    | 348,379           |
| Improvements other than buildings             | -                    | 19,042     | -            | 19,042            |
| Equipment                                     | 704,892              | 155,446    | -            | 860,338           |
| Total accumulated depreciation                | 2,004,367            | 224,896    | 1,001,504    | 1,227,759         |
| Total capital assets, being depreciated, net  | 3,212,403            | 656,904    | 797,817      | 3,071,490         |
| DDA capital assets, net                       | \$ 4,596,009         | \$ 661,240 | \$ 1,383,638 | \$ 3,873,611      |

## Construction Commitments

The City and its component unit have several ongoing construction projects as of December 31, 2014 composed of the following:

|                            | Spent to<br>12/31/2014 | Projected cost<br>of completion |
|----------------------------|------------------------|---------------------------------|
| <b>Primary Government</b>  |                        |                                 |
| Street projects            | \$ 125,121             | \$ 2,682,335                    |
| Drainage projects          | 182,733                | 749,297                         |
| Park development           | 116,013                | 4,242,811                       |
| Facilities/equipment/other | 1,984,256              | 5,389,705                       |
| <b>Component Unit</b>      |                        |                                 |
| Development Projects       | \$ 7,430               | \$ 17,840                       |

## NOTE 6. CAPITAL LEASES

### Certificates of Participation

The City entered into a ground and improvement lease with The Grand Junction Public Finance Corporation, which was incorporated in 1996 as a Colorado nonprofit corporation to facilitate City financing, including but not limited to, the acquisition of real or personal property, the construction or installation of improvements and the renovation, expansion or improvement of buildings for lease to the City. The Corporation issued \$7,770,000 certificates of participation, dated November 15, 2010 to be used to construct and install certain improvements to Suplizio Field, a baseball stadium located in the City's Lincoln Park, fund a reserve fund, and pay the costs of issuing the certificates. The proceeds from the issue reserved for debt service and principal and interest payments are accounted for in the General Fund.

The City has agreed to pay base rentals from annually appropriated funds. The lease agreements are in accordance with Colorado law as to being subject to annual appropriation by the City. The City intends to annually appropriate for the lease payments in its Conservation Trust Fund. The primary revenues on deposit in the Conservation Trust Fund are comprised of funds received from the Colorado Lottery to be used for park and recreation purposes pursuant to State law. A \$533,500 reserve is held by a trustee, as required by the agreement.

The interest rate is 4.76% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2014, follows:

| Year ending December 31,                | Schedule of<br>Base Rents |
|-----------------------------------------|---------------------------|
| 2015                                    | \$ 532,000                |
| 2016                                    | 530,400                   |
| 2017                                    | 528,650                   |
| 2018                                    | 531,175                   |
| 2019                                    | 528,675                   |
| 2020-2024                               | 2,655,569                 |
| 2025-2029                               | 2,655,887                 |
| 2030-2034                               | 2,649,750                 |
| 2035                                    | 530,250                   |
| Total base rentals                      | 11,142,356                |
| Less amounts representing interest      | (4,187,356)               |
| Present value of minimum lease payments | <u>\$ 6,955,000</u>       |

The City entered into a ground lease with Zions First National Bank. Zions First National Bank issued \$34,900,000 certificates of participation, dated December 1, 2010 to be used for the construction of a police building, including a 911 emergency dispatch center, and the remodeling of existing City facilities for use as fire stations and a fire administration building, pay capitalized interest, and pay the costs of issuing the certificates. The certificates include \$4,900,000 of Tax-Exempt Certificates of Participation, Series 2010A and \$30,000,000 Taxable Certificates of Participation (Direct Pay Build America Bonds), Series 2010B.

The City has agreed to pay base rentals from annually appropriated funds. The lease agreements are in accordance with Colorado law as to being subject to annual appropriation by the City.

The interest rates range from 4.23% to 7.48% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2014, follows:

| Year ending December 31,                | Schedule of<br>Base Rents |
|-----------------------------------------|---------------------------|
| 2015                                    | \$ 3,027,122              |
| 2016                                    | 3,029,323                 |
| 2017                                    | 3,028,510                 |
| 2018                                    | 3,029,535                 |
| 2019                                    | 3,028,985                 |
| 2020-2024                               | 14,848,313                |
| 2025-2029                               | 14,241,025                |
| 2030-2034                               | 13,416,510                |
| 2035-2039                               | 12,337,870                |
| 2040                                    | 2,314,475                 |
| Total base rentals                      | 72,301,668                |
| Less amounts representing interest      | (39,336,668)              |
| Present value of minimum lease payments | <u>\$ 32,965,000</u>      |

The City's certificates of participation do not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional or statutory debt limitation.

## NOTE 7. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity of the City for the year ended December 31, 2014:

### **Primary Government - City of Grand Junction:**

|                                                  | Beginning<br>Balance | Additions          | Reductions          | Ending<br>Balance   | Due Within<br>One Year |
|--------------------------------------------------|----------------------|--------------------|---------------------|---------------------|------------------------|
| <b>Governmental Activities:</b>                  |                      |                    |                     |                     |                        |
| Revenue bonds:                                   |                      |                    |                     |                     |                        |
| <i>Parkway</i>                                   | \$ 3,735,000         | \$ -               | \$ 3,735,000        | \$ -                | \$ -                   |
| <i>Premium</i>                                   | 26,215               | -                  | 26,215              | -                   | -                      |
| <i>Parkway Refunding</i>                         | 30,645,000           | -                  | -                   | 30,645,000          | 2,470,000              |
| <i>Parkway Refunding Premium</i>                 | 4,444,731            | -                  | 676,815             | 3,767,916           | 659,141                |
| Capital Leases:                                  |                      |                    |                     |                     |                        |
| <i>Certificates of Participation</i>             | 40,805,000           | -                  | 885,000             | 39,920,000          | 915,000                |
| <i>Discount on Certificates of Participation</i> | (378,665)            | 15,992             | -                   | (362,673)           | (16,997)               |
| Net pension obligation:                          |                      |                    |                     |                     |                        |
| <i>Fire Defined Benefit Plan</i>                 | 148,176              | 270,370            | 271,252             | 147,294             | -                      |
| Claims payable                                   | 2,217,985            | 595,551            | 739,657             | 2,073,879           | 770,998                |
| Compensated absences                             | 3,940,098            | 4,631,675          | 4,707,949           | 3,863,824           | 220,508                |
| Other Post Employment Benefits                   | 1,669,381            | 1,231,440          | 554,326             | 2,346,495           | -                      |
| Governmental activity long-term liabilities      | <u>\$87,252,921</u>  | <u>\$6,745,028</u> | <u>\$11,596,214</u> | <u>\$82,401,735</u> | <u>\$5,018,650</u>     |
| <b>Business-Type Activities</b>                  |                      |                    |                     |                     |                        |
| Loans payable                                    |                      |                    |                     |                     |                        |
| <i>Water Systems</i>                             | \$5,226,444          | \$ -               | \$352,007           | \$4,874,437         | \$361,506              |
| Less deferred amounts:                           |                      |                    |                     |                     |                        |
| For loan discount                                | (28,343)             | 4,961              | -                   | (23,382)            | (4,826)                |
| Compensated absences                             | <u>549,501</u>       | <u>672,966</u>     | <u>661,068</u>      | <u>561,399</u>      | <u>32,038</u>          |
| Business-type activity long-term liabilities     | <u>\$5,747,602</u>   | <u>\$677,927</u>   | <u>\$1,013,075</u>  | <u>\$5,412,454</u>  | <u>\$388,718</u>       |

### **Component Unit – Downtown Development Authority:**

|                       | Beginning<br>Balance | Additions        | Reductions        | Ending<br>Balance  | Due Within<br>One Year |
|-----------------------|----------------------|------------------|-------------------|--------------------|------------------------|
| Tax increment bonds   | \$6,530,000          | \$ -             | \$ 615,000        | \$5,915,000        | \$635,000              |
| Pollution remediation | 156,876              | -                | 156,876           | -                  | -                      |
| Compensated absences  | 6,048                | 15,022           | 10,794            | 10,276             | 586                    |
| Total                 | <u>\$6,692,924</u>   | <u>\$ 15,022</u> | <u>\$ 782,670</u> | <u>\$5,925,276</u> | <u>\$635,586</u>       |

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$481,847 of internal service funds compensated absences are included in the above amounts. For the governmental activities, compensated absences and net pension obligation are generally liquidated by the general fund.

Bonds, notes and loans payable as of December 31, 2014, are comprised of the following:

**Primary Government – City of Grand Junction:**

**REVENUE BONDS:**

\$80,000,000 of approved General Fund Revenue Bonds Series 2004 and 2007 bearing interest at 2% to 5% payable March 1 and September 1 annually through March 1, 2024 were issued to finance the construction of the Riverside Parkway project. The principal and interest on the bonds is payable solely from pledged sales and use tax revenues. There was no unpaid principal at December 31, 2014.

The City of Grand Junction issued \$30,645,000 of General Fund Revenue Refunding Bonds Series 2012 bearing interest at 2% to 5% payable March 1 and September 1 annually through March 1, 2024. The principal and interest on the bonds is payable solely from pledged sales and use tax revenues. There was \$30,645,000 unpaid principal at December 31, 2014, payable over the following term:

| Year      | Principal           | Interest           | Total               |
|-----------|---------------------|--------------------|---------------------|
| 2015      | \$ 2,470,000        | \$1,381,800        | \$3,851,800         |
| 2016      | 2,575,000           | 1,280,375          | 3,855,375           |
| 2017      | 2,705,000           | 1,148,375          | 3,853,375           |
| 2018      | 2,845,000           | 1,009,625          | 3,854,625           |
| 2019      | 2,975,000           | 883,625            | 3,858,625           |
| 2020-2024 | 17,075,000          | 2,195,125          | 19,270,125          |
|           | <u>\$30,645,000</u> | <u>\$7,898,925</u> | <u>\$38,543,925</u> |

**ADVANCE REFUNDING:**

**Prior year defeasance of debt.** In prior years, the City of Grand Junction defeased general revenue bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At December 31, 2014, no defeased bonds remained outstanding.

**LOANS PAYABLE:**

The City of Grand Junction entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance improvements on the City's water system. The principal amount is \$3,566,522 at a net effective interest rate of 4.02%, payable February 1 and August 1 annually through 2022. The water system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the City with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2014 was \$1,745,548 payable over the following term from *Business activities*:

| Year      | Principal          | Interest          | Total              |
|-----------|--------------------|-------------------|--------------------|
| 2015      | \$193,950          | \$61,586          | \$255,536          |
| 2016      | 199,337            | 53,621            | 252,958            |
| 2017      | 204,725            | 50,131            | 254,856            |
| 2018      | 210,112            | 41,266            | 251,378            |
| 2019      | 215,500            | 33,825            | 249,325            |
| 2020-2022 | 721,924            | 57,921            | 779,845            |
|           | <u>\$1,745,548</u> | <u>\$ 298,350</u> | <u>\$2,043,898</u> |



The City of Grand Junction entered into a loan agreement dated February 2, 2010 with the Colorado Water Resources and Power Development Authority to finance improvements on the City's water system. The principal amount is \$3,800,000 at a net effective interest rate of 2.5%, payable May 1 and November 1 annually through 2030. The water system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the City with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2014 was \$3,128,889 payable over the following term from *Business activities*:

| Year      | Principal          | Interest          | Total              |
|-----------|--------------------|-------------------|--------------------|
| 2015      | \$167,556          | \$77,182          | \$244,738          |
| 2016      | 171,772            | 72,966            | 244,738            |
| 2017      | 176,093            | 68,645            | 244,738            |
| 2018      | 180,523            | 64,215            | 244,738            |
| 2019      | 185,064            | 59,674            | 244,738            |
| 2020-2024 | 997,539            | 226,151           | 1,223,690          |
| 2025-2029 | 1,129,484          | 94,206            | 1,223,690          |
| 2030      | 120,858            | 1,511             | 122,369            |
|           | <u>\$3,128,889</u> | <u>\$ 664,550</u> | <u>\$3,793,439</u> |

***Component Unit – Downtown Development Authority:***

***TAX INCREMENT BONDS:***

During 2012, the Downtown Development Authority issued \$7,125,000 Tax Increment Financing Bonds. The bonds include \$4,070,000 of Tax-Exempt Increment Bonds, Series 2012A and \$3,055,000 Taxable Increment Bonds, Series 2012B. The bonds bear interest from 3.5% to 5.3% and are payable on June 15 and December 15 of each year through 2022. The unpaid principal at December 31, 2014 was \$5,915,000 payable over the following term:

| Year      | Principal          | Interest           | Total              |
|-----------|--------------------|--------------------|--------------------|
| 2015      | \$635,000          | \$274,835          | \$909,835          |
| 2016      | 660,000            | 250,070            | 910,070            |
| 2017      | 685,000            | 223,010            | 908,010            |
| 2018      | 715,000            | 193,555            | 908,555            |
| 2019      | 750,000            | 161,380            | 911,380            |
| 2020-2022 | 2,470,000          | 259,640            | 2,729,640          |
|           | <u>\$5,915,000</u> | <u>\$1,362,490</u> | <u>\$7,277,490</u> |

There are certain reserve requirements, limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant requirements.

## NOTE 8. BUDGET TO ACTUAL PRESENTATION - PROPRIETARY FUNDS

Modifications to budgetary basis consist of adding capital expenditures and debt service principal payments to, and excluding depreciation and amortization expense, estimated claims expense, fund equity transfers, and any changes in accrued compensated absences and accrued interest expense from GAAP basis expenditures.

|                                    | Budgeted Amounts |             | Expenditures<br>Reported on the<br>Basis of GAAP | Adjustment to<br>Budgetary Basis | Expenditures<br>on Budgetary<br>Basis | Variance<br>with Final<br>Budget –<br>Positive<br>(Negative) |
|------------------------------------|------------------|-------------|--------------------------------------------------|----------------------------------|---------------------------------------|--------------------------------------------------------------|
|                                    | Original         | Final       |                                                  |                                  |                                       |                                                              |
| <b>Enterprise Funds:</b>           |                  |             |                                                  |                                  |                                       |                                                              |
| Water                              | \$6,708,933      | \$6,943,114 | \$5,676,376                                      | \$ 748,311                       | \$6,424,687                           | \$ 518,427                                                   |
| Solid Waste Removal                | 3,534,058        | 3,534,058   | 3,388,868                                        | 37,673                           | 3,426,541                             | 107,517                                                      |
| Two Rivers                         |                  |             |                                                  |                                  |                                       |                                                              |
| Convention Center                  | 2,670,564        | 2,670,564   | 2,795,348                                        | (349,131)                        | 2,446,217                             | 224,347                                                      |
| Golf Courses                       | 2,055,156        | 2,055,156   | 1,948,299                                        | (25,709)                         | 1,922,590                             | 132,566                                                      |
| Parking Authority                  | 478,007          | 498,892     | 424,197                                          | 68,525                           | 492,722                               | 6,170                                                        |
| Irrigation                         | 251,226          | 251,226     | 326,948                                          | (81,472)                         | 245,476                               | 5,750                                                        |
| <b>Internal Service<br/>Funds:</b> |                  |             |                                                  |                                  |                                       |                                                              |
| Data Processing                    | 6,310,601        | 6,310,601   | 5,861,054                                        | 178,395                          | 6,039,449                             | 271,152                                                      |
| Equipment                          | 5,273,996        | 6,534,865   | 4,424,082                                        | 1,710,664                        | 6,134,746                             | 400,119                                                      |
| Self-Insurance                     | 2,418,788        | 2,418,788   | 1,885,085                                        | 147,601                          | 2,032,686                             | 386,102                                                      |
| Communications<br>Center           | 7,647,455        | 8,223,372   | 6,675,076                                        | (559,675)                        | 6,115,401                             | 2,107,971                                                    |

## NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2014, is as follows:

### Due to/from other funds:

|                                                                            | Due from<br>Other Funds | Due to Other<br>Funds |
|----------------------------------------------------------------------------|-------------------------|-----------------------|
| General Fund                                                               | \$1,475,373             | \$ -                  |
| Community Development Special Revenue Fund to cover the cost of operations | -                       | 10,289                |
| Sales Tax Capital Projects Fund to cover the cost of capital               | -                       | 218,017               |
| Major Capital Improvement Projects Fund to cover the cost of capital       | -                       | 430,771               |
| General Debt Service Fund to cover the cost of debt service                | -                       | 348,965               |
| Parking Enterprise Fund to pay current portion of advance                  | -                       | 197,902               |
| Solid Waste Removal Enterprise Fund to pay current portion of advance      | -                       | 84,895                |
| Tiara Rado Golf Course Enterprise Fund to pay current portion of advance   | -                       | 184,534               |
| Total                                                                      | <u>\$1,475,373</u>      | <u>\$1,475,373</u>    |

### Advances to/from other funds:

|                                                                            | Advance to<br>Other Funds | Advance from<br>Other Funds |
|----------------------------------------------------------------------------|---------------------------|-----------------------------|
| General Fund                                                               | \$6,659,711               | \$ -                        |
| Solid Waste Removal Enterprise Fund to cover the cost of operations        | -                         | 675,356                     |
| Tiara Rado Golf Enterprise Fund to cover the cost of new irrigation system | -                         | 3,124,592                   |
| Parking Enterprise Fund to cover partial cost of new parking garage        | -                         | 2,859,763                   |
| Total                                                                      | <u>\$6,659,711</u>        | <u>\$6,659,711</u>          |

## Interfund Transfers:

| Transfers Out:        | General Fund | Sales Tax CIP Fund | Major CIP Fund | General Debt Service Fund | Parkway Debt Retirement Fund | Two Rivers Conv Center | Golf Courses Fund | Nonmajor Gov Funds | Internal Service | Total        |
|-----------------------|--------------|--------------------|----------------|---------------------------|------------------------------|------------------------|-------------------|--------------------|------------------|--------------|
| General Fund          | \$ -         | \$ 1,880           | \$1,292,626    | \$ -                      | \$2,108,328                  | \$149,868              | \$ -              | \$ -               | \$ -             | \$3,552,702  |
| Sales Tax CIP         | 500,000      | -                  | 893,139        | 7,069,958                 | -                            | 116,864                | -                 | 48,122             | -                | 8,628,083    |
| Nonmajor Governmental | 198,211      | 304,248            | -              | 500,000                   | -                            | 149,869                | 160,413           | 234,191            | 1,679,880        | 3,226,812    |
| Nonmajor Proprietary  | -            | -                  | -              | -                         | -                            | -                      | -                 | -                  | 100,000          | 100,000      |
| Total Transfers In    | \$698,211    | \$306,128          | \$2,185,765    | \$7,569,958               | \$2,108,328                  | \$416,601              | \$160,413         | \$282,313          | \$1,779,880      | \$15,507,597 |

Transfers into the General Fund were to assist with cemetery operations (\$6,165); to reimburse administrative costs of the Community Development Block Grant (\$30,206); to assist with pool operations (\$11,840); and for economic development contributions (\$650,000). Transfers out of the General Fund were for cultural arts, capital construction, and to set aside dollars to repay the parkway debt.

Transfers into the Sales Tax CIP Fund were for various capital construction projects. Transfers out of the Sales Tax CIP Fund were to repay the parkway debt (\$5,247,800) to make the lease payment on the Public Safety Certificates of Participation (\$1,822,158), and for capital and economic development purchases.

Transfers into the Major Capital Projects Fund were for Avalon Theatre improvements.

Transfers into the Two Rivers Convention Center Fund were to subsidize operations and purchase capital equipment.

Transfers into the Golf Courses Fund were to subsidize debt service and purchase capital equipment.

Transfers into Nonmajor Governmental Funds were for capital construction and to make the lease payment on the Stadium Certificates of Participation.

Transfers into the Internal Service Fund of \$1,679,880 were for equipment upgrades funded by the E-911 surcharge.

## NOTE 10. RETIREMENT PLANS

### A. DEFINED CONTRIBUTION PLANS

The City maintains several defined contribution retirement plans for various classes of employees. In a defined contribution plan, benefits depend solely on amounts contributed on the plan participant's behalf to the plan plus investment earnings.

Under City ordinances, substantially all full-time City employees, other than sworn police officers and fire fighters and elected officials, are covered by a mandatory contributory defined contribution retirement plan. The City of Grand Junction, Colorado, Employees Retirement Plan is administered by the International City Manager's Association Retirement Corporation (ICMA-RC). The plan provides for retirement benefits based upon an employee's vested account. A participant becomes 100% vested on completion of five years of service. Amounts forfeited by employees who leave employment before becoming fully vested are used to pay for administrative expenses of the plan. The City matches employees' required contributions of 6% of base salary. An employee may make voluntary contributions of up to an additional 10%. Total payroll for all City employees for the year ended December 31, 2014, was \$45,250,908. Covered wages and contributions in 2014 were as follows:

|                              |              |
|------------------------------|--------------|
| <u>General Employee Plan</u> |              |
| Covered wages                | \$24,502,138 |
| City contribution            | 1,504,782    |
| Employee contribution        | 1,504,782    |

Effective January 1, 1980, under state statutes, all fire fighters and police officers hired after April 8, 1978, are covered under fire and police defined contribution pension plans (new hire plans). Fire fighters and police officers hired prior to this date had the option to remain in the defined benefit plans (old hire plans) or to transfer to the applicable new plan. The new plans are administered by independent boards. The assets of the New Hire Police Money Purchase Pension Plan and the New Hire Fire Money Purchase Pension Plan are maintained by the International City Manager's Association Retirement Corporation (ICMA-RC). Vesting is accomplished over a five-year period. Amounts forfeited by employees who leave employment before becoming fully vested are retained by the plan for administrative expenses of the plan. The rate of contribution under the new plan is 10.65% of regular salary for the employee and the City. Covered wages and contributions in 2014 were as follows:

| <u>New Hire – Police &amp; Fire</u> | <u>Police Officers</u> | <u>Fire Fighters</u> |
|-------------------------------------|------------------------|----------------------|
| Covered wages                       | \$7,829,528            | \$7,427,423          |
| City contribution                   | 833,850                | 791,173              |
| Employee contribution               | 833,850                | 791,173              |

In 1988, the City established supplemental defined contribution plans (new supplemental plans) for fire fighters and police officers hired before April 8, 1978, whom remained as participants in the defined benefit plans (old plans). The Old Hire Police Officers Rank Escalation Pension Plan and the Old Hire Firefighters Rank Escalation Pension Plan were established in exchange for a freeze in rank escalation benefits in the old plans at 1980 levels. The plans are administered by the International City Manager's Association Retirement Corporation (ICMA-RC). Under these new supplemental plans, the City contributes 6.65% of the employee's gross wages to the plan and the employee contributes .65%. Employees' balances became fully vested upon establishment of the plans. In 2014, there were no police officers or fire fighters participating in the defined benefit plans.

In addition to the above retirement plans, all fire fighters and police officers are covered under a statewide, state-funded death and disability plan.

## **B. DEFINED BENEFIT PLANS**

*Plan Description.* The City, on behalf of certain full-time paid firefighters and police officers, contributes to the Fire Old Hire Pension Fund and the Police Old Hire Pension Fund, both defined benefit, single employer plans that are affiliated with the Fire and Police Pension Association of Colorado (FPPA). Assets of the plans are commingled for investment purposes in the Fire and Police Member's Benefit Investment Fund; a combination of agent, multiple -employer defined benefit pension plans administered by FPPA with over 200 participating employers in the State of Colorado. The plans provide retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of each plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plans. **FPPA issues a publicly available annual financial report that includes the assets of the plans, note disclosures related to the plan investments and policies, and separate biennial actuarial reports for each of the plans. The reports may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at 1-800-770-3772.**

All City police officers and firefighters hired prior to April 8, 1978, participated in the plan until January 1, 1980, when they could remain in the plan or transfer and become a participant in a defined contribution plan (new hire plan). Police officers' benefits become vested after twenty years of service and age 55 or after twenty-five years of service. Firefighters' benefits become vested after twenty years of service and age 50. Vested employees who retire are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to one half of one month's salary at the time of retirement, plus any vested rank escalation. Rank escalation benefits allow for increases in benefits equal to one half of any salary increases given to current City employees in the retiree's last position. Rank escalation benefits vested at 5% for each year of service until 1980. Benefits vested after 1979 are limited to increases of 3% per year for inflation, as determined by the state. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City ordinance.

*Funding Policy and Annual Pension Cost/ Net Pension Asset.* Plan members and the City are required to contribute at a rate set by statute. The State of Colorado also contributes to the plans in an amount set by statute. The contribution requirements of plan members and the City are established under Title 31, Article 30 of the CRS, as amended.

City employees participating in the system are required to contribute 10% of their base earnings to the system. During 2014, there were no active policemen covered by the Police Old Hire Plan and 14 retirees and beneficiaries receiving benefits. There were no active firefighters contributing to the Fire Old Hire Plan and 34 retirees and beneficiaries receiving benefits. The City and State of Colorado are required to contribute the remaining amounts necessary to fund the system. Contributions to the funds for the year ended December 31, 2014, were as follows:

|                   | Police Old Hire<br>Plan | Fire Old<br>Hire Plan | Total             |
|-------------------|-------------------------|-----------------------|-------------------|
| City contribution | \$ -                    | \$271,252             | \$ 271,252        |
| Total             | <u>\$ -</u>             | <u>\$271,252</u>      | <u>\$ 271,252</u> |

The financial statements of the Police Old Hire Plan and the Fire Old Hire Plan are presented as pension trust funds in the City's financial statements and are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are presented at fair value except real-estate which is recorded at estimated fair value based upon periodic appraisals and valuations, investments in limited partnerships which are recorded at estimated fair value as derived from financial statements, and guaranteed investment contracts which are recorded at contract value. There are no investments in, loans to, or lease with parties related to the plans. State contributions on behalf of City employees are recognized as revenues and expenditures in the General Fund in accordance with GASB Statement 24. During 2001, the Fire Old Hire Plan was fully funded and the State of Colorado was no longer required to make contributions to the plan. In 2009, legislation was adopted to defer the State of Colorado contributions for certain affiliated local "Old Hire" plans for 2009 through 2011 and resuming in 2012 until 2015. In 2011, legislation was adopted to change the payment dates to 2012 until 2019. In 2013, the State of Colorado made its final payment to the Police Old Hire Plan and the State of Colorado is no longer required to make contributions to fund the plan.

The City's annual pension cost and net pension asset (NPA) for the current year and related information for each plan is as follows:

|                                          | Police Old Hire Plan | Fire Old Hire Plan   |
|------------------------------------------|----------------------|----------------------|
| Annual required contribution (ARC)       | \$116,037            | \$276,015            |
| Interest on net pension obligation (NPO) | (92,350)             | 17,327               |
| Adjustment to ARC                        | <u>134,628</u>       | <u>(22,972)</u>      |
| Annual pension cost                      | 158,315              | 270,370              |
| Contributions made                       | -                    | <u>271,252</u>       |
| Increase (Decrease) in NPO               | 158,315              | (882)                |
| NPO (NPA) – January 1, 2014              | (1,231,332)          | 148,176              |
| NPO (NPA) – December 31, 2014            | <u>\$(1,073,017)</u> | <u>\$147,294</u>     |
| Actuarial valuation date                 | 1/1/14               | 1/1/14               |
| Actuarial cost method                    | Entry age normal     | Entry age normal     |
| Amortization method                      | Level dollar, open   | Level dollar, open   |
| Remaining amortization period            | 13 years             | 18 years             |
| Asset valuation method                   | 5-Year Smoothed, FMV | 5-Year Smoothed, FMV |
| Actuarial assumptions:                   |                      |                      |
| Investment rate of return                | 7.50%                | 7.50%                |
| Projected salary increases               | 4.00%                | 4.00%                |
| Includes inflation at                    | 3.00%                | 3.00%                |
| Cost of living adjustment                | 3.00% - 3.50%        | 3.00% - 3.50%        |

Three-year trend information is as follows:

|                      | Year<br>Ending | Annual<br>Pension Cost<br>(APC) | Percentage<br>of APC<br>Contributed | Net Pension<br>Obligation/<br>(Asset) |
|----------------------|----------------|---------------------------------|-------------------------------------|---------------------------------------|
| Police Old Hire Plan | 12/31/12       | \$270,344                       | 190.27%                             | \$ (205,576)                          |
|                      | 12/31/13       | 122,323                         | 938.56%                             | (1,231,332)                           |
|                      | 12/31/14       | 158,315                         | 0.00%                               | (1,073,017)                           |
| Fire Old Hire Plan   | 12/31/12       | \$240,726                       | 102.84%                             | \$156,796                             |
|                      | 12/31/13       | 270,764                         | 103.18%                             | 148,176                               |
|                      | 12/31/14       | 270,370                         | 100.33%                             | 147,294                               |

**Funded Status and Funding Progress.** Listed below is the required disclosure for the most recent actuarial valuation and the two preceding valuations:

| Actuarial<br>Valuation<br>Date | Actuarial value of<br>plan assets<br>(a) | Actuarial accrued<br>liability<br>(b) | Unfunded<br>actuarial liability<br>(or funding<br>excess)<br>(c) | Funded<br>ratio<br>(a)/(b) |
|--------------------------------|------------------------------------------|---------------------------------------|------------------------------------------------------------------|----------------------------|
| <b>Police Old Hire Plan</b>    |                                          |                                       |                                                                  |                            |
| 1/1/14                         | \$ 4,414,527                             | \$ 3,953,023                          | \$ (461,504)                                                     | 112%                       |
| 1/1/12                         | 3,216,457                                | 4,735,309                             | 1,518,852                                                        | 68%                        |
| 1/1/10                         | 3,268,151                                | 5,992,299                             | 2,724,148                                                        | 55%                        |
| <b>Fire Old Hire Plan</b>      |                                          |                                       |                                                                  |                            |
| 1/1/14                         | \$9,493,841                              | \$12,552,106                          | \$ 3,058,265                                                     | 76%                        |
| 1/1/12                         | 9,909,435                                | 12,797,862                            | 2,888,427                                                        | 77%                        |
| 1/1/10                         | 10,960,275                               | 13,431,384                            | 2,471,109                                                        | 82%                        |

The funding policy for the plans has been prescribed by state law. Both of these old-hire plans are being phased out with no new members added since 1978. No other factors are anticipated to significantly affect the trends in amounts reported.

#### NOTE 11. POST EMPLOYMENT HEALTHCARE PLAN

**Plan Description.** The City of Grand Junction's Employee Retirement Health Benefit Plan is administered by the City of Grand Junction (the City). The Retiree Health Benefit Plan was implemented by the City in 1998, after a favorable vote by employees, to provide affordable healthcare coverage to its retirees and their dependents. The Rocky Mountain Healthcare C3 Plan (C3) offers healthcare coverage at retirement for the employee who retires at age 50-64 with 15 years of service or more. Retirees that qualify for coverage must pay 10% of current C3 rates to participate. Employee spouses and dependents that qualify for coverage must pay current C3 rates to participate. Coverage terminates for the employee and eligible dependents at age 65 when Medicare eligibility begins. Disabled employees with five years of service are also eligible to enroll in the plan.

**Funding Policy.** The contribution requirements of retirees and the City are established and may be amended by the City Council of the City. Retirees receiving benefits contributed \$128,676 or approximately 18.84 percent of the total premiums, through their required contribution of \$57.47 per month for single coverage, \$623.21 per month for spouse coverage and \$1,005.80 for family coverage. Only the retiree's premium is paid partially by the city. During 2014, there were 57 retirees and 13 dependents receiving benefits.

**Annual OPEB Cost and Net OPEB Obligation.** The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table

shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to C3:

|                                         | Retiree Healthcare<br>Plan |
|-----------------------------------------|----------------------------|
| Annual required contribution (ARC)      | \$ 1,224,286               |
| Interest on net OPEB obligation         | 66,775                     |
| Adjustment to ARC                       | (59,621)                   |
| Annual OPEB cost (expense)              | 1,231,440                  |
| Contributions made                      | (554,326)                  |
| Increase in net OPEB obligation         | 677,114                    |
| Net OPEB obligation – January 1, 2014   | 1,669,381                  |
| Net OPEB obligation – December 31, 2014 | \$ 2,346,495               |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

| Year Ending | Annual<br>OPEB Cost | Percentage of<br>Annual OPEB<br>Cost<br>Contributed | Net OPEB<br>Obligation |
|-------------|---------------------|-----------------------------------------------------|------------------------|
| 2012        | \$1,001,806         | 60.25%                                              | \$1,296,398            |
| 2013        | 1,003,512           | 62.83%                                              | 1,669,381              |
| 2014        | 1,231,440           | 45.01%                                              | 2,346,495              |

*Funded Status and Funding Progress.* As of June 30, 2014, the most recent actuarial valuation date, the plan was unfunded. The unfunded actuarial accrued liability (UAAL) for benefits was \$12.39 million. The covered payroll (annual payroll of active employees covered by the plan) was \$36,628,908 and the ratio of the UAAL to the covered payroll was 33.83 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the fund status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is based on the employer's own investments and an annual healthcare cost trend rate of 7.5 percent initially, reduced by decrements to an ultimate rate of 5 percent after five years. Both rates included a 3.00 percent inflation assumption. The UAAL is being amortized on a level percent of pay, open basis. The remaining amortization period at June 30, 2014, was 30 years.

## NOTE 12. RELATED ENTITIES

### A. JOINT VENTURES

#### *City of Grand Junction/Mesa County, Colorado, Joint Sewer System*

The City operates and manages the City of Grand Junction/Mesa County, Colorado, Joint Sewer System, a regional sewer system. The regional sewer system was organized by agreements made in 1979 and 1980 to provide sewer collection and treatment for the metropolitan area in the Grand Valley. The City contributed all assets which were included in its pre-existing Sewer Fund while Mesa County contributed its name through the issuance of revenue bonds, which are payable from and secured by revenue of the sewer system. After contribution of these assets, the City's pre-existing Sewer Fund was terminated. The City does not have a measurable present or future claim to the net resources of the Joint Sewer System, and therefore does not record an equity interest in its financial statements. The agreements provide that both the City and Mesa County approve the sewer system's annual appropriation budget. The City's utility department operates and manages the sewer system. The agreements provide that upon dissolution of the joint venture, ownership of the assets of the Joint Sewer system shall be determined by mutual agreement. Condensed financial statements of the sewer system at December 31, 2014 and for the year then ended, are as follows:

| <u>Statement of Net Position</u>   |                             |
|------------------------------------|-----------------------------|
| <b>Assets:</b>                     |                             |
| Current assets                     | \$ 12,995,111               |
| Noncurrent assets                  | 87,508                      |
| Net property, plant, and equipment | <u>86,861,094</u>           |
| <b>Total assets</b>                | <b><u>\$ 99,943,713</u></b> |
| <b>Liabilities:</b>                |                             |
| Current liabilities                | \$ 2,065,292                |
| Long-term debt                     | <u>7,218,141</u>            |
| <b>Total liabilities</b>           | <b><u>9,283,433</u></b>     |
| <b>Net Position</b>                |                             |
| Net investment in capital assets   | 78,954,856                  |
| Unrestricted                       | <u>11,705,424</u>           |
| <b>Total net position</b>          | <b><u>\$ 90,660,280</u></b> |

| <u>Statement of Revenue and Expenses</u> |                             |
|------------------------------------------|-----------------------------|
| Operating revenue                        | \$ 11,045,671               |
| Operating expenses                       | <u>9,395,325</u>            |
| <b>Operating income (loss)</b>           | <b>1,650,346</b>            |
| Net nonoperating revenue and expenses    | (85,233)                    |
| Capital contributions                    | <u>1,672,539</u>            |
| <b>Change in net position</b>            | <b>3,237,652</b>            |
| <b>Net position - beginning</b>          | <b><u>87,422,628</u></b>    |
| <b>Net position - ending</b>             | <b><u>\$ 90,660,280</u></b> |

Since the City operates the Joint Sewer System, all cash balances are included in the City sponsored Cash Pool. The Joint Sewer System is an external participant in that pool. The Joint Sewer System's share of the pool is \$11,707,732 reported as an Investment Trust Fund in the City's reporting entity. See Note 3 for disclosure of all investing policies concerning the pool.

Operating expense includes \$3,190,884 of depreciation. Separately issued financial statements for the City of Grand Junction/Mesa County, Colorado, Joint Sewer System are available at the City of Grand Junction, 250 North Fifth Street, Grand Junction, Colorado 81501-2668.



Long-term debt of the Joint Sewer System consists of the following:

#### **LOAN PAYABLE**

The Joint Sewer System entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance the elimination of combined storm and sanitary sewer lines and septic system elimination. The principal amount is \$13,490,000 at a net effective interest rate of 3.62%, payable February 1 and August 1 annually through 2024. The sewer system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the Joint Sewer System with disbursements occurring upon receipt of a requisition executed by the City/County. The unpaid principal at December 31, 2014 was \$4,745,000 payable over the following term from *Business activities*:

| Year      | Principal          | Interest           | Total              |
|-----------|--------------------|--------------------|--------------------|
| 2015      | \$ 395,000         | \$ 202,450         | \$ 597,450         |
| 2016      | 410,000            | 185,818            | 595,818            |
| 2017      | 420,000            | 172,380            | 592,380            |
| 2018      | 435,000            | 159,048            | 594,048            |
| 2019      | 450,000            | 145,591            | 595,591            |
| 2020-2024 | 2,635,000          | 337,874            | 2,972,874          |
|           | <u>\$4,745,000</u> | <u>\$1,203,161</u> | <u>\$5,948,161</u> |

#### **BONDS PAYABLE**

The Joint Sewer System issued \$5,200,000 of approved revenue bonds (Direct Pay Build America Bonds Series 2009) bearing interest at 3.99% payable June 1 and December 1 annually through December 2019 to extend, better, otherwise improve and equip its joint wastewater system. The unpaid principal at December 31, 2014 was \$2,985,000 payable over the following term from *Business activities*:

| Year | Principal          | Interest         | Total              |
|------|--------------------|------------------|--------------------|
| 2015 | \$470,000          | \$128,671        | \$598,671          |
| 2016 | 480,000            | 112,441          | 592,441            |
| 2017 | 490,000            | 93,275           | 583,275            |
| 2018 | 505,000            | 71,750           | 576,750            |
| 2019 | 1,040,000          | 48,807           | 1,088,807          |
|      | <u>\$2,985,000</u> | <u>\$454,944</u> | <u>\$3,439,944</u> |

### **B. RELATED ORGANIZATIONS**

The City appoints members to the boards of the following organizations. The City's accountability for the organizations does not extend beyond making these appointments and there is no fiscal dependency by these organizations on the City.

#### ***Grand Junction Housing Authority***

The Housing Authority is charged with providing safe and sanitary dwelling accommodations as resources permit at rents which persons of low income can afford. The Authority is governed by a seven member board, all appointed by the City Council.

#### ***Horizon Drive Business Improvement District***

The function of the Horizon Drive Business Improvement District Board of Directors is to take such actions and perform such duties as are required of the operations of the District. The District is allowed to make and contemplate a broad range of public improvements. The District is governed by a seven member board, all appointed by the City Council.

## NOTE 13. CONTINGENCIES

### **A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to employee health claims; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established the Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Internal Service Fund provides coverage for up to a maximum of \$500,000 per occurrence on each worker's compensation claim for police officers and firefighters and \$400,000 per occurrence on each worker's compensation claim for all other employees and up to \$150,000 for each general liability or property damage claim. The City purchases commercial insurance for claims in excess of coverage for worker's compensation and participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for claims in excess of coverage for general liability, crime, police professional liability, E & O and property. The city's share of surplus contributions held by CIRSA at December 31, 2014 was \$376,753. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

All funds of the City and the Joint Sewer System participate in the program and make payments to the Self-Insurance Internal Service Fund at amounts that approximate amounts which would have been paid to outside insurance providers. The claims liability of \$2,073,879 in the Self-Insurance Internal Service Fund at December 31, 2014, includes estimated ultimate losses for claims made and claims incurred but not reported, where information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider these factors. Changes in the Self-Insurance Internal Service Fund's claims liability amount in 2013 and 2014 were:

|      | January 1<br>Claims<br>Payable | Claims and<br>Changes in<br>Estimates | Claim Payments | December 31<br>Claims Payable |
|------|--------------------------------|---------------------------------------|----------------|-------------------------------|
| 2013 | \$2,338,877                    | \$ 748,657                            | \$(869,549)    | \$2,217,985                   |
| 2014 | \$2,217,985                    | \$ 595,551                            | \$(739,657)    | \$2,073,879                   |

### **B. POLLUTION REMEDIATION**

In 2012, the City purchased property located at 600 White Avenue. The existing structure on the property, a former church "White Hall", was rendered unusable by and because of a fire in November 2011. The building is old and contains asbestos materials and as a result of the fire the asbestos may now be located throughout the remains of the building. In 2013, the City completed phase one of the White Hall Asbestos Abatement and Demolition project and then traded the property to the Downtown Development Authority. The remaining pollution remediation liability, including asbestos abatement and monitoring, was completed by the Downtown Development Authority in 2014.

### **C. GRANTS**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

### **D. LITIGATION**

The City is involved in several claims and lawsuits as the result of the normal conduct of City business. City management believes that those claims and lawsuits will not have a material effect on the financial statements of the City.

#### **NOTE 14. CONDUIT DEBT OBLIGATIONS**

The City has sponsored several industrial revenue and special assessment bond issues to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These issues do not constitute debt of the City of Grand Junction and the City assumes no financial obligation for these bond issues. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Special Assessment Bonds were issued in 2003 for \$3,980,000 to fund improvements to the Rimrock Marketplace General Improvement District. The City is not liable for repayment of the debt, but the City Treasurer acts as agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if applicable.

Lease Revenue Bonds were issued in 2006 for \$12,565,000 to fund the construction of the CBI Laboratory Facilities Project. The City is not liable for repayment of the debt.

#### **NOTE 15. SEIZED FUNDS**

The City received proceeds from the seizure of contraband (seized funds) under the Colorado Contraband Forfeiture Act (C.R.S. 16-13-501 to 511). The act requires that seized funds be used for law enforcement activities. Seized funds received by the City have been included in these financial statements and these funds have been used for purposes contemplated in the Act.

#### **NOTE 16. TAX, SPENDING AND DEBT LIMITATIONS**

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, and certain election requirements, which apply to the State of Colorado and all local governments.

Future spending and revenue limits are determined based on the prior year's "Fiscal Year Spending" adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. In April 2007, City of Grand Junction voters approved the retention by the City of all revenues exceeding the Fiscal Year Spending limit for 2006 and subsequent years until the Riverside Parkway bonded debt is paid in full, with all amounts retained to be used exclusively for payment of the debt. To that end, \$21,150,736 has been restricted for payment of the debt. In addition to these funds, City Council assigned \$7,163,046 of general fund balance to be used for the early retirement of the Riverside Parkway Bonds. In 2012, the City used \$19,000,000 of these available resources with proceeds from the 2012 General Fund Revenue Refunding Bonds to advance refund \$49,340,000 of the outstanding Riverside Parkway Revenue 2004 Series Bonds.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Emergency reserves as of December 31, 2014, totaling \$2,000,000 are presented as a reservation of fund balance in the General Fund. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR is complex and subject to interpretation. The City's management believes the City is in compliance with the provisions of TABOR as it is understood from judicial interpretations, legal opinions and commonly accepted practices.



(This page intentionally left blank)



# **REQUIRED SUPPLEMENTARY INFORMATION**



(This page intentionally left blank)

## Required Supplementary Information

### City of Grand Junction, Colorado SCHEDULE OF FUNDING PROGRESS Police Old Hire Pension Plan

| Fiscal Year | Actuarial Valuation Date | Actuarial Value of Assets (a) | Total Unfunded                  |                                               | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll ((b-a)/c) |
|-------------|--------------------------|-------------------------------|---------------------------------|-----------------------------------------------|--------------------|---------------------|------------------------------------------|
|             |                          |                               | Actuarial Accrued Liability (b) | Actuarial Accrued Liability or (Excess) (b-a) |                    |                     |                                          |
| 2010        | 1/1/2010                 | 3,268,151                     | 5,992,299                       | 2,724,148                                     | 54.5%              | N/A                 | N/A                                      |
| 2012        | 1/1/2012                 | 3,216,457                     | 4,735,309                       | 1,518,852                                     | 67.9%              | N/A                 | N/A                                      |
| 2014        | 1/1/2014                 | 4,414,527                     | 3,953,023                       | (461,504)                                     | 111.7%             | N/A                 | N/A                                      |

### City of Grand Junction, Colorado SCHEDULE OF FUNDING PROGRESS Fire Old Hire Pension Plan

| Fiscal Year | Actuarial Valuation Date | Actuarial Value of Assets (a) | Total Unfunded                  |                                   | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll ((b-a)/c) |
|-------------|--------------------------|-------------------------------|---------------------------------|-----------------------------------|--------------------|---------------------|------------------------------------------|
|             |                          |                               | Actuarial Accrued Liability (b) | Actuarial Accrued Liability (b-a) |                    |                     |                                          |
| 2010        | 1/1/2010                 | 10,960,275                    | 13,431,384                      | 2,471,109                         | 81.6%              | N/A                 | N/A                                      |
| 2012        | 1/1/2012                 | 9,909,435                     | 12,797,862                      | 2,888,427                         | 77.4%              | N/A                 | N/A                                      |
| 2014        | 1/1/2014                 | 9,493,841                     | 12,552,106                      | 3,058,265                         | 75.6%              | N/A                 | N/A                                      |

### City of Grand Junction, Colorado SCHEDULE OF FUNDING PROGRESS Post Employment Retiree Healthcare Plan

| Fiscal Year | Actuarial Valuation Date | Actuarial Value of Assets (a) | Total Unfunded                  |                                   | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll ((b-a)/c) |
|-------------|--------------------------|-------------------------------|---------------------------------|-----------------------------------|--------------------|---------------------|------------------------------------------|
|             |                          |                               | Actuarial Accrued Liability (b) | Actuarial Accrued Liability (b-a) |                    |                     |                                          |
| 2010        | 6/30/2010                | -                             | 7,816,003                       | 7,816,003                         | 0.0%               | 35,958,809          | 21.7%                                    |
| 2012        | 6/30/2012                | -                             | 10,265,131                      | 10,265,131                        | 0.0%               | 34,112,302          | 30.1%                                    |
| 2014        | 6/30/2014                | -                             | 12,390,944                      | 12,390,944                        | 0.0%               | 36,628,908          | 33.8%                                    |



(This page intentionally left blank)





# NON-MAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted or committed to expenditures for specified purposes.

**Visitors and Convention Bureau** ~ to accumulate resources from a lodging tax approved by the voters in 1994 and other taxes committed by City Council to operate a visitor and convention bureau that promotes conventions and tourism.

**Enhanced 911 Fund** ~ to account for the resources from municipal telephone charges, as established by section 29-11-103 of the Colorado Revised Statutes, and their expenditure for improvements to the emergency 911 communication center.

**Parkland Expansion Fund** ~ to accumulate resources derived from fees paid by land developers within the City committed to acquire, develop and maintain parks and green space.

**Conservation Trust Fund** ~ to account for lottery proceeds received from the State of Colorado for the development or improvement of City parks.

**Community Development Fund** ~ to account for resources and expenditures of the community development block grant and other grants received for pass-thru to other agencies.

## Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**Sales Tax Capital Improvements Fund** ~ to account for the financing and construction of projects financed completely or partially with the 3/4 percent portion of the City's 2-3/4 percent sales and use tax. The 3/4 percent portion is currently dedicated to general capital improvements, economic development and debt service on the sales tax improvement bond issue and the public safety building certificates of participation issue.

## Capital Projects Funds (Continued)

**Major Capital Improvements Fund** ~ to account for the financing and construction of major improvement projects. The Avalon Theatre Renovation Project is funded by City sales and use tax, Downtown Development Authority TIF revenue, as well as local contributions.

**Storm Drainage Development Fund** ~ to account for storm drainage development projects funded partially or in whole with assessments to property owners.

**Street Assessment Projects Fund** ~ to account for various street improvement projects funded partially or in whole with assessments to property owners.

## Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**General Debt Service Fund** ~ to account for all resources which are being accumulated for general long-term debt principal and interest payments maturing in future years other than long-term debt accounted for in enterprise and internal service funds or where a separate debt service fund is legally mandated.

**Parkway Debt Retirement Fund** is a debt service fund used to account for all resources which are being accumulated for the early retirement of the Parkway Project long-term debt principal and interest payments maturing in future years.

**Ridges Debt Service Fund** ~ to account for the disposition of those assets received by the City upon the dissolution of the Ridges Metropolitan District restricted to the payment of Ridges long-term debt, the collection of property taxes levied within the District for the payment of long-term debt and the payment of Ridges long-term debt.

**Grand Junction Public Finance Corporation Debt Service Fund** ~ to account for debt service payments incurred in the financing of open space land.

## Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's program.

**Cemetery Perpetual Care Fund** ~ to accumulate resources to provide for the future maintenance of municipal cemeteries.



(This page intentionally left blank)

City of Grand Junction  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2014

|                                     | Special Revenue                      |                     |                       |                       |                          | Total               |
|-------------------------------------|--------------------------------------|---------------------|-----------------------|-----------------------|--------------------------|---------------------|
|                                     | Visitors and<br>Convention<br>Bureau | Enhanced<br>911     | Parkland<br>Expansion | Conservation<br>Trust | Community<br>Development |                     |
| <b>ASSETS</b>                       |                                      |                     |                       |                       |                          |                     |
| Cash and investments                | \$ 208,044                           | \$ 2,214,957        | \$ 988,197            | \$ 183,860            | \$ -                     | \$ 3,595,058        |
| Accounts receivable                 | 270                                  | 340,256             | -                     | -                     | -                        | 340,526             |
| Taxes receivable                    | 134,436                              | -                   | -                     | -                     | -                        | 134,436             |
| Intergovernmental receivable        | -                                    | 7,828               | -                     | -                     | 22,952                   | 30,780              |
| Prepays                             | 9,120                                | -                   | -                     | -                     | -                        | 9,120               |
| Total assets                        | <u>\$ 351,870</u>                    | <u>\$ 2,563,041</u> | <u>\$ 988,197</u>     | <u>\$ 183,860</u>     | <u>\$ 22,952</u>         | <u>\$ 4,109,920</u> |
| <b>LIABILITIES</b>                  |                                      |                     |                       |                       |                          |                     |
| Accounts payable                    | 31,352                               | -                   | -                     | -                     | 12,663                   | 44,015              |
| Accrued liabilities                 | 25,026                               | -                   | -                     | -                     | -                        | 25,026              |
| Due to other funds                  | -                                    | -                   | -                     | -                     | 10,289                   | 10,289              |
| Unearned revenue                    | -                                    | -                   | -                     | -                     | -                        | -                   |
| Total liabilities                   | <u>56,378</u>                        | <u>-</u>            | <u>-</u>              | <u>-</u>              | <u>22,952</u>            | <u>79,330</u>       |
| <b>FUND BALANCES</b>                |                                      |                     |                       |                       |                          |                     |
| Nonspendable:                       |                                      |                     |                       |                       |                          |                     |
| Inventories and prepaids            | \$ 9,120                             | \$ -                | \$ -                  | \$ -                  | \$ -                     | \$ 9,120            |
| Permanent fund principal            | -                                    | -                   | -                     | -                     | -                        | -                   |
| Restricted for:                     |                                      |                     |                       |                       |                          |                     |
| Debt service                        | -                                    | -                   | -                     | -                     | -                        | -                   |
| Parks and recreation                | -                                    | -                   | -                     | 183,860               | -                        | 183,860             |
| Public safety                       | -                                    | 2,563,041           | -                     | -                     | -                        | 2,563,041           |
| Committed to:                       |                                      |                     |                       |                       |                          |                     |
| Open space                          | -                                    | -                   | 988,197               | -                     | -                        | 988,197             |
| Street capacity expansion           | -                                    | -                   | -                     | -                     | -                        | -                   |
| Tourism and convention              | 286,372                              | -                   | -                     | -                     | -                        | 286,372             |
| Total fund balances                 | <u>295,492</u>                       | <u>2,563,041</u>    | <u>988,197</u>        | <u>183,860</u>        | <u>-</u>                 | <u>4,030,590</u>    |
| Total liabilities and fund balances | <u>\$ 351,870</u>                    | <u>\$ 2,563,041</u> | <u>\$ 988,197</u>     | <u>\$ 183,860</u>     | <u>\$ 22,952</u>         | <u>\$ 4,109,920</u> |

| Debt Service     |                   |                  | Capital Projects           |                                    |                     | Permanent Fund          | Total Nonmajor Governmental Funds |
|------------------|-------------------|------------------|----------------------------|------------------------------------|---------------------|-------------------------|-----------------------------------|
| Ridges           | GJ Public Finance | Total            | Storm Drainage Development | Street Assessment Capital Projects | Total               | Cemetery Perpetual Care |                                   |
| \$ 16,747        | \$ 2,113          | \$ 18,860        | \$ 4,705                   | \$ 1,234,507                       | \$ 1,239,212        | \$ 1,352,038            | \$ 6,205,168                      |
| -                | -                 | -                | -                          | 30,813                             | 30,813              | 814                     | 372,153                           |
| -                | -                 | -                | -                          | -                                  | -                   | -                       | 134,436                           |
| -                | -                 | -                | -                          | -                                  | -                   | -                       | 30,780                            |
| -                | -                 | -                | -                          | -                                  | -                   | -                       | 9,120                             |
| <u>\$ 16,747</u> | <u>\$ 2,113</u>   | <u>\$ 18,860</u> | <u>\$ 4,705</u>            | <u>\$ 1,265,320</u>                | <u>\$ 1,270,025</u> | <u>\$ 1,352,852</u>     | <u>\$ 6,751,657</u>               |
| -                | 1,500             | 1,500            | 4,705                      | 589,052                            | 593,757             | -                       | 639,272                           |
| -                | -                 | -                | -                          | -                                  | -                   | -                       | 25,026                            |
| -                | -                 | -                | -                          | -                                  | -                   | -                       | 10,289                            |
| -                | -                 | -                | -                          | 30,813                             | 30,813              | -                       | 30,813                            |
| <u>-</u>         | <u>1,500</u>      | <u>1,500</u>     | <u>4,705</u>               | <u>619,865</u>                     | <u>624,570</u>      | <u>-</u>                | <u>705,400</u>                    |
|                  |                   |                  |                            |                                    |                     |                         |                                   |
| \$ -             | \$ -              | \$ -             | \$ -                       | \$ -                               | \$ -                | \$ -                    | \$ 9,120                          |
| -                | -                 | -                | -                          | -                                  | -                   | 1,352,852               | 1,352,852                         |
| 16,747           | 613               | 17,360           | -                          | -                                  | -                   | -                       | 17,360                            |
| -                | -                 | -                | -                          | -                                  | -                   | -                       | 183,860                           |
| -                | -                 | -                | -                          | -                                  | -                   | -                       | 2,563,041                         |
| -                | -                 | -                | -                          | -                                  | -                   | -                       | 988,197                           |
| -                | -                 | -                | -                          | 645,455                            | 645,455             | -                       | 645,455                           |
| -                | -                 | -                | -                          | -                                  | -                   | -                       | 286,372                           |
| <u>16,747</u>    | <u>613</u>        | <u>17,360</u>    | <u>-</u>                   | <u>645,455</u>                     | <u>645,455</u>      | <u>1,352,852</u>        | <u>6,046,257</u>                  |
| <u>\$ 16,747</u> | <u>\$ 2,113</u>   | <u>\$ 18,860</u> | <u>\$ 4,705</u>            | <u>\$ 1,265,320</u>                | <u>\$ 1,270,025</u> | <u>\$ 1,352,852</u>     | <u>\$ 6,751,657</u>               |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the year ended December 31, 2014

|                                                              | Special Revenue                      |                     |                       |                       |                          |                     |
|--------------------------------------------------------------|--------------------------------------|---------------------|-----------------------|-----------------------|--------------------------|---------------------|
|                                                              | Visitors and<br>Convention<br>Bureau | Enhanced<br>911     | Parkland<br>Expansion | Conservation<br>Trust | Community<br>Development | Total               |
| <b>REVENUES</b>                                              |                                      |                     |                       |                       |                          |                     |
| Taxes                                                        | \$ 1,916,754                         | \$ -                | \$ -                  | \$ -                  | \$ -                     | \$ 1,916,754        |
| Intergovernmental                                            | -                                    | -                   | -                     | 746,123               | 462,899                  | 1,209,022           |
| Charges for services                                         | 8,481                                | 2,475,893           | -                     | -                     | -                        | 2,484,374           |
| Miscellaneous                                                | 1,051                                | -                   | 168,270               | -                     | -                        | 169,321             |
| Investment income                                            | 1,501                                | 16,168              | 5,047                 | 3,006                 | -                        | 25,722              |
| Total revenues                                               | <u>1,927,787</u>                     | <u>2,492,061</u>    | <u>173,317</u>        | <u>749,129</u>        | <u>462,899</u>           | <u>5,805,193</u>    |
| <b>EXPENDITURES</b>                                          |                                      |                     |                       |                       |                          |                     |
| Current:                                                     |                                      |                     |                       |                       |                          |                     |
| General government                                           | 1,887,780                            | -                   | -                     | -                     | -                        | 1,887,780           |
| Urban development<br>and housing                             | -                                    | -                   | -                     | -                     | 301,926                  | 301,926             |
| Debt service:                                                |                                      |                     |                       |                       |                          |                     |
| Principal                                                    | -                                    | -                   | -                     | -                     | -                        | -                   |
| Interest                                                     | -                                    | -                   | -                     | -                     | -                        | -                   |
| Capital outlay                                               | -                                    | -                   | -                     | -                     | -                        | -                   |
| Total expenditures                                           | <u>1,887,780</u>                     | <u>-</u>            | <u>-</u>              | <u>-</u>              | <u>301,926</u>           | <u>2,189,706</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | 40,007                               | 2,492,061           | 173,317               | 749,129               | 160,973                  | 3,615,487           |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                                      |                     |                       |                       |                          |                     |
| Transfers in                                                 | -                                    | -                   | -                     | -                     | -                        | -                   |
| Transfers out                                                | <u>(149,869)</u>                     | <u>(2,179,880)</u>  | <u>(24,523)</u>       | <u>(705,402)</u>      | <u>(160,973)</u>         | <u>(3,220,647)</u>  |
| Total other financing<br>sources (uses)                      | <u>(149,869)</u>                     | <u>(2,179,880)</u>  | <u>(24,523)</u>       | <u>(705,402)</u>      | <u>(160,973)</u>         | <u>(3,220,647)</u>  |
| Net change in fund balance                                   | (109,862)                            | 312,181             | 148,794               | 43,727                | -                        | 394,840             |
| Fund balances - beginning                                    | 405,354                              | 2,250,860           | 839,403               | 140,133               | -                        | 3,635,750           |
| Fund balances - ending                                       | <u>\$ 295,492</u>                    | <u>\$ 2,563,041</u> | <u>\$ 988,197</u>     | <u>\$ 183,860</u>     | <u>\$ -</u>              | <u>\$ 4,030,590</u> |

| Debt Service     |                   |                  | Capital Projects           |                                    |                   | Permanent Fund          | Total Nonmajor Governmental Funds |
|------------------|-------------------|------------------|----------------------------|------------------------------------|-------------------|-------------------------|-----------------------------------|
| Ridges           | GJ Public Finance | Total            | Storm Drainage Development | Street Assessment Capital Projects | Total             | Cemetery Perpetual Care |                                   |
| \$ 1,159         | \$ -              | \$ 1,159         | \$ -                       | \$ -                               | \$ -              | \$ -                    | \$ 1,917,913                      |
| -                | -                 | -                | -                          | -                                  | -                 | -                       | 1,209,022                         |
| -                | -                 | -                | -                          | 832,155                            | 832,155           | 22,068                  | 3,338,597                         |
| -                | 300,000           | 300,000          | 10,556                     | -                                  | 10,556            | -                       | 479,877                           |
| 480              | 623               | 1,103            | -                          | -                                  | -                 | 7,847                   | 34,672                            |
| <u>1,639</u>     | <u>300,623</u>    | <u>302,262</u>   | <u>10,556</u>              | <u>832,155</u>                     | <u>842,711</u>    | <u>29,915</u>           | <u>6,980,081</u>                  |
| -                | 1,500             | 1,500            | -                          | -                                  | -                 | -                       | 1,889,280                         |
| -                | -                 | -                | -                          | -                                  | -                 | -                       | 301,926                           |
| -                | 215,000           | 215,000          | -                          | -                                  | -                 | -                       | 215,000                           |
| -                | 318,450           | 318,450          | -                          | -                                  | -                 | -                       | 318,450                           |
| -                | -                 | -                | 58,678                     | 423,667                            | 482,345           | -                       | 482,345                           |
| -                | <u>534,950</u>    | <u>534,950</u>   | <u>58,678</u>              | <u>423,667</u>                     | <u>482,345</u>    | <u>-</u>                | <u>3,207,001</u>                  |
| 1,639            | (234,327)         | (232,688)        | (48,122)                   | 408,488                            | 360,366           | 29,915                  | 3,773,080                         |
| -                | 234,191           | 234,191          | 48,122                     | -                                  | 48,122            | -                       | 282,313                           |
| -                | -                 | -                | -                          | -                                  | -                 | (6,165)                 | (3,226,812)                       |
| -                | <u>234,191</u>    | <u>234,191</u>   | <u>48,122</u>              | <u>-</u>                           | <u>48,122</u>     | <u>(6,165)</u>          | <u>(2,944,499)</u>                |
| 1,639            | (136)             | 1,503            | -                          | 408,488                            | 408,488           | 23,750                  | 828,581                           |
| 15,108           | 749               | 15,857           | -                          | 236,967                            | 236,967           | 1,329,102               | 5,217,676                         |
| <u>\$ 16,747</u> | <u>\$ 613</u>     | <u>\$ 17,360</u> | <u>\$ -</u>                | <u>\$ 645,455</u>                  | <u>\$ 645,455</u> | <u>\$ 1,352,852</u>     | <u>\$ 6,046,257</u>               |

City of Grand Junction, Colorado  
**VISITORS AND CONVENTION BUREAU SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2014

|                                      | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|-------------------|-------------------|-------------------|----------------------------------------------------------|
|                                      | Original          | Final             |                   |                                                          |
| <b>REVENUES</b>                      |                   |                   |                   |                                                          |
| Taxes                                | \$ 1,931,096      | \$ 1,945,461      | \$ 1,916,754      | \$ (28,707)                                              |
| Charges for services                 | 8,000             | 8,000             | 8,481             | 481                                                      |
| Miscellaneous                        | -                 | -                 | 1,051             | 1,051                                                    |
| Investment income                    | 1,981             | 1,981             | 1,501             | (480)                                                    |
| Total revenues                       | <u>1,941,077</u>  | <u>1,955,442</u>  | <u>1,927,787</u>  | <u>(27,655)</u>                                          |
| <b>EXPENDITURES</b>                  |                   |                   |                   |                                                          |
| Current:                             |                   |                   |                   |                                                          |
| General government:                  | <u>1,976,946</u>  | <u>1,981,946</u>  | <u>1,887,780</u>  | <u>94,166</u>                                            |
| Excess of revenues over expenditures | (35,869)          | (26,504)          | 40,007            | 66,511                                                   |
| <b>OTHER FINANCING USES</b>          |                   |                   |                   |                                                          |
| Transfers out                        | <u>(89,642)</u>   | <u>(185,132)</u>  | <u>(149,869)</u>  | <u>35,263</u>                                            |
| Net change in fund balance           | (125,511)         | (211,636)         | (109,862)         | 101,774                                                  |
| Fund balances - beginning            | 405,354           | 405,354           | 405,354           | -                                                        |
| Fund balances - ending               | <u>\$ 279,843</u> | <u>\$ 193,718</u> | <u>\$ 295,492</u> | <u>\$ 101,774</u>                                        |



City of Grand Junction, Colorado  
**ENHANCED 911 SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2014

|                                      | Original and<br>Final Budgeted<br>Amounts | Actual              | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|-------------------------------------------|---------------------|----------------------------------------------------------|
| <b>REVENUES</b>                      |                                           |                     |                                                          |
| Charges for services                 | \$ 2,420,600                              | \$ 2,475,893        | \$ 55,293                                                |
| Investment income                    | 13,194                                    | 16,168              | 2,974                                                    |
| Total revenues                       | <u>2,433,794</u>                          | <u>2,492,061</u>    | <u>58,267</u>                                            |
| <b>EXPENDITURES</b>                  | <u>-</u>                                  | <u>-</u>            | <u>-</u>                                                 |
| Excess of revenues over expenditures | 2,433,794                                 | 2,492,061           | 58,267                                                   |
| <b>OTHER FINANCING USES</b>          |                                           |                     |                                                          |
| Transfers out                        | <u>(3,865,782)</u>                        | <u>(2,179,880)</u>  | <u>1,685,902</u>                                         |
| Net change in fund balance           | (1,431,988)                               | 312,181             | 1,744,169                                                |
| Fund balances - beginning            | 2,250,860                                 | 2,250,860           | -                                                        |
| Fund balances - ending               | <u>\$ 818,872</u>                         | <u>\$ 2,563,041</u> | <u>\$ 1,744,169</u>                                      |

City of Grand Junction, Colorado  
**PARKLAND EXPANSION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2014

|                                      | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|-------------------|-------------------|-------------------|----------------------------------------------------------|
|                                      | Original          | Final             |                   |                                                          |
| <b>REVENUES</b>                      |                   |                   |                   |                                                          |
| Miscellaneous                        | \$ 28,000         | \$ 118,000        | \$ 168,270        | \$ 50,270                                                |
| Investment income                    | 3,774             | 3,774             | 5,047             | 1,273                                                    |
| Total revenues                       | <u>31,774</u>     | <u>121,774</u>    | <u>173,317</u>    | <u>51,543</u>                                            |
| <b>EXPENDITURES</b>                  | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>                                                 |
| Excess of revenues over expenditures | 31,774            | 121,774           | 173,317           | 51,543                                                   |
| <b>OTHER FINANCING USES</b>          |                   |                   |                   |                                                          |
| Transfers out                        | <u>(406,717)</u>  | <u>(428,001)</u>  | <u>(24,523)</u>   | <u>403,478</u>                                           |
| Net change in fund balance           | (374,943)         | (306,227)         | 148,794           | 455,021                                                  |
| Fund balances - beginning            | 839,403           | 839,403           | 839,403           | -                                                        |
| Fund balances - ending               | <u>\$ 464,460</u> | <u>\$ 533,176</u> | <u>\$ 988,197</u> | <u>\$ 455,021</u>                                        |

City of Grand Junction, Colorado  
**CONSERVATION TRUST SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2014

|                                      | Original and<br>Final Budgeted<br>Amounts | Actual            | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|-------------------------------------------|-------------------|----------------------------------------------------------|
| <b>REVENUES</b>                      |                                           |                   |                                                          |
| Intergovernmental                    | \$ 600,000                                | \$ 746,123        | \$ 146,123                                               |
| Investment income                    | 1,075                                     | 3,006             | 1,931                                                    |
| Total revenues                       | <u>601,075</u>                            | <u>749,129</u>    | <u>148,054</u>                                           |
| <b>EXPENDITURES</b>                  | <u>-</u>                                  | <u>-</u>          | <u>-</u>                                                 |
| Excess of revenues over expenditures | 601,075                                   | 749,129           | 148,054                                                  |
| <b>OTHER FINANCING USES</b>          |                                           |                   |                                                          |
| Transfers out                        | <u>(705,455)</u>                          | <u>(705,402)</u>  | <u>53</u>                                                |
| Net change in fund balance           | (104,380)                                 | 43,727            | 148,107                                                  |
| Fund balances - beginning            | 140,133                                   | 140,133           | -                                                        |
| Fund balances - ending               | <u>\$ 35,753</u>                          | <u>\$ 183,860</u> | <u>\$ 148,107</u>                                        |

City of Grand Junction, Colorado  
**COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2014

|                                      | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|------------------|------------|------------|----------------------------------------------------------|
|                                      | Original         | Final      |            |                                                          |
| <b>REVENUES</b>                      |                  |            |            |                                                          |
| Intergovernmental                    | \$ 614,441       | \$ 643,289 | \$ 462,899 | \$ (180,390)                                             |
| <b>EXPENDITURES</b>                  |                  |            |            |                                                          |
| Current:                             |                  |            |            |                                                          |
| Urban development and housing        | 285,734          | 355,000    | 301,926    | 53,074                                                   |
| Excess of revenues over expenditures | 328,707          | 288,289    | 160,973    | (127,316)                                                |
| <b>OTHER FINANCING USES</b>          |                  |            |            |                                                          |
| Transfers out                        | (328,707)        | (288,289)  | (160,973)  | 127,316                                                  |
| Net change in fund balance           | -                | -          | -          | -                                                        |
| Fund balances - beginning            | -                | -          | -          | -                                                        |
| Fund balances - ending               | \$ -             | \$ -       | \$ -       | \$ -                                                     |

City of Grand Junction, Colorado

**RIDGES DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**

For the year ended December 31, 2014

|                                      | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|-------------------------------------------|-------------------|----------------------------------------------------------|
| <b>REVENUES</b>                      |                                           |                   |                                                          |
| Taxes                                | \$ -                                      | \$ 1,159          | \$ 1,159                                                 |
| Investment income                    | -                                         | 480               | 480                                                      |
| Total revenues                       | -                                         | 1,639             | 1,639                                                    |
| <b>EXPENDITURES</b>                  | -                                         | -                 | -                                                        |
| Excess of revenues over expenditures | -                                         | 1,639             | 1,639                                                    |
| Fund balances - beginning            | 15,108                                    | 15,108            | -                                                        |
| Fund balances - ending               | \$ 15,108                                 | \$ 16,747         | \$ 1,639                                                 |

City of Grand Junction, Colorado  
**GRAND JUNCTION PUBLIC FINANCE CORPORATION DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2014

|                                           | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------|-------------------------------------------|-------------------|----------------------------------------------------------|
| <b>REVENUES</b>                           |                                           |                   |                                                          |
| Miscellaneous                             | \$ 300,000                                | \$ 300,000        | \$ -                                                     |
| Investment Income                         | -                                         | 623               | 623                                                      |
| Total revenues                            | <u>300,000</u>                            | <u>300,623</u>    | <u>623</u>                                               |
| <b>EXPENDITURES</b>                       |                                           |                   |                                                          |
| Current:                                  |                                           |                   |                                                          |
| General government                        | 1,505                                     | 1,500             | 5                                                        |
| Debt service:                             |                                           |                   |                                                          |
| Principal retirement                      | 215,000                                   | 215,000           | -                                                        |
| Interest and fiscal charges               | <u>318,450</u>                            | <u>318,450</u>    | <u>-</u>                                                 |
| Total expenditures                        | <u>534,955</u>                            | <u>534,950</u>    | <u>5</u>                                                 |
| Deficiency of revenues under expenditures | (234,955)                                 | (234,327)         | 628                                                      |
| <b>OTHER FINANCING SOURCES</b>            |                                           |                   |                                                          |
| Transfers in                              | <u>234,955</u>                            | <u>234,191</u>    | <u>(764)</u>                                             |
| Net change in fund balance                | -                                         | (136)             | (136)                                                    |
| Fund balances - beginning                 | <u>749</u>                                | <u>749</u>        | <u>-</u>                                                 |
| Fund balances - ending                    | <u>\$ 749</u>                             | <u>\$ 613</u>     | <u>\$ (136)</u>                                          |

City of Grand Junction, Colorado  
**GENERAL DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2014

|                                           | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------|-------------------------------------------|-------------------|----------------------------------------------------------|
| <b>REVENUES</b>                           |                                           |                   |                                                          |
| Intergovernmental                         | \$ 612,708                                | \$ 709,097        | \$ 96,389                                                |
| Investment Income                         | -                                         | 153               | 153                                                      |
| Total revenues                            | <u>612,708</u>                            | <u>709,250</u>    | <u>96,542</u>                                            |
| <b>EXPENDITURES</b>                       |                                           |                   |                                                          |
| Current:                                  |                                           |                   |                                                          |
| General government                        | 3,155                                     | 3,091             | 64                                                       |
| Debt service:                             |                                           |                   |                                                          |
| Principal retirement                      | 4,405,000                                 | 4,405,000         | -                                                        |
| Interest and fiscal charges               | 3,871,148                                 | 3,871,147         | 1                                                        |
| Total expenditures                        | <u>8,279,303</u>                          | <u>8,279,238</u>  | <u>65</u>                                                |
| Deficiency of revenues under expenditures | (7,666,595)                               | (7,569,988)       | 96,607                                                   |
| <b>OTHER FINANCING SOURCES</b>            |                                           |                   |                                                          |
| Transfers in                              | <u>7,666,595</u>                          | <u>7,569,958</u>  | <u>(96,637)</u>                                          |
| Net change in fund balance                | -                                         | (30)              | (30)                                                     |
| Fund balances - beginning                 | 105                                       | 105               | -                                                        |
| Fund balances - ending                    | <u>\$ 105</u>                             | <u>\$ 75</u>      | <u>\$ (30)</u>                                           |

City of Grand Junction, Colorado  
**PARKWAY DEBT RETIREMENT DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2014

|                                      | Budgeted Amounts |              | Actual<br>GAAP<br>Basis<br>Amounts | Adjustment<br>to<br>Budgetary<br>Basis | Actual<br>on<br>Budgetary<br>Basis | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|------------------|--------------|------------------------------------|----------------------------------------|------------------------------------|----------------------------------------------------------|
|                                      | Original         | Final        |                                    |                                        |                                    |                                                          |
| <b>REVENUES</b>                      |                  |              |                                    |                                        |                                    |                                                          |
| Investment income                    | \$ 26,390        | \$ 26,390    | \$ 28,768                          | \$ 1,262                               | \$ 30,030                          | \$ 3,640                                                 |
| <b>EXPENDITURES</b>                  | -                | -            | -                                  | -                                      | -                                  | -                                                        |
| Excess of revenues over expenditures | 26,390           | 26,390       | 28,768                             | 1,262                                  | 30,030                             | 3,640                                                    |
| <b>OTHER FINANCING SOURCES</b>       |                  |              |                                    |                                        |                                    |                                                          |
| Transfers in                         | 2,159,727        | 2,108,328    | 2,108,328                          | -                                      | 2,108,328                          | -                                                        |
| Net change in fund balance           | 2,186,117        | 2,134,718    | 2,137,096                          | 1,262                                  | 2,138,358                          | 3,640                                                    |
| Fund balances - beginning            | 6,471,404        | 6,471,404    | 6,467,441                          | 3,963                                  | 6,471,404                          | -                                                        |
| Fund balances - ending               | \$ 8,657,521     | \$ 8,606,122 | \$ 8,604,537                       | \$ 5,225                               | \$ 8,609,762                       | \$ 3,640                                                 |



City of Grand Junction, Colorado  
**SALES TAX CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the year ended December 31, 2014

|                                         | Budgeted Amounts   |                       | Actual<br>GAAP<br>Basis<br>Amounts | Adjustment<br>to<br>Budgetary<br>Basis | Actual<br>on<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------------|--------------------|-----------------------|------------------------------------|----------------------------------------|------------------------------------|-----------------------------------------------------------|
|                                         | Original           | Final                 |                                    |                                        |                                    |                                                           |
| <b>REVENUES</b>                         |                    |                       |                                    |                                        |                                    |                                                           |
| Taxes                                   | \$ 11,359,472      | \$ 11,702,545         | \$ 11,846,964                      | \$ 18,409                              | \$ 11,865,373                      | \$ 162,828                                                |
| Intergovernmental                       | 2,115,000          | 442,656               | 194,818                            | -                                      | 194,818                            | (247,838)                                                 |
| Special assessments                     | 14,000             | 14,000                | 16,050                             | -                                      | 16,050                             | 2,050                                                     |
| Investment income                       | 5,000              | 5,000                 | 4,503                              | -                                      | 4,503                              | (497)                                                     |
| Charges for Service                     | 30,000             | 49,000                | 57,307                             | -                                      | 57,307                             | 8,307                                                     |
| Other contributions                     | 35,500             | 297,787               | 246,166                            | -                                      | 246,166                            | (51,621)                                                  |
| Total revenues                          | <u>13,558,972</u>  | <u>12,510,988</u>     | <u>12,365,808</u>                  | <u>18,409</u>                          | <u>12,384,217</u>                  | <u>(126,771)</u>                                          |
| <b>EXPENDITURES</b>                     |                    |                       |                                    |                                        |                                    |                                                           |
| Capital outlay:                         |                    |                       |                                    |                                        |                                    |                                                           |
| Construction                            | <u>5,614,126</u>   | <u>6,345,983</u>      | <u>3,112,344</u>                   | <u>-</u>                               | <u>3,112,344</u>                   | <u>3,233,639</u>                                          |
| Excess of revenues<br>over expenditures | 7,944,846          | 6,165,005             | 9,253,464                          | 18,409                                 | 9,271,873                          | 3,106,868                                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                    |                       |                                    |                                        |                                    |                                                           |
| Transfers in                            | 860,424            | 559,573               | 306,128                            | -                                      | 306,128                            | (253,445)                                                 |
| Transfers out                           | (8,805,270)        | (8,640,086)           | (8,628,083)                        | -                                      | (8,628,083)                        | 12,003                                                    |
| Insurance recoveries                    | <u>-</u>           | <u>-</u>              | <u>30,657</u>                      | <u>-</u>                               | <u>30,657</u>                      | <u>30,657</u>                                             |
| Total other financing sources (uses)    | <u>(7,944,846)</u> | <u>(8,080,513)</u>    | <u>(8,291,298)</u>                 | <u>-</u>                               | <u>(8,291,298)</u>                 | <u>(210,785)</u>                                          |
| Net change in fund balance              | -                  | (1,915,508)           | 962,166                            | 18,409                                 | 980,575                            | 2,896,083                                                 |
| Fund balances - beginning               | <u>-</u>           | <u>-</u>              | <u>78,328</u>                      | <u>(78,328)</u>                        | <u>-</u>                           | <u>-</u>                                                  |
| Fund balances - ending                  | <u>\$ -</u>        | <u>\$ (1,915,508)</u> | <u>\$ 1,040,494</u>                | <u>\$ (59,919)</u>                     | <u>\$ 980,575</u>                  | <u>\$ 2,896,083</u>                                       |

City of Grand Junction, Colorado  
**MAJOR CAPITAL PROJECTS IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the year ended December 31, 2014

|                                           | Budgeted Amounts  |                  | Actual           | Variance with                            |
|-------------------------------------------|-------------------|------------------|------------------|------------------------------------------|
|                                           | Original          | Final            | Amounts          | Final Budget -<br>Positive<br>(Negative) |
| <b>REVENUES</b>                           |                   |                  |                  |                                          |
| Intergovernmental                         | \$ 1,000,000      | \$ 1,022,000     | \$ 1,023,145     | \$ 1,145                                 |
| Other contributions                       | 471,531           | 669,741          | 741,410          | 71,669                                   |
| Total revenues                            | <u>1,471,531</u>  | <u>1,691,741</u> | <u>1,764,555</u> | <u>72,814</u>                            |
| <b>EXPENDITURES</b>                       |                   |                  |                  |                                          |
| Capital outlay:                           |                   |                  |                  |                                          |
| Construction                              | <u>3,584,770</u>  | <u>6,175,470</u> | <u>6,167,762</u> | <u>7,708</u>                             |
| Deficiency of revenues under expenditures | (2,113,239)       | (4,483,729)      | (4,403,207)      | 80,522                                   |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                   |                  |                  |                                          |
| Transfers in                              | <u>893,139</u>    | <u>2,266,287</u> | <u>2,185,765</u> | <u>(80,522)</u>                          |
| Net change in fund balance                | (1,220,100)       | (2,217,442)      | (2,217,442)      | -                                        |
| Fund balances - beginning                 | <u>2,217,442</u>  | <u>2,217,442</u> | <u>2,217,442</u> | <u>-</u>                                 |
| Fund balances - ending                    | <u>\$ 997,342</u> | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>                              |

City of Grand Junction, Colorado  
**STORM DRAINAGE DEVELOPMENT CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2014

|                                           | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------|------------------|-----------|-----------|----------------------------------------------------------|
|                                           | Original         | Final     |           |                                                          |
| <b>REVENUES</b>                           |                  |           |           |                                                          |
| Miscellaneous:                            |                  |           |           |                                                          |
| Development fees                          | \$ 13,000        | \$ 13,000 | \$ 10,556 | \$ (2,444)                                               |
| <b>EXPENDITURES</b>                       |                  |           |           |                                                          |
| Capital outlay:                           |                  |           |           |                                                          |
| Construction                              | 50,000           | 79,967    | 58,678    | 21,289                                                   |
| Deficiency of revenues under expenditures | (37,000)         | (66,967)  | (48,122)  | 18,845                                                   |
| <b>OTHER FINANCING SOURCES</b>            |                  |           |           |                                                          |
| Transfers in                              | 37,000           | 66,967    | 48,122    | (18,845)                                                 |
| Net change in fund balance                | -                | -         | -         | -                                                        |
| Fund balances - beginning                 | -                | -         | -         | -                                                        |
| Fund balances - ending                    | \$ -             | \$ -      | \$ -      | \$ -                                                     |

City of Grand Junction, Colorado  
**STREET ASSESSMENT PROJECTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2014

|                                      | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|------------------|------------|------------|----------------------------------------------------------|
|                                      | Original         | Final      |            |                                                          |
| <b>REVENUES</b>                      |                  |            |            |                                                          |
| Miscellaneous:                       |                  |            |            |                                                          |
| Development fees                     | \$ 600,000       | \$ 800,000 | \$ 832,155 | \$ 32,155                                                |
| <b>EXPENDITURES</b>                  |                  |            |            |                                                          |
| Capital outlay:                      |                  |            |            |                                                          |
| Construction                         | 410,000          | 649,967    | 423,667    | 226,300                                                  |
| Excess of revenues over expenditures | 190,000          | 150,033    | 408,488    | 258,455                                                  |
| Fund balances - beginning            | 236,967          | 236,967    | 236,967    | -                                                        |
| Fund balances - ending               | \$ 426,967       | \$ 387,000 | \$ 645,455 | \$ 258,455                                               |

City of Grand Junction, Colorado  
**CEMETERY PERPETUAL CARE PERMANENT TRUST FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2014

|                                   | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts   | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-----------------------------------|-------------------------------------------|---------------------|----------------------------------------------------------|
| <b>REVENUES</b>                   |                                           |                     |                                                          |
| Perpetual care revenue            | \$ 23,400                                 | \$ 22,068           | \$ (1,332)                                               |
| Investment income                 | 6,209                                     | 7,847               | 1,638                                                    |
| Total revenues                    | <u>29,609</u>                             | <u>29,915</u>       | <u>306</u>                                               |
| <b>EXPENDITURES</b>               | <u>-</u>                                  | <u>-</u>            | <u>-</u>                                                 |
| Excess revenues over expenditures | 29,609                                    | 29,915              | 306                                                      |
| <b>OTHER FINANCING USES</b>       |                                           |                     |                                                          |
| Transfers out                     | <u>(6,209)</u>                            | <u>(6,165)</u>      | <u>44</u>                                                |
| Net change in fund balance        | 23,400                                    | 23,750              | 350                                                      |
| Fund balances - beginning         | 1,329,102                                 | 1,329,102           | -                                                        |
| Fund balances - ending            | <u>\$ 1,352,502</u>                       | <u>\$ 1,352,852</u> | <u>\$ 350</u>                                            |



# NON-MAJOR PROPRIETARY FUNDS

## Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner Similar to private business enterprises - where the intent of the governing body is that the costs (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Solid Waste Removal Fund** ~ to account for the revenues and expenses associated with refuse collection within the city.

**Irrigation Fund** ~ to account for the resources and expenses associated with the operation of City-owned and leased parking facilities, as well as the enforcement of City parking regulations.

## Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

**Data Processing Fund** ~ to account for expenses associated with the operations of the data processing center that provides services to City agencies and the related charges for these Services.

**Equipment Fund** ~ to account for the expenses associated with the acquisition, operation and maintenance of City-owned vehicles and equipment, and the related charges for these services.

**Self-Insurance Fund** ~ to account for the expenses associated with providing workman's compensation and excess property and liability insurance coverage, and the related charges to the various department's within the City.

**Communications Center Fund** ~ to account for the expenses associated with the operations of the Grand Valley Combined Emergency 911 Communications Center, as well as the related charges for its operation to the various local governments using its services.

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
December 31, 2014

|                                                        | Business-Type Activities - Enterprise Funds |                    |                     |
|--------------------------------------------------------|---------------------------------------------|--------------------|---------------------|
|                                                        | Solid<br>Waste<br>Removal                   | Irrigation         | Total               |
| <b>ASSETS</b>                                          |                                             |                    |                     |
| Current assets:                                        |                                             |                    |                     |
| Cash and investments                                   | \$ 610,436                                  | \$ 89,527          | \$ 699,963          |
| Accounts receivable, net of allowance                  | 417,028                                     | 28,422             | 445,450             |
| Total current assets                                   | <u>1,027,464</u>                            | <u>117,949</u>     | <u>1,145,413</u>    |
| Noncurrent assets:                                     |                                             |                    |                     |
| Capital assets:                                        |                                             |                    |                     |
| Buildings, improvements, plant and system              | 249,750                                     | 3,435,807          | 3,685,557           |
| Equipment                                              | 1,255,139                                   | 5,297              | 1,260,436           |
| Less accumulated depreciation                          | <u>(1,062,152)</u>                          | <u>(2,703,604)</u> | <u>(3,765,756)</u>  |
| Total capital assets (net of accumulated depreciation) | <u>442,737</u>                              | <u>737,500</u>     | <u>1,180,237</u>    |
| Total noncurrent assets                                | <u>442,737</u>                              | <u>737,500</u>     | <u>1,180,237</u>    |
| Total assets                                           | <u>1,470,201</u>                            | <u>855,449</u>     | <u>2,325,650</u>    |
| <b>LIABILITIES</b>                                     |                                             |                    |                     |
| Current liabilities:                                   |                                             |                    |                     |
| Accounts payable                                       | 91,676                                      | 1,456              | 93,132              |
| Accrued liabilities                                    | 28,685                                      | 2,264              | 30,949              |
| Compensated absences payable                           | 7,022                                       | 678                | 7,700               |
| Due to other funds                                     | <u>84,895</u>                               | <u>-</u>           | <u>84,895</u>       |
| Total current liabilities                              | <u>212,278</u>                              | <u>4,398</u>       | <u>216,676</u>      |
| Noncurrent liabilities:                                |                                             |                    |                     |
| Compensated absences payable                           | 116,025                                     | 11,206             | 127,231             |
| Advances from other funds - general fund               | <u>675,356</u>                              | <u>-</u>           | <u>675,356</u>      |
| Total noncurrent liabilities                           | <u>791,381</u>                              | <u>11,206</u>      | <u>802,587</u>      |
| Total liabilities                                      | <u>1,003,659</u>                            | <u>15,604</u>      | <u>1,019,263</u>    |
| <b>NET POSITION</b>                                    |                                             |                    |                     |
| Net investment in capital assets                       | 442,737                                     | 737,500            | 1,180,237           |
| Unrestricted                                           | <u>23,805</u>                               | <u>102,345</u>     | <u>126,150</u>      |
| Total net position                                     | <u>\$ 466,542</u>                           | <u>\$ 839,845</u>  | <u>\$ 1,306,387</u> |



City of Grand Junction, Colorado  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
For the year ended December 31, 2014

|                                                         | Business-Type Activities - Enterprise Funds |            |              |
|---------------------------------------------------------|---------------------------------------------|------------|--------------|
|                                                         | Solid<br>Waste<br>Removal                   | Irrigation | Total        |
| <b>Operating revenues:</b>                              |                                             |            |              |
| Charges for sales and services, net of allowances       | \$ 3,538,962                                | \$ 241,265 | \$ 3,780,227 |
| <b>Operating expenses:</b>                              |                                             |            |              |
| Personal services                                       | 1,062,364                                   | 92,639     | 1,155,003    |
| Costs of sales and services                             | 2,157,148                                   | 148,349    | 2,305,497    |
| Depreciation and amortization                           | 69,356                                      | 85,960     | 155,316      |
| Total operating expenses                                | 3,288,868                                   | 326,948    | 3,615,816    |
| Operating income (loss)                                 | 250,094                                     | (85,683)   | 164,411      |
| <b>Nonoperating revenues (expenses):</b>                |                                             |            |              |
| Investment income                                       | 3,292                                       | 608        | 3,900        |
| Total nonoperating revenues (expenses)                  | 3,292                                       | 608        | 3,900        |
| <b>Income (loss) before contributions and transfers</b> | 253,386                                     | (85,075)   | 168,311      |
| Capital contributions - tap fees                        | -                                           | 1,820      | 1,820        |
| Transfers out                                           | (100,000)                                   | -          | (100,000)    |
| Change in net position                                  | 153,386                                     | (83,255)   | 70,131       |
| Net position - beginning                                | 313,156                                     | 923,100    | 1,236,256    |
| Net position - ending                                   | \$ 466,542                                  | \$ 839,845 | \$ 1,306,387 |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
For the year ended December 31, 2014

|                                                                                                       | Business-Type Activities - Enterprise Funds |                   |                   |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------|-------------------|
|                                                                                                       | Solid<br>Waste<br>Removal                   | Irrigation        | Total             |
| <b>Cash flows from operating activities:</b>                                                          |                                             |                   |                   |
| Cash received from customers and users                                                                | \$ 3,517,070                                | \$ 240,390        | \$ 3,757,460      |
| Cash paid to interfund                                                                                | (951,709)                                   | (28,020)          | (979,729)         |
| Cash paid to suppliers                                                                                | (1,201,710)                                 | (123,459)         | (1,325,169)       |
| Cash paid to employees                                                                                | (1,053,361)                                 | (91,120)          | (1,144,481)       |
| Net cash provided (used) by operating activities                                                      | <u>310,290</u>                              | <u>(2,209)</u>    | <u>308,081</u>    |
| <b>Cash flows from noncapital financing activities:</b>                                               |                                             |                   |                   |
| Transfers to other funds                                                                              | (100,000)                                   | -                 | (100,000)         |
| Increase (decrease) in amount due other funds                                                         | 2,232                                       | -                 | 2,232             |
| Net cash provided (used) by noncapital financing activities                                           | <u>(97,768)</u>                             | <u>-</u>          | <u>(97,768)</u>   |
| <b>Cash flows from capital and related financing activities:</b>                                      |                                             |                   |                   |
| Tap fees                                                                                              | -                                           | 1,820             | 1,820             |
| Repayment of interfund capital loans                                                                  | (84,895)                                    | -                 | (84,895)          |
| Purchase of capital assets                                                                            | (29,976)                                    | (5,683)           | (35,659)          |
| Net cash provided (used) in capital and related financing activities                                  | <u>(114,871)</u>                            | <u>(3,863)</u>    | <u>(118,734)</u>  |
| <b>Cash flows from investing activities:</b>                                                          |                                             |                   |                   |
| Investment income received                                                                            | 3,292                                       | 608               | 3,900             |
| Net cash provided by investing activities                                                             | <u>3,292</u>                                | <u>608</u>        | <u>3,900</u>      |
| Net increase (decrease) in cash and cash equivalents                                                  | 100,943                                     | (5,464)           | 95,479            |
| Cash and cash equivalents, January 1                                                                  | 509,493                                     | 94,991            | 604,484           |
| Cash and cash equivalents, December 31                                                                | <u>\$ 610,436</u>                           | <u>\$ 89,527</u>  | <u>\$ 699,963</u> |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |                                             |                   |                   |
| Operating income (loss)                                                                               | \$ 250,094                                  | \$ (85,683)       | \$ 164,411        |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                                             |                   |                   |
| Depreciation expense                                                                                  | 69,356                                      | 85,960            | 155,316           |
| (Increase) decrease in accounts receivable                                                            | (21,892)                                    | (875)             | (22,767)          |
| Increase (decrease) in accounts payable                                                               | 3,729                                       | (3,130)           | 599               |
| Increase (decrease) in accrued liabilities and compensated absences payable                           | 9,003                                       | 1,519             | 10,522            |
| Total adjustments                                                                                     | <u>60,196</u>                               | <u>83,474</u>     | <u>143,670</u>    |
| Net cash provided (used) by operating activities                                                      | <u>\$ 310,290</u>                           | <u>\$ (2,209)</u> | <u>\$ 308,081</u> |

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
December 31, 2014

|                                                        | Data<br>Processing  | Equipment            | Self-<br>Insurance  | Communications<br>Center | Total                |
|--------------------------------------------------------|---------------------|----------------------|---------------------|--------------------------|----------------------|
| <b>ASSETS</b>                                          |                     |                      |                     |                          |                      |
| Current assets:                                        |                     |                      |                     |                          |                      |
| Cash and investments                                   | \$ 1,208,279        | \$ 1,867,503         | \$ 4,610,381        | \$ 151,453               | \$ 7,837,616         |
| Accounts receivable, net of allowance                  | 300                 | 1,351                | 605,555             | -                        | 607,206              |
| Intergovernmental receivable                           | 25,239              | 110,821              | -                   | 284,142                  | 420,202              |
| Prepaid items                                          | 7,695               | 69,966               | -                   | 4,149                    | 81,810               |
| Total current assets                                   | <u>1,241,513</u>    | <u>2,049,641</u>     | <u>5,215,936</u>    | <u>439,744</u>           | <u>8,946,834</u>     |
| Noncurrent assets:                                     |                     |                      |                     |                          |                      |
| Capital assets:                                        |                     |                      |                     |                          |                      |
| Buildings and improvements                             | -                   | 2,740,284            | -                   | 13,700                   | 2,753,984            |
| Equipment                                              | 5,938,477           | 22,540,921           | -                   | 9,035,403                | 37,514,801           |
| Construction in progress                               | 95,542              | 21,070               | -                   | 727,265                  | 843,877              |
| Less accumulated depreciation                          | <u>(3,084,663)</u>  | <u>(14,620,567)</u>  | <u>-</u>            | <u>(4,180,868)</u>       | <u>(21,886,098)</u>  |
| Total capital assets (net of accumulated depreciation) | <u>2,949,356</u>    | <u>10,681,708</u>    | <u>-</u>            | <u>5,595,500</u>         | <u>19,226,564</u>    |
| Total assets                                           | <u>4,190,869</u>    | <u>12,731,349</u>    | <u>5,215,936</u>    | <u>6,035,244</u>         | <u>28,173,398</u>    |
| <b>LIABILITIES</b>                                     |                     |                      |                     |                          |                      |
| Current liabilities:                                   |                     |                      |                     |                          |                      |
| Accounts payable                                       | 91,104              | 124,462              | 137,474             | 105,111                  | 458,151              |
| Accrued liabilities                                    | 59,054              | 25,687               | 6,287               | 115,438                  | 206,466              |
| Compensated absences payable                           | 8,802               | 3,192                | 2,434               | 13,070                   | 27,498               |
| Claims payable                                         | -                   | -                    | 770,998             | -                        | 770,998              |
| Total current liabilities                              | <u>158,960</u>      | <u>153,341</u>       | <u>917,193</u>      | <u>233,619</u>           | <u>1,463,113</u>     |
| Noncurrent liabilities                                 |                     |                      |                     |                          |                      |
| Compensated absences payable                           | 145,430             | 52,733               | 40,231              | 215,955                  | 454,349              |
| Claims payable                                         | -                   | -                    | 1,302,881           | -                        | 1,302,881            |
| Total noncurrent liabilities                           | <u>145,430</u>      | <u>52,733</u>        | <u>1,343,112</u>    | <u>215,955</u>           | <u>1,757,230</u>     |
| Total liabilities                                      | <u>304,390</u>      | <u>206,074</u>       | <u>2,260,305</u>    | <u>449,574</u>           | <u>3,220,343</u>     |
| <b>NET POSITION</b>                                    |                     |                      |                     |                          |                      |
| Net investment in capital assets                       | 2,949,356           | 10,681,708           | -                   | 5,595,500                | 19,226,564           |
| Restricted for:                                        |                     |                      |                     |                          |                      |
| Public safety                                          | 164,241             | -                    | -                   | -                        | 164,241              |
| Unrestricted                                           | 772,882             | 1,843,567            | 2,955,631           | (9,830)                  | 5,562,250            |
| Total net position                                     | <u>\$ 3,886,479</u> | <u>\$ 12,525,275</u> | <u>\$ 2,955,631</u> | <u>\$ 5,585,670</u>      | <u>\$ 24,953,055</u> |

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the year ended December 31, 2014

|                                                             | <u>Data<br/>Processing</u> | <u>Equipment</u>     | <u>Self-<br/>Insurance</u> | <u>Communications<br/>Center</u> | <u>Total</u>         |
|-------------------------------------------------------------|----------------------------|----------------------|----------------------------|----------------------------------|----------------------|
| <b>Operating revenues:</b>                                  |                            |                      |                            |                                  |                      |
| Charges for sales and services:                             | \$ 5,789,510               | \$ 4,702,206         | \$ 1,861,513               | \$ 4,139,158                     | \$ 16,492,387        |
| Miscellaneous                                               | -                          | -                    | 613,786                    | 2,799                            | 616,585              |
| Total operating revenues                                    | <u>5,789,510</u>           | <u>4,702,206</u>     | <u>2,475,299</u>           | <u>4,141,957</u>                 | <u>17,108,972</u>    |
| <b>Operating expenses:</b>                                  |                            |                      |                            |                                  |                      |
| Personal services                                           | 2,144,700                  | 902,944              | 233,240                    | 4,043,184                        | 7,324,068            |
| Costs of sales and services                                 | 2,876,822                  | 2,182,934            | 1,651,845                  | 1,550,034                        | 8,261,635            |
| Depreciation and amortization                               | 839,532                    | 1,338,204            | -                          | 1,081,858                        | 3,259,594            |
| Total operating expenses                                    | <u>5,861,054</u>           | <u>4,424,082</u>     | <u>1,885,085</u>           | <u>6,675,076</u>                 | <u>18,845,297</u>    |
| Operating income (loss)                                     | <u>(71,544)</u>            | <u>278,124</u>       | <u>590,214</u>             | <u>(2,533,119)</u>               | <u>(1,736,325)</u>   |
| <b>Nonoperating revenues (expenses):</b>                    |                            |                      |                            |                                  |                      |
| Intergovernmental                                           | 48,971                     | -                    | -                          | 275,739                          | 324,710              |
| Investment income                                           | 7,701                      | 18,196               | 22,777                     | -                                | 48,674               |
| Gain (loss) on disposition of<br>property and equipment     | -                          | 55,178               | -                          | -                                | 55,178               |
| Total nonoperating revenues (expenses)                      | <u>56,672</u>              | <u>73,374</u>        | <u>22,777</u>              | <u>275,739</u>                   | <u>428,562</u>       |
| <b>Income (loss) before contributions<br/>and transfers</b> | <u>(14,872)</u>            | <u>351,498</u>       | <u>612,991</u>             | <u>(2,257,380)</u>               | <u>(1,307,763)</u>   |
| Transfers in                                                | -                          | 100,000              | -                          | 1,679,880                        | 1,779,880            |
| Change in net position                                      | <u>(14,872)</u>            | <u>451,498</u>       | <u>612,991</u>             | <u>(577,500)</u>                 | <u>472,117</u>       |
| Net position - beginning                                    | 3,901,351                  | 12,073,777           | 2,342,640                  | 6,163,170                        | 24,480,938           |
| Net position - ending                                       | <u>\$ 3,886,479</u>        | <u>\$ 12,525,275</u> | <u>\$ 2,955,631</u>        | <u>\$ 5,585,670</u>              | <u>\$ 24,953,055</u> |

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2014

|                                                                                                       | Data<br>Processing | Equipment    | Self -<br>Insurance | Communications<br>Center | Total          |
|-------------------------------------------------------------------------------------------------------|--------------------|--------------|---------------------|--------------------------|----------------|
| <b>Cash flows from operating activities:</b>                                                          |                    |              |                     |                          |                |
| Cash received from interfund                                                                          | \$ 5,702,048       | \$ 4,321,211 | \$ 1,861,513        | \$ 2,364,523             | \$ 14,249,295  |
| Cash received from customers and users                                                                | 87,247             | 302,080      | -                   | 1,779,437                | 2,168,764      |
| Cash paid to interfund                                                                                | (174,745)          | (165,815)    | (15,323)            | (1,151,484)              | (1,507,367)    |
| Cash paid to suppliers                                                                                | (2,583,256)        | (2,082,147)  | (1,738,150)         | (417,023)                | (6,820,576)    |
| Cash paid to employees                                                                                | (2,126,673)        | (894,623)    | (235,944)           | (3,992,252)              | (7,249,492)    |
| Miscellaneous receipts                                                                                | -                  | -            | 1,335,077           | 2,799                    | 1,337,876      |
| Net cash provided (used) by operating activities                                                      | 904,621            | 1,480,706    | 1,207,173           | (1,414,000)              | 2,178,500      |
| <b>Cash flows from noncapital financing activities:</b>                                               |                    |              |                     |                          |                |
| Transfers from other funds                                                                            | -                  | 100,000      | -                   | 1,679,880                | 1,779,880      |
| Intergovernmental receipts                                                                            | -                  | -            | -                   | 3,593                    | 3,593          |
| Net cash provided (used) by noncapital financing activities                                           | -                  | 100,000      | -                   | 1,683,473                | 1,783,473      |
| <b>Cash flows from capital and related financing activities:</b>                                      |                    |              |                     |                          |                |
| Intergovernmental receipts                                                                            | 23,732             | -            | -                   | 79,792                   | 103,524        |
| Proceeds from disposition of capital assets                                                           | -                  | 86,820       | -                   | -                        | 86,820         |
| Purchase of capital assets                                                                            | (1,042,244)        | (3,345,479)  | -                   | (559,374)                | (4,947,097)    |
| Net cash used in capital and related financing activities                                             | (1,018,512)        | (3,258,659)  | -                   | (479,582)                | (4,756,753)    |
| <b>Cash flows from investing activities:</b>                                                          |                    |              |                     |                          |                |
| Investment income received                                                                            | 7,701              | 18,196       | 22,777              | -                        | 48,674         |
| Net cash provided (used) by investing activities                                                      | 7,701              | 18,196       | 22,777              | -                        | 48,674         |
| Net increase in cash and cash equivalents                                                             | (106,190)          | (1,659,757)  | 1,229,950           | (210,109)                | (746,106)      |
| Cash and cash equivalents, January 1                                                                  | 1,314,469          | 3,527,260    | 3,380,431           | 361,562                  | 8,583,722      |
| Cash and cash equivalents, December 31                                                                | \$ 1,208,279       | \$ 1,867,503 | \$ 4,610,381        | \$ 151,453               | \$ 7,837,616   |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>  |                    |              |                     |                          |                |
| Operating income (loss)                                                                               | \$ (71,544)        | \$ 278,124   | \$ 590,214          | \$ (2,533,119)           | \$ (1,736,325) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                    |              |                     |                          |                |
| Depreciation expense                                                                                  | 839,532            | 1,338,204    | -                   | 1,081,858                | 3,259,594      |
| (Increase) decrease in accounts receivable                                                            | (215)              | (78,915)     | 721,291             | 4,802                    | 646,963        |
| (Increase) decrease in prepaid items                                                                  | 125,485            | (69,966)     | -                   | 856                      | 56,375         |
| Increase (decrease) in accounts payable                                                               | (22,334)           | (289,614)    | 42,478              | (34,980)                 | (304,450)      |
| Increase (decrease) in claims payable                                                                 | -                  | -            | (144,106)           | -                        | (144,106)      |
| Increase (decrease) in accrued wages and compensated absences payable                                 | 18,027             | 8,321        | (2,704)             | 50,932                   | 74,576         |
| (Increase) decrease in accounts payable due to purchase of capital assets on account                  | 15,670             | 294,552      | -                   | 15,651                   | 325,873        |
| Total adjustments                                                                                     | 976,165            | 1,202,582    | 616,959             | 1,119,119                | 3,914,825      |
| Net cash provided (used) by operating activities                                                      | \$ 904,621         | \$ 1,480,706 | \$ 1,207,173        | \$ (1,414,000)           | \$ 2,178,500   |
| <b>Noncash Investing, Capital and Financing Activities</b>                                            |                    |              |                     |                          |                |
| Purchase of capital assets on account                                                                 | \$ 24,301          | \$ -         | \$ -                | \$ 79,795                | \$ 104,096     |
| Net book value of capital assets traded in on capital assets acquired                                 | -                  | 24,897       | -                   | -                        | 24,897         |
| Trade in value of disposed assets                                                                     | -                  | 77,800       | -                   | -                        | 77,800         |
| Intergovernmental receivable from capital financing activities                                        | 25,239             | -            | -                   | 272,936                  | 298,175        |



# FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the City in a fiduciary capacity, or as an agent for individuals, private organizations, other governments, and/or other funds. These include Pension Trust, Private-Purpose Trust, Investment Trust and Agency Funds. Since the City has only one Investment Trust Fund, it is presented in the Basic Financial section of this report.

## **Private Purpose Trust Funds**

**Mesa County Valley School District 51 SLD Fee Fund** ~ to account for revenues and expenditures not included in other trust funds for which uses have been specified by parties outside the City government.

**General Trust Fund** ~ to account for revenues and expenditures not included in other trust funds for which uses have been specified by parties outside City government.

## **Pension Trust Funds**

**Police Old Hire Pension Trust Fund** ~ to account for assets for the Police Old Hire Defined Benefit Pension Plan invested in and administered by the Fire and Police Pension Association of Colorado for qualified firefighter retirees.

**Fire Old Hire Pension Trust Fund** ~ to account for assets for the Fire Old Hire Defined Benefit Pension Plan invested in and administered by the Fire and Police Pension Association of Colorado for qualified firefighter retirees.

## **Agency Funds**

**Park Improvement Advisory Board Fund** ~ to provide the custodial function of accounting for operations of the board.

**Rimrock Marketplace General Improvement District Fund** ~ to act as an agent for property owners in collection assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if applicable.

**Downtown Business Improvement District Fund** ~ to provide the custodial function of accounting for operations of the Downtown Business Improvement District.

City of Grand Junction, Colorado  
**COMBINING STATEMENTS OF NET POSITION**  
**PENSION TRUST FUNDS**  
December 31, 2014

---

|                                        | Police<br>Old Hire | Fire<br>Old Hire | Total         |
|----------------------------------------|--------------------|------------------|---------------|
| <b>ASSETS</b>                          |                    |                  |               |
| Cash and investments                   | \$ 4,334,291       | \$ 9,295,030     | \$ 13,629,321 |
| <b>LIABILITIES</b>                     |                    |                  |               |
|                                        | -                  | -                | -             |
| <b>NET POSITION HELD IN TRUST FOR:</b> |                    |                  |               |
| Pension benefits                       | \$ 4,334,291       | \$ 9,295,030     | \$ 13,629,321 |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
For the year ended December 31, 2014

|                                                              | Police<br>Old Hire | Fire<br>Old Hire | Total         |
|--------------------------------------------------------------|--------------------|------------------|---------------|
| <b>ADDITIONS</b>                                             |                    |                  |               |
| Contributions:                                               |                    |                  |               |
| City                                                         | \$ -               | \$ 276,015       | \$ 276,015    |
| Investment income:                                           |                    |                  |               |
| Net appreciation (depreciation) in fair value of investments | 233,487            | 498,713          | 732,200       |
| Interest                                                     | 89,062             | 189,946          | 279,008       |
| Net investment income                                        | 322,549            | 688,659          | 1,011,208     |
| Total additions                                              | 322,549            | 964,674          | 1,287,223     |
| <b>DEDUCTIONS</b>                                            |                    |                  |               |
| Benefits                                                     | 456,536            | 1,126,446        | 1,582,982     |
| Administrative expense                                       | 40,407             | 82,579           | 122,986       |
| Total deductions                                             | 496,943            | 1,209,025        | 1,705,968     |
| Change in net position                                       | (174,394)          | (244,351)        | (418,745)     |
| <b>Net position - beginning</b>                              | 4,508,685          | 9,539,381        | 14,048,066    |
| <b>Net position - ending</b>                                 | \$ 4,334,291       | \$ 9,295,030     | \$ 13,629,321 |



City of Grand Junction, Colorado  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
December 31, 2014

---

|                                       | Mesa County<br>Valley School<br>District 51<br>SLD Fee | General<br>Trust | Total     |
|---------------------------------------|--------------------------------------------------------|------------------|-----------|
| <b>ASSETS</b>                         |                                                        |                  |           |
| Cash and investments                  | \$ 82,451                                              | \$ 468           | \$ 82,919 |
| <b>LIABILITIES</b>                    | -                                                      | -                | -         |
| <b>NET POSITION HELD IN TRUST FOR</b> |                                                        |                  |           |
| Individuals, organizations and others | \$ 82,451                                              | \$ 468           | \$ 82,919 |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
For the year ended December 31, 2014

|                               | Mesa County<br>Valley School<br>District 51<br>SLD Fee | General<br>Trust | Total            |
|-------------------------------|--------------------------------------------------------|------------------|------------------|
| <b>ADDITIONS</b>              |                                                        |                  |                  |
| Additions by participants     | \$ 136,954                                             | \$ -             | \$ 136,954       |
| Investment income             | <u>377</u>                                             | <u>-</u>         | <u>377</u>       |
| Total additions               | <u>137,331</u>                                         | <u>-</u>         | <u>137,331</u>   |
| <b>DEDUCTIONS</b>             |                                                        |                  |                  |
| Distributions to participants | 166,577                                                | -                | 166,577          |
| Administrative expense        | <u>5,152</u>                                           | <u>-</u>         | <u>5,152</u>     |
| Total deductions              | <u>171,729</u>                                         | <u>-</u>         | <u>171,729</u>   |
| Change in net position        | (34,398)                                               | -                | (34,398)         |
| Net position - beginning      | <u>116,849</u>                                         | <u>468</u>       | <u>117,317</u>   |
| Net position - ending         | <u>\$ 82,451</u>                                       | <u>\$ 468</u>    | <u>\$ 82,919</u> |

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
For the year ended December 31, 2014

|                                                                | Balance<br>Beginning | Additions  | Deletions  | Balance<br>Ending |
|----------------------------------------------------------------|----------------------|------------|------------|-------------------|
| <b><u>PARK IMPROVEMENT ADVISORY BOARD</u></b>                  |                      |            |            |                   |
| <b>ASSETS</b>                                                  |                      |            |            |                   |
| Cash and investments                                           | \$ 130,394           | \$ 146,051 | \$ 116,330 | \$ 160,115        |
| <b>LIABILITIES</b>                                             |                      |            |            |                   |
| Accounts payable                                               | \$ -                 | \$ 54,700  | \$ 53,700  | \$ 1,000          |
| Due to other governments                                       | 130,394              | 91,351     | 62,630     | 159,115           |
| Total liabilities                                              | \$ 130,394           | \$ 146,051 | \$ 116,330 | \$ 160,115        |
| <b><u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u></b> |                      |            |            |                   |
| <b>ASSETS</b>                                                  |                      |            |            |                   |
| Cash and investments                                           | \$ 471,097           | \$ 242,395 | \$ 215,229 | \$ 498,263        |
| <b>LIABILITIES</b>                                             |                      |            |            |                   |
| Due to other governments                                       | \$ 471,097           | \$ 242,395 | \$ 215,229 | \$ 498,263        |
| <b><u>DOWNTOWN BUSINESS IMPROVEMENT DISTRICT</u></b>           |                      |            |            |                   |
| <b>ASSETS</b>                                                  |                      |            |            |                   |
| Cash and investments                                           | \$ 142,791           | \$ 395,940 | \$ 466,509 | \$ 72,222         |
| Accounts receivable, net of allowance                          | -                    | 4,730      | 680        | 4,050             |
| Total assets                                                   | \$ 142,791           | \$ 400,670 | \$ 467,189 | \$ 76,272         |
| <b>LIABILITIES</b>                                             |                      |            |            |                   |
| Accounts payable                                               | \$ 35,441            | \$ 255,810 | \$ 275,566 | \$ 15,685         |
| Due to other governments                                       | 107,350              | 144,860    | 191,623    | 60,587            |
| Total liabilities                                              | \$ 142,791           | \$ 400,670 | \$ 467,189 | \$ 76,272         |
| <b><u>TOTAL - ALL AGENCY FUNDS</u></b>                         |                      |            |            |                   |
| <b>ASSETS</b>                                                  |                      |            |            |                   |
| Cash and investments                                           | \$ 744,282           | \$ 784,386 | \$ 798,068 | \$ 730,600        |
| Accounts receivable, net of allowance                          | -                    | 4,730      | 680        | 4,050             |
| Total assets                                                   | \$ 744,282           | \$ 789,116 | \$ 798,748 | \$ 734,650        |
| <b>LIABILITIES</b>                                             |                      |            |            |                   |
| Accounts payable                                               | \$ 35,441            | \$ 310,510 | \$ 329,266 | \$ 16,685         |
| Due to other governments                                       | 708,841              | 478,606    | 469,482    | 717,965           |
| Total liabilities                                              | \$ 744,282           | \$ 789,116 | \$ 798,748 | \$ 734,650        |



(This page intentionally left blank)



# DOWNTOWN DEVELOPMENT AUTHORITY

## **A Component Unit of the City of Grand Junction, Colorado**

The Downtown Development Authority (DDA) was formed to improve the downtown area of the City of Grand Junction. Since this is the only component unit of the City, it reported on the Government-wide Financial Statement. However, since it does not issue its own financial report, the following fund information for the DDA is provided.

### **Special Revenue Funds**

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted or committed to expenditures for specified purposes.

**DDA Operations Special Revenue Fund** ~ to account for all revenues and expenditures associated with operating the Downtown Development Authority.

### **Debt Service Funds**

**Debt Service Funds** are used to account for all resources being accumulated for general long-term debt principal and interest payments maturing in future years other than long-term debt accounted for in enterprise and internal service funds.

**DDA TIF Debt Service Fund** ~ to account for those resources which are being accumulated for Long-term debt, principal and interest payments on Downtown Development Authority Tax Increment Bonds maturing in future years.

### **Capital Project Funds**

**Capital Projects Funds** are used to account for financial resources to be used for the acquisition of Construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**DDA Capital Improvements Fund** ~ to account for capital improvements within the boundaries of the Downtown Development Authority (DDA).

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2014

|                                                                     | DDA<br>Operations<br>Special<br>Revenue Fund | DDA TIF<br>Debt Service<br>Fund | Capital<br>Improvements<br>Capital Projects<br>Fund | Total<br>Governmental<br>Funds |
|---------------------------------------------------------------------|----------------------------------------------|---------------------------------|-----------------------------------------------------|--------------------------------|
| <b>ASSETS</b>                                                       |                                              |                                 |                                                     |                                |
| Cash and investments                                                | \$ 574,558                                   | \$ 1,799,487                    | \$ 152,101                                          | \$ 2,526,146                   |
| Property taxes receivable                                           | 259,736                                      | 1,153,603                       | -                                                   | 1,413,339                      |
| Accounts receivable                                                 | 520                                          | -                               | -                                                   | 520                            |
| Total assets                                                        | <u>834,814</u>                               | <u>2,953,090</u>                | <u>152,101</u>                                      | <u>3,940,005</u>               |
| <b>LIABILITIES</b>                                                  |                                              |                                 |                                                     |                                |
| Accounts payable                                                    | 5,302                                        | 500                             | 20,544                                              | 26,346                         |
| Accrued liabilities                                                 | 4,465                                        | -                               | 285                                                 | 4,750                          |
| Compensated absences payable                                        | 556                                          | -                               | 30                                                  | 586                            |
| Total liabilities                                                   | <u>10,323</u>                                | <u>500</u>                      | <u>20,859</u>                                       | <u>31,682</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                |                                              |                                 |                                                     |                                |
| Property Taxes                                                      | 256,889                                      | 1,142,540                       | -                                                   | 1,399,429                      |
| Total deferred inflows of resources                                 | <u>256,889</u>                               | <u>1,142,540</u>                | <u>-</u>                                            | <u>1,399,429</u>               |
| <b>FUND BALANCES</b>                                                |                                              |                                 |                                                     |                                |
| Restricted for:                                                     |                                              |                                 |                                                     |                                |
| Debt service                                                        | -                                            | 1,810,050                       | -                                                   | 1,810,050                      |
| Legends historical sculptures project                               | 53,299                                       | -                               | -                                                   | 53,299                         |
| Urban development and housing                                       | 514,303                                      | -                               | 131,242                                             | 645,545                        |
| Total fund balances                                                 | <u>567,602</u>                               | <u>1,810,050</u>                | <u>131,242</u>                                      | <u>2,508,894</u>               |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 834,814</u>                            | <u>\$ 2,953,090</u>             | <u>\$ 152,101</u>                                   |                                |

Amounts reported for the Component Unit - Downtown Development Authority on the statement of net position (page 31) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

3,873,611

Long-term liabilities such as bonds and notes payable, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds.

|                          |                |             |
|--------------------------|----------------|-------------|
| Bonds Payable            | \$ (5,915,000) |             |
| Accrued Interest payable | (11,451)       |             |
| Compensated absences     | <u>(9,690)</u> | (5,936,141) |

Net position -Component Unit - Downtown Development Authority. (page 31) \$ 446,364

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the year ended December 31, 2014

|                                                              | DDA<br>Operations<br>Special Revenue<br>Fund | DDA TIF<br>Debt Service<br>Fund | Capital<br>Improvements<br>Capital Project<br>Fund | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|----------------------------------------------|---------------------------------|----------------------------------------------------|--------------------------------|
| <b>REVENUES</b>                                              |                                              |                                 |                                                    |                                |
| Taxes                                                        | \$ 297,776                                   | \$ 1,353,280                    | \$ -                                               | \$ 1,651,056                   |
| Intergovernmental                                            | -                                            | 457,739                         | -                                                  | 457,739                        |
| Charges for services                                         | 6,350                                        | -                               | -                                                  | 6,350                          |
| Miscellaneous                                                | 80,393                                       | -                               | 7,150                                              | 87,543                         |
| Investment income                                            | 3,679                                        | 8,398                           | 1,247                                              | 13,324                         |
| Total revenues                                               | <u>388,198</u>                               | <u>1,819,417</u>                | <u>8,397</u>                                       | <u>2,216,012</u>               |
| <b>EXPENDITURES</b>                                          |                                              |                                 |                                                    |                                |
| Current:                                                     |                                              |                                 |                                                    |                                |
| Urban development and housing                                | 387,188                                      | 24,388                          | -                                                  | 411,576                        |
| Debt service:                                                |                                              |                                 |                                                    |                                |
| Principal retirement                                         | -                                            | 615,000                         | -                                                  | 615,000                        |
| Interest and fiscal charges                                  | -                                            | 297,590                         | -                                                  | 297,590                        |
| Capital outlay                                               | -                                            | -                               | 287,568                                            | 287,568                        |
| Total expenditures                                           | <u>387,188</u>                               | <u>936,978</u>                  | <u>287,568</u>                                     | <u>1,611,734</u>               |
| Excess (deficiency) of revenues<br>over (under) expenditures | 1,010                                        | 882,439                         | (279,171)                                          | 604,278                        |
| Fund balances - beginning                                    | 566,592                                      | 927,611                         | 410,413                                            | 1,904,616                      |
| <b>Fund balances - ending</b>                                | <u>\$ 567,602</u>                            | <u>\$ 1,810,050</u>             | <u>\$ 131,242</u>                                  | <u>\$ 2,508,894</u>            |

Amounts reported for Component Unit - Downtown Development Authority in the statement of activities (page 33) are different because:

Net change in fund balances - total governmental funds (above) \$ 604,278

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$300,315 exceeded depreciation (\$224,896) in the current period. 75,419

The net effect of transactions involving the sale, trade, and disposal of capital assets. (797,817)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, these transactions have no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

|                                   |                |         |
|-----------------------------------|----------------|---------|
| Debt principal payments           | \$ 615,000     |         |
| Decrease in accrued interest      | 949            |         |
| Increase in pollution remediation | <u>156,876</u> |         |
|                                   |                | 772,825 |

Expenditures for compensated absences and longevity are measured by the amount of financial resources used (essentially, the amounts actually paid to employees), whereas in the statement of activities, they are measured as the benefits are earned by employees during the year. (3,973)

Change in net position of the Component Unit - Downtown Development Authority (page 33) \$ 650,732

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DOWNTOWN DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2014

|                                         | Budgeted Amounts  |                   |                   | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------------|-------------------|-------------------|-------------------|-----------------------------------------------------------|
|                                         | Original          | Final             | Actual            |                                                           |
| <b>REVENUES</b>                         |                   |                   |                   |                                                           |
| Taxes                                   | \$ 287,406        | \$ 287,406        | \$ 297,776        | \$ 10,370                                                 |
| Charges for services                    | 5,000             | 5,000             | 6,350             | 1,350                                                     |
| Miscellaneous                           | 49,300            | 74,300            | 80,393            | 6,093                                                     |
| Investment income                       | 2,896             | 2,896             | 3,679             | 783                                                       |
| Total revenues                          | <u>344,602</u>    | <u>369,602</u>    | <u>388,198</u>    | <u>18,596</u>                                             |
| <b>EXPENDITURES</b>                     |                   |                   |                   |                                                           |
| Current:                                |                   |                   |                   |                                                           |
| Urban development and housing           | <u>384,037</u>    | <u>409,037</u>    | <u>387,188</u>    | <u>21,849</u>                                             |
| Excess of revenues<br>over expenditures | (39,435)          | (39,435)          | 1,010             | 40,445                                                    |
| Fund balances - beginning               | <u>566,592</u>    | <u>566,592</u>    | <u>566,592</u>    | -                                                         |
| Fund balances - ending                  | <u>\$ 527,157</u> | <u>\$ 527,157</u> | <u>\$ 567,602</u> | <u>\$ 40,445</u>                                          |



**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado

**DDA TIF DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**

For the year ended December 31, 2014

|                               | Original and<br>Final Budgeted<br>Amounts | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-------------------------------|-------------------------------------------|---------------------|-----------------------------------------------------------|
| <b>REVENUES</b>               |                                           |                     |                                                           |
| Taxes                         | \$ 1,298,605                              | \$ 1,353,280        | \$ 54,675                                                 |
| Intergovernmental             | 489,868                                   | 457,739             | (32,129)                                                  |
| Investment Income             | 3,512                                     | 8,398               | 4,886                                                     |
| Total revenues                | <u>1,791,985</u>                          | <u>1,819,417</u>    | <u>27,432</u>                                             |
| <b>EXPENDITURES</b>           |                                           |                     |                                                           |
| Current:                      |                                           |                     |                                                           |
| Urban development and housing | 25,515                                    | 24,388              | 1,127                                                     |
| Debt service:                 |                                           |                     |                                                           |
| Principal retirement          | 615,000                                   | 615,000             | -                                                         |
| Interest and fiscal charges   | 297,590                                   | 297,590             | -                                                         |
| Total expenditures            | <u>938,105</u>                            | <u>936,978</u>      | <u>1,127</u>                                              |
| Excess of revenues            |                                           |                     |                                                           |
| Over expenditures             | 853,880                                   | 882,439             | 28,559                                                    |
| Fund balances - beginning     | 927,611                                   | 927,611             | -                                                         |
| Fund balances - ending        | <u>\$ 1,781,491</u>                       | <u>\$ 1,810,050</u> | <u>\$ 28,559</u>                                          |

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DDA CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2014

|                                              | Original and<br>Final Budgeted<br>Amounts | Actual     | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|----------------------------------------------|-------------------------------------------|------------|-----------------------------------------------------------|
| <b>REVENUES</b>                              |                                           |            |                                                           |
| Miscellaneous                                | \$ -                                      | \$ 7,150   | \$ 7,150                                                  |
| Investment income                            | -                                         | 1,247      | 1,247                                                     |
| Total revenues                               | -                                         | 8,397      | 8,397                                                     |
| <b>EXPENDITURES</b>                          |                                           |            |                                                           |
| Capital projects                             | 310,802                                   | 287,568    | 23,234                                                    |
| Deficiency of revenues<br>under expenditures | (310,802)                                 | (279,171)  | 31,631                                                    |
| Fund balances - beginning                    | 410,413                                   | 410,413    | -                                                         |
| Fund balances - ending                       | \$ 99,611                                 | \$ 131,242 | \$ 31,631                                                 |



# STATISTICAL SECTION

This section of the City of Grand Junction Comprehensive Annual Financial Report represents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

| <b>Contents</b>                                                                                                                                                                                                                                    | <b>Pages</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <u>Financial Trends</u><br>These schedules contain trend information to help the reader understand how the City's financial condition has changed over time.                                                                                       | 123-127      |
| <u>Revenue Capacity</u><br>These schedules contain information to help the reader assess the City's largest revenue source, sales tax.                                                                                                             | 128-131      |
| <u>Debt Capacity</u><br>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.                            | 132-136      |
| <u>Demographic and Economic Information</u><br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.                                    | 137-138      |
| <u>Operating Information</u><br>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 139-140      |



(This page intentionally left blank)

TABLE 1  
City of Grand Junction, Colorado  
**NET POSITION**  
Last Ten Fiscal Years

|                                             | 2005           | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           | 2012           | 2013           | 2014           |
|---------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Governmental Activities</b>              |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | \$ 256,934,469 | \$ 326,336,540 | \$ 408,037,121 | \$ 498,158,781 | \$ 529,106,956 | \$ 555,543,770 | \$ 581,854,487 | \$ 607,986,872 | \$ 617,381,868 | \$ 611,760,765 |
| Restricted                                  | 5,598,639      | 7,504,598      | 4,548,128      | 15,726,010     | 18,544,790     | 21,495,852     | 30,951,878     | 13,618,901     | 14,511,996     | 17,330,295     |
| Unrestricted                                | 48,107,386     | 59,014,985     | 60,693,788     | 40,514,664     | 28,682,910     | 28,430,021     | 26,937,580     | 26,568,548     | 23,367,630     | 19,178,570     |
| Total governmental activities net position  | \$ 310,640,494 | \$ 392,856,123 | \$ 473,279,037 | \$ 554,399,455 | \$ 576,334,656 | \$ 605,469,643 | \$ 639,743,945 | \$ 648,174,321 | \$ 655,261,494 | \$ 648,269,630 |
| <b>Business-type Activities</b>             |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | \$ 33,697,216  | \$ 36,518,897  | \$ 39,673,423  | \$ 44,539,563  | \$ 46,087,527  | \$ 47,807,739  | \$ 45,541,828  | \$ 45,880,136  | \$ 45,720,564  | \$ 56,207,881  |
| Restricted                                  | -              | 610,844        | -              | -              | -              | -              | -              | -              | -              | -              |
| Unrestricted                                | 5,286,462      | 4,114,096      | 4,176,474      | (271,321)      | (2,881,656)    | (4,987,177)    | (4,277,701)    | (4,545,053)    | (4,148,827)    | (3,729,277)    |
| Total business-type activities net position | \$ 38,983,678  | \$ 41,243,837  | \$ 43,849,897  | \$ 44,268,242  | \$ 43,205,871  | \$ 42,820,562  | \$ 41,264,127  | \$ 41,335,083  | \$ 41,571,737  | \$ 52,478,604  |
| <b>Primary Government</b>                   |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | \$ 290,631,685 | \$ 362,855,437 | \$ 447,710,544 | \$ 542,698,344 | \$ 575,194,483 | \$ 603,351,509 | \$ 627,396,315 | \$ 653,867,008 | \$ 663,102,432 | \$ 667,968,646 |
| Restricted                                  | 5,598,639      | 8,115,442      | 4,548,128      | 15,726,010     | 18,544,790     | 21,495,852     | 30,951,878     | 13,618,901     | 14,511,996     | 17,330,295     |
| Unrestricted                                | 53,393,848     | 63,129,081     | 64,870,262     | 40,243,343     | 25,801,254     | 23,442,844     | 22,659,879     | 22,023,495     | 19,218,803     | 15,449,293     |
| Total primary governmental net position     | \$ 349,624,172 | \$ 434,099,960 | \$ 517,128,934 | \$ 598,667,697 | \$ 619,540,527 | \$ 648,290,205 | \$ 681,008,072 | \$ 689,509,404 | \$ 696,833,231 | \$ 700,748,234 |
| <b>Component Unit:</b>                      |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | \$ 2,196,484   | \$ 1,873,613   | \$ 1,968,943   | \$ 5,999,915   | \$ 6,222,119   | \$ 5,697,948   | \$ 4,870,916   | \$ 4,295,348   | \$ 4,542,743   | \$ 3,816,756   |
| Restricted                                  | 1,340,387      | 1,325,219      | 834,551        | 3,334,219      | 2,810,117      | 1,462,300      | 1,278,049      | 955,845        | 1,890,167      | 2,508,894      |
| Unrestricted                                | 1,341,467      | 2,213,997      | 34,939         | (5,713,208)    | (5,147,792)    | (5,468,141)    | (6,144,689)    | (4,189,009)    | (6,637,278)    | (5,879,286)    |
| Total component unit net position           | \$ 4,878,338   | \$ 5,412,829   | \$ 2,838,433   | \$ 3,620,926   | \$ 3,884,444   | \$ 1,692,107   | \$ 4,276       | \$ 1,062,184   | \$ (204,368)   | \$ 446,364     |

Source: Current and prior years' financial statements

**TABLE 2**  
City of Grand Junction, Colorado  
**CHANGES IN NET POSITION**  
Last Ten Fiscal Years

|                                                  | 2005                 | 2006                 | 2007                 | 2008                 | 2009                  | 2010                 | 2011                 | 2012                  | 2013                  | 2014                  |
|--------------------------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| <b>Expenses</b>                                  |                      |                      |                      |                      |                       |                      |                      |                       |                       |                       |
| Governmental Activities:                         |                      |                      |                      |                      |                       |                      |                      |                       |                       |                       |
| General Government                               | \$ 9,596,763         | \$ 8,775,975         | \$ 12,412,910        | \$ 16,143,424        | \$ 14,022,155         | \$ 11,591,395        | \$ 12,583,783        | \$ 12,735,595         | \$ 16,206,096         | \$ 13,966,239         |
| Public Safety                                    | 22,904,850           | 24,638,801           | 28,167,497           | 32,088,791           | 32,487,535            | 33,423,757           | 33,105,266           | 41,301,254            | 40,054,201            | 42,680,344            |
| Public Works                                     | 15,386,497           | 19,400,979           | 15,521,625           | 19,680,247           | 21,353,413            | 20,728,384           | 21,352,483           | 19,980,846            | 20,093,321            | 20,025,758            |
| Parks and Recreation                             | 5,175,343            | 4,743,303            | 7,419,519            | 7,955,933            | 8,924,292             | 8,771,342            | 8,425,816            | 10,281,037            | 7,279,163             | 19,345,400            |
| Urban Development and Housing                    | 415,306              | 110,694              | 565,373              | 545,715              | 572,726               | 561,457              | 477,886              | 645,572               | 591,545               | 634,827               |
| Interest of Long-Term Debt                       | 2,544,479            | 2,474,655            | 3,233,840            | 3,332,614            | 3,188,419             | 3,645,322            | 5,443,771            | 4,713,532             | 3,952,399             | 3,774,690             |
| Total Governmental Activities Expense            | 56,023,238           | 60,144,407           | 67,320,764           | 79,746,724           | 80,548,540            | 78,721,657           | 66,716,691           | 89,490,150            | 88,176,725            | 100,427,258           |
| Business-Type Activities:                        |                      |                      |                      |                      |                       |                      |                      |                       |                       |                       |
| Water                                            | 4,222,594            | 4,349,852            | 4,671,765            | 5,067,168            | 5,283,655             | 5,419,125            | 4,881,038            | 5,405,744             | 5,420,503             | 5,757,132             |
| Convention Center                                | 2,641,066            | 2,805,768            | 2,968,119            | 3,514,396            | 3,396,100             | 2,857,866            | 2,600,896            | 2,881,584             | 2,591,225             | 2,804,818             |
| Solid Waste Removal                              | 2,340,292            | 2,632,219            | 2,820,253            | 2,907,325            | 4,196,468             | 3,462,854            | 3,113,744            | 3,179,267             | 3,130,852             | 3,231,386             |
| Swimming Pools                                   | 919,684              | 1,015,665            | 991,685              | 1,014,976            | 1,025,401             | 1,038,563            | 983,212              | -                     | -                     | -                     |
| Golf                                             | 1,898,642            | 1,966,353            | 2,123,769            | 2,285,777            | 2,472,997             | 2,266,394            | 2,181,540            | 2,072,890             | 2,064,247             | 1,928,826             |
| Parking                                          | 321,282              | 693,381              | 402,916              | 1,829,547            | 531,711               | 480,383              | 415,355              | 405,744               | 405,157               | 421,526               |
| Irrigation Systems                               | 273,642              | 298,439              | 289,528              | 318,708              | 300,130               | 306,572              | 298,694              | 302,106               | 315,178               | 325,255               |
| Ambulance Transport                              | -                    | 865,138              | 2,252,275            | 2,350,943            | 2,308,421             | 2,173,362            | 1,961,509            | -                     | -                     | -                     |
| Total Business-Type Activities Expense           | 12,617,202           | 14,628,815           | 16,520,310           | 19,288,840           | 19,514,883            | 18,005,119           | 16,435,988           | 14,247,335            | 13,927,162            | 14,468,943            |
| <b>Total Primary Government Expenses</b>         | <b>\$ 68,640,440</b> | <b>\$ 74,771,222</b> | <b>\$ 83,841,074</b> | <b>\$ 99,035,564</b> | <b>\$ 100,063,423</b> | <b>\$ 96,726,776</b> | <b>\$ 83,152,679</b> | <b>\$ 103,737,485</b> | <b>\$ 102,103,887</b> | <b>\$ 114,896,201</b> |
| <b>Total Component Unit Expenses</b>             | <b>\$ 386,262</b>    | <b>\$ 1,378,932</b>  | <b>\$ 4,633,804</b>  | <b>\$ 2,117,208</b>  | <b>\$ 2,636,069</b>   | <b>\$ 4,826,697</b>  | <b>\$ 4,622,211</b>  | <b>\$ 1,511,186</b>   | <b>\$ 3,753,663</b>   | <b>\$ 1,565,280</b>   |
| <b>Program Revenues</b>                          |                      |                      |                      |                      |                       |                      |                      |                       |                       |                       |
| Governmental Activities:                         |                      |                      |                      |                      |                       |                      |                      |                       |                       |                       |
| Charge for Service:                              |                      |                      |                      |                      |                       |                      |                      |                       |                       |                       |
| General Government                               | \$ 2,201,868         | \$ 2,350,160         | \$ 5,451,358         | \$ 2,929,275         | \$ 2,639,601          | \$ 3,274,890         | \$ 3,224,426         | \$ 3,002,193          | \$ 2,725,767          | \$ 2,940,902          |
| Public Safety                                    | 4,636,026            | 4,503,743            | 4,774,346            | 5,895,984            | 6,406,830             | 7,104,163            | 8,071,588            | 10,741,763            | 10,718,690            | 10,485,105            |
| Public Works                                     | 1,100,555            | 2,595,528            | 3,325,868            | 5,554,332            | 1,884,073             | 2,659,523            | 1,895,207            | 1,927,747             | 3,200,996             | 1,925,024             |
| Parks and Recreation                             | 1,294,737            | 1,070,852            | 3,199,673            | 2,286,100            | 1,423,145             | 1,461,584            | 1,456,400            | 2,069,864             | 2,051,380             | 2,056,017             |
| Operating Grants and Contributions               | 718,425              | 565,044              | 1,182,795            | 1,548,954            | 1,661,118             | 2,184,680            | 3,608,414            | 3,204,209             | 3,950,533             | 3,011,613             |
| Capital Grants and Contributions                 | 34,104,271           | 66,735,306           | 56,633,477           | 63,431,598           | 23,963,787            | 26,800,939           | 12,816,892           | 9,936,906             | 7,190,063             | 6,279,358             |
| Total Governmental Activities Program Revenues   | 44,055,882           | 77,820,633           | 74,567,517           | 81,646,243           | 37,978,554            | 43,485,779           | 31,072,927           | 30,882,682            | 29,837,429            | 26,698,019            |
| Business-Type Activities:                        |                      |                      |                      |                      |                       |                      |                      |                       |                       |                       |
| Water                                            | 4,476,728            | 4,670,635            | 4,987,126            | 5,293,379            | 5,527,333             | 5,231,378            | 4,913,952            | 5,271,849             | 5,303,609             | 5,877,233             |
| Convention Center                                | 2,114,443            | 2,437,970            | 2,544,726            | 2,840,966            | 2,657,327             | 2,322,730            | 2,279,695            | 2,385,684             | 1,998,488             | 2,026,520             |
| Solid Waste Removal                              | 2,427,094            | 2,500,954            | 2,841,130            | 3,051,483            | 2,976,883             | 3,251,274            | 3,324,152            | 3,311,362             | 3,337,992             | 3,538,962             |
| Swimming Pools                                   | 628,073              | 691,810              | 697,770              | 680,496              | 760,756               | 590,332              | 532,456              | -                     | -                     | -                     |
| Golf                                             | 1,802,903            | 1,956,584            | 2,106,921            | 2,221,204            | 2,147,161             | 1,901,601            | 1,949,258            | 1,980,120             | 1,748,166             | 1,818,323             |
| Parking                                          | 326,381              | 338,286              | 343,471              | 504,766              | 540,054               | 412,578              | 487,517              | 491,203               | 454,184               | 475,368               |
| Irrigation Systems                               | 178,709              | 179,837              | 191,854              | 204,956              | 212,043               | 219,820              | 219,367              | 216,915               | 229,676               | 241,265               |
| Ambulance Transport                              | -                    | 1,107,880            | 2,313,432            | 2,461,174            | 2,315,001             | 2,027,458            | 2,117,997            | -                     | -                     | -                     |
| Operating Grants and Contributions               | -                    | -                    | -                    | -                    | 595,361               | 148,215              | 148,215              | 85,190                | 79,894                | 172,561               |
| Capital Grants and Contributions                 | 237,705              | 654,170              | 1,998,637            | 523,422              | 406,834               | 496,259              | 211,850              | 221,151               | 339,734               | 10,729,437            |
| Total Business-Type Activities Program Revenues  | 12,192,036           | 14,538,126           | 18,025,067           | 17,781,946           | 17,543,392            | 17,048,791           | 16,184,459           | 13,963,474            | 13,491,743            | 24,879,669            |
| <b>Total Primary Government Program Revenues</b> | <b>\$ 56,247,918</b> | <b>\$ 92,358,759</b> | <b>\$ 92,592,584</b> | <b>\$ 99,428,089</b> | <b>\$ 55,521,946</b>  | <b>\$ 60,534,570</b> | <b>\$ 47,257,386</b> | <b>\$ 44,846,156</b>  | <b>\$ 43,329,172</b>  | <b>\$ 51,577,688</b>  |
| <b>Total Component Unit Program Revenues</b>     | <b>\$ 247,614</b>    | <b>\$ 315,417</b>    | <b>\$ 411,870</b>    | <b>\$ 712,232</b>    | <b>\$ 601,094</b>     | <b>\$ 439,960</b>    | <b>\$ 752,974</b>    | <b>\$ 563,206</b>     | <b>\$ 742,790</b>     | <b>\$ 551,632</b>     |

TABLE 2 (Continued)

City of Grand Junction, Colorado  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years

|                                                      | 2005                         | 2006                      | 2007                        | 2008                        | 2009                           | 2010                         | 2011                         | 2012                         | 2013                         | 2014                            |
|------------------------------------------------------|------------------------------|---------------------------|-----------------------------|-----------------------------|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------------|
| <b>Net (Expense)/ Revenue</b>                        |                              |                           |                             |                             |                                |                              |                              |                              |                              |                                 |
| Governmental Activities                              |                              |                           |                             |                             |                                |                              |                              |                              |                              |                                 |
| Business-Type Activities                             |                              |                           |                             |                             |                                |                              |                              |                              |                              |                                 |
| Total Primary Government Net Expense                 | \$ (11,967,356)<br>(425,166) | \$ 17,676,226<br>(88,689) | \$ 7,246,753<br>(1,506,994) | \$ 1,899,519<br>(1,506,994) | \$ (42,569,986)<br>(1,971,491) | \$ (35,235,878)<br>(956,328) | \$ (35,643,764)<br>(251,529) | \$ (58,607,468)<br>(283,861) | \$ (58,339,296)<br>(435,419) | \$ (73,729,239)<br>(10,410,726) |
|                                                      | \$ (12,392,522)              | \$ 17,587,537             | \$ 8,751,510                | \$ 392,525                  | \$ (44,541,477)                | \$ (36,192,206)              | \$ (35,895,293)              | \$ (58,891,329)              | \$ (58,774,715)              | \$ (63,318,513)                 |
| Total Component Unit Net Expense                     | \$ (138,648)                 | \$ (1,063,515)            | \$ (4,221,934)              | \$ (1,404,976)              | \$ (2,034,975)                 | \$ (4,386,737)               | \$ (3,869,237)               | \$ (947,980)                 | \$ (3,010,873)               | \$ (1,013,648)                  |
| Governmental Activities:                             |                              |                           |                             |                             |                                |                              |                              |                              |                              |                                 |
| Taxes                                                |                              |                           |                             |                             |                                |                              |                              |                              |                              |                                 |
| Sales & Use Taxes                                    | \$ 42,825,135                | \$ 50,373,971             | \$ 56,583,254               | \$ 59,447,697               | \$ 46,856,622                  | \$ 47,424,012                | \$ 50,312,521                | \$ 50,702,973                | \$ 50,468,227                | \$ 51,272,814                   |
| Property Taxes                                       | 4,722,839                    | 5,618,112                 | 5,926,469                   | 8,440,775                   | 8,701,650                      | 10,146,009                   | 10,608,818                   | 8,976,292                    | 8,837,970                    | 8,089,029                       |
| Franchise Taxes                                      | 2,008,706                    | 2,159,287                 | 2,147,224                   | 2,456,659                   | 2,432,704                      | 2,527,530                    | 2,572,877                    | 2,528,419                    | 2,743,512                    | 2,977,638                       |
| Highway Users Tax                                    | 1,519,215                    | 1,763,231                 | 1,732,774                   | 1,718,004                   | 1,940,291                      | 2,262,898                    | 2,261,503                    | 2,186,732                    | 2,167,518                    | 2,240,348                       |
| Other Taxes                                          | 2,525,925                    | 3,544,629                 | 3,388,467                   | 5,978,962                   | 4,024,160                      | 1,907,422                    | 2,403,354                    | 2,648,647                    | 1,811,980                    | 2,313,571                       |
| Investment Income                                    | 1,961,415                    | 3,093,381                 | 4,185,692                   | 2,789,072                   | 1,299,123                      | 635,807                      | 435,929                      | 329,469                      | 77,084                       | 320,989                         |
| Gain on Sale of Capital Assets                       | 26,713                       | 81,053                    | 88,000                      | 85,329                      | 75,592                         | -                            | -                            | -                            | -                            | -                               |
| Transfers                                            | (913,373)                    | (2,094,261)               | (875,719)                   | (1,695,599)                 | (824,955)                      | (532,813)                    | 1,323,064                    | (334,688)                    | (679,822)                    | (477,014)                       |
| Total Governmental Activities                        | \$ 54,676,575                | \$ 64,539,403             | \$ 73,176,161               | \$ 79,220,899               | \$ 64,505,187                  | \$ 64,370,865                | \$ 69,918,066                | \$ 67,037,844                | \$ 65,426,469                | \$ 66,737,375                   |
| Business-Type Activities:                            |                              |                           |                             |                             |                                |                              |                              |                              |                              |                                 |
| Investment Income (Loss)                             | 167,989                      | 254,587                   | 225,584                     | 229,740                     | 84,165                         | 38,206                       | 18,158                       | 20,129                       | (7,749)                      | 19,127                          |
| Transfers                                            | 913,373                      | 2,094,261                 | 875,719                     | 1,695,599                   | 824,955                        | 532,813                      | (1,323,064)                  | 334,688                      | 679,822                      | 477,014                         |
| Total Business-Type Activities                       | 1,081,362                    | 2,348,848                 | 1,101,303                   | 1,925,339                   | 909,120                        | 571,019                      | (1,304,906)                  | 354,817                      | 672,073                      | 496,141                         |
| Total Primary Government Activities                  | \$ 55,757,937                | \$ 66,888,251             | \$ 74,277,464               | \$ 81,146,238               | \$ 65,414,307                  | \$ 64,941,884                | \$ 68,613,160                | \$ 67,392,661                | \$ 66,098,542                | \$ 67,233,516                   |
| Component Unit Activities:                           |                              |                           |                             |                             |                                |                              |                              |                              |                              |                                 |
| Property Taxes                                       | 1,327,496                    | 1,445,856                 | 1,498,752                   | 2,081,840                   | 2,179,436                      | 2,192,121                    | 2,203,253                    | 1,984,461                    | 1,576,439                    | 1,651,056                       |
| Investment Income (Loss)                             | 58,474                       | 152,150                   | 198,530                     | 105,629                     | 119,057                        | 57,279                       | (21,847)                     | 21,427                       | (9,795)                      | 13,324                          |
| Gain (Loss) on Sale of Capital Assets                | (45,769)                     | -                         | (49,744)                    | -                           | -                              | -                            | -                            | -                            | 177,677                      | -                               |
| Total Component Unit Activities                      | \$ 1,340,201                 | \$ 1,598,006              | \$ 1,647,538                | \$ 2,187,469                | \$ 2,298,493                   | \$ 2,249,400                 | \$ 2,181,406                 | \$ 2,005,888                 | \$ 1,744,321                 | \$ 1,664,380                    |
| <b>Change in Net Position</b>                        |                              |                           |                             |                             |                                |                              |                              |                              |                              |                                 |
| Governmental Activities                              | \$ 42,709,219                | \$ 82,215,629             | \$ 80,422,914               | \$ 81,120,418               | \$ 21,935,201                  | \$ 29,134,987                | \$ 34,274,302                | \$ 8,430,376                 | \$ 7,087,173                 | \$ (6,991,864)                  |
| Business-Type Activities                             | 656,196                      | 2,260,159                 | 2,606,060                   | 418,345                     | (1,062,371)                    | (385,309)                    | (1,556,435)                  | 70,956                       | 236,654                      | 10,906,867                      |
| Total Primary Government                             | \$ 43,365,415                | \$ 84,475,788             | \$ 83,028,974               | \$ 81,538,763               | \$ 20,872,830                  | \$ 28,749,678                | \$ 32,717,867                | \$ 8,501,332                 | \$ 7,323,827                 | \$ 3,915,003                    |
| Total Component Unit: Downtown Development Authority | \$ 1,201,553                 | \$ 534,491                | \$ (2,574,396)              | \$ 782,493                  | \$ 263,518                     | \$ (2,137,337)               | \$ (1,687,831)               | \$ 1,057,908                 | \$ (1,266,552)               | \$ 650,732                      |

Source: Current and prior year's financial statements

TABLE 3

City of Grand Junction, Colorado  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years

|                                           | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 |
|-------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                              | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ 8,329,598         | \$ 7,498,417         | \$ 7,474,266         | \$ 6,852,617         |
| Restricted                                | -                    | -                    | -                    | -                    | -                    | -                    | 6,825,911            | 4,945,478            | 4,651,828            | 3,937,335            |
| Assigned                                  | -                    | -                    | -                    | -                    | -                    | -                    | 1,802,875            | 7,362,016            | 2,258,043            | 2,348,435            |
| Unassigned                                | -                    | -                    | -                    | -                    | -                    | -                    | 13,193,886           | 10,535,731           | 10,198,700           | 9,116,534            |
| Reserved                                  | 2,105,728            | 6,391,927            | 7,958,173            | 9,135,472            | 9,589,625            | 11,740,961           | -                    | -                    | -                    | -                    |
| Unreserved                                | 17,146,236           | 20,157,996           | 26,430,185           | 18,320,471           | 9,573,798            | 14,916,902           | -                    | -                    | -                    | -                    |
| <b>Total General Fund</b>                 | <b>19,251,964</b>    | <b>26,549,923</b>    | <b>34,388,358</b>    | <b>27,455,943</b>    | <b>19,163,423</b>    | <b>26,657,863</b>    | <b>30,152,270</b>    | <b>30,341,642</b>    | <b>24,582,837</b>    | <b>22,254,921</b>    |
| <b>All Other Governmental Funds</b>       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable, reported in:                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ 13,605            | \$ 9,276             | \$ 9,189             | \$ 9,120             |
| Special Revenue Funds                     | -                    | -                    | -                    | -                    | -                    | -                    | 1,289,972            | 1,309,993            | 1,329,102            | 1,352,852            |
| Permanent Funds                           | -                    | -                    | -                    | -                    | -                    | -                    | 20,157               | 91,149               | -                    | -                    |
| Capital Projects Funds                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Restricted, reported in:                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Special Revenue Funds                     | -                    | -                    | -                    | -                    | -                    | -                    | 4,095,089            | 3,192,341            | 2,390,993            | 2,746,901            |
| Debt Service Funds                        | -                    | -                    | -                    | -                    | -                    | -                    | 19,245,569           | 4,238,829            | 6,483,403            | 8,621,972            |
| Capital Projects Funds                    | -                    | -                    | -                    | -                    | -                    | -                    | 23,437,299           | 3,598,365            | 78,328               | 1,040,494            |
| Committed, reported in:                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Special Revenue Funds                     | -                    | -                    | -                    | -                    | -                    | -                    | 1,353,572            | 1,299,165            | 1,235,568            | 1,274,569            |
| Capital Projects Funds                    | -                    | -                    | -                    | -                    | -                    | -                    | 571,214              | 924,099              | 236,967              | 645,455              |
| Assigned, reported in:                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Capital Projects Funds                    | -                    | -                    | -                    | -                    | -                    | -                    | 458,557              | 253,027              | 2,217,442            | -                    |
| Reserved                                  | 37,456,559           | 6,659,252            | 1,517,413            | 10,916,914           | 14,581,790           | 18,168,718           | -                    | -                    | -                    | -                    |
| Unreserved, reported in:                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Special Revenue Funds                     | 4,362,767            | 5,640,048            | 4,716,567            | 5,378,544            | 4,569,216            | 4,086,536            | -                    | -                    | -                    | -                    |
| Debt Service Funds                        | -                    | -                    | 150                  | (3,420)              | -                    | -                    | -                    | -                    | -                    | -                    |
| Capital Projects Funds                    | 15,981,722           | 19,384,444           | 11,513,358           | 2,482,529            | 1,532,966            | 41,078,067           | -                    | -                    | -                    | -                    |
| <b>Total All Other Governmental Funds</b> | <b>57,801,048</b>    | <b>31,683,744</b>    | <b>17,747,488</b>    | <b>18,774,567</b>    | <b>20,683,972</b>    | <b>63,333,321</b>    | <b>50,485,034</b>    | <b>14,916,244</b>    | <b>13,980,992</b>    | <b>15,691,363</b>    |
| <b>Total Governmental Funds</b>           | <b>\$ 77,053,012</b> | <b>\$ 58,233,667</b> | <b>\$ 52,135,846</b> | <b>\$ 46,230,510</b> | <b>\$ 39,847,395</b> | <b>\$ 89,991,184</b> | <b>\$ 80,637,304</b> | <b>\$ 45,257,886</b> | <b>\$ 38,563,829</b> | <b>\$ 37,946,284</b> |

Note: The City of Grand Junction implemented GASB 54 as of December 31, 2011

Source: Current and prior year's financial statements.



TABLE 4

City of Grand Junction, Colorado  
**CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years

|                                                         | 2005           | 2006            | 2007           | 2008           | 2009           | 2010          | 2011           | 2012            | 2013           | 2014          |
|---------------------------------------------------------|----------------|-----------------|----------------|----------------|----------------|---------------|----------------|-----------------|----------------|---------------|
| <b>Revenues</b>                                         |                |                 |                |                |                |               |                |                 |                |               |
| Taxes                                                   | \$ 53,601,820  | \$ 63,459,234   | \$ 69,778,188  | \$ 78,042,097  | \$ 63,955,427  | \$ 64,267,871 | \$ 68,159,073  | \$ 67,043,063   | \$ 66,029,207  | \$ 66,893,400 |
| Licenses, Fees, and Permits                             | 114,921        | 101,165         | 113,224        | 129,993        | 121,783        | 118,128       | 116,930        | 110,618         | 108,206        | 118,991       |
| Intergovernmental                                       | 2,002,220      | 3,535,141       | 4,260,519      | 12,009,672     | 4,955,308      | 4,476,793     | 5,131,948      | 5,096,820       | 7,541,086      | 6,157,849     |
| Charges for Services                                    | 6,077,290      | 11,513,267      | 8,633,619      | 8,997,208      | 8,311,362      | 9,923,697     | 9,940,383      | 12,462,603      | 13,956,659     | 10,151,290    |
| Fines and Forfeitures                                   | 546,162        | 1,001,569       | 1,152,790      | 1,094,388      | 945,666        | 1,234,810     | 1,296,959      | 1,533,575       | 896,190        | 869,216       |
| Special Assessments                                     | 65,949         | 75,103          | 146,610        | 24,493         | 92,198         | 49,372        | 32,868         | 15,814          | 14,708         | 16,050        |
| Investment Earnings                                     | 1,622,584      | 2,982,954       | 3,270,125      | 1,968,465      | 984,031        | 553,700       | 423,863        | 289,435         | 96,784         | 280,162       |
| Other Income                                            | 2,646,942      | 1,185,987       | 902,798        | 283,116        | 136,935        | 130,638       | 47,399         | 45,683          | 50,755         | 27,560        |
| Other Contributions                                     | 49,232         | 70,874          | 1,063,174      | 873,869        | 196,833        | 176,607       | 456,452        | 1,273,521       | 779,898        | 1,652,899     |
| Total Revenues                                          | 66,727,120     | 83,925,294      | 89,321,047     | 103,423,301    | 79,699,543     | 80,931,616    | 85,605,875     | 87,871,132      | 89,473,493     | 86,167,417    |
| <b>Expenditures</b>                                     |                |                 |                |                |                |               |                |                 |                |               |
| General Government                                      | \$ 9,207,102   | \$ 10,404,115   | \$ 12,336,103  | \$ 15,596,506  | \$ 13,793,482  | \$ 10,301,970 | \$ 10,692,566  | \$ 10,922,302   | \$ 11,576,206  | \$ 11,872,673 |
| Public Safety                                           | 20,490,870     | 22,930,060      | 25,791,977     | 29,657,426     | 29,092,018     | 27,193,471    | 28,691,061     | 33,791,689      | 35,406,743     | 35,610,598    |
| Public Works                                            | 8,185,303      | 8,865,640       | 9,562,091      | 10,779,300     | 9,954,111      | 9,686,215     | 10,035,622     | 9,752,185       | 10,014,670     | 9,509,928     |
| Parks and Recreation                                    | 5,302,211      | 5,795,820       | 6,432,863      | 7,273,190      | 7,347,609      | 7,067,698     | 7,083,898      | 8,421,297       | 8,456,460      | 8,403,649     |
| Urban Development and Housing                           | 593,786        | 249,847         | 565,373        | 545,715        | 572,726        | 561,457       | 645,572        | 477,886         | 591,545        | 634,827       |
| Debt Service                                            | -              | -               | -              | -              | -              | -             | -              | 17,812,681      | -              | -             |
| Advance Refunding Escrow                                | -              | -               | -              | -              | -              | -             | -              | -               | -              | -             |
| Principal Retirement                                    | 1,914,672      | 2,216,032       | 2,584,661      | 3,907,232      | 3,883,479      | 4,073,479     | 4,275,000      | 5,130,000       | 5,380,000      | 4,620,000     |
| Interest and Fiscal Charges                             | 2,829,739      | 2,757,618       | 3,254,707      | 3,693,947      | 3,508,632      | 3,317,358     | 5,858,657      | 5,268,794       | 4,432,045      | 4,189,597     |
| Bond Issuance Costs                                     | -              | -               | 163,569        | -              | -              | 364,048       | -              | 146,923         | -              | -             |
| Capital Outlay: Construction                            | 25,615,550     | 46,927,452      | 55,168,305     | 36,484,253     | 16,879,724     | 9,916,907     | 26,126,955     | 28,376,550      | 17,516,041     | 9,762,451     |
| Total Expenditures                                      | 74,139,233     | 100,146,584     | 115,859,649    | 107,937,569    | 85,031,781     | 72,482,603    | 93,409,331     | 120,100,307     | 93,373,710     | 84,603,723    |
| <b>Other Financing Sources (Uses)</b>                   |                |                 |                |                |                |               |                |                 |                |               |
| Transfers In                                            | 7,907,490      | 13,272,934      | 25,222,052     | 41,941,154     | 24,695,090     | 15,000,174    | 13,823,542     | 13,491,409      | 16,759,243     | 13,150,703    |
| Transfers Out                                           | (9,651,371)    | (16,525,848)    | (28,794,574)   | (43,974,059)   | (25,745,967)   | (15,652,330)  | (15,453,966)   | (16,792,117)    | (19,553,083)   | (15,407,597)  |
| Bonds Issued                                            | -              | 654,860         | 22,925,000     | -              | -              | -             | -              | 30,645,000      | -              | -             |
| Bond Premium                                            | -              | -               | 997,936        | -              | -              | -             | -              | 5,512,594       | -              | -             |
| Payment to Refunded Bond Escrow Agent                   | -              | -               | -              | -              | -              | -             | -              | (36,007,129)    | -              | -             |
| Certificates of Participation Issued                    | -              | -               | -              | -              | -              | 42,670,000    | -              | -               | -              | -             |
| Discount on Certificates of Participation               | -              | -               | -              | -              | -              | (422,392)     | -              | -               | -              | -             |
| Insurance recoveries                                    | -              | -               | -              | -              | -              | -             | -              | -               | -              | -             |
| Sale of Capital Assets                                  | -              | -               | 90,367         | 641,837        | -              | -             | -              | -               | -              | 30,657        |
| Total Other Financing Sources(Uses)                     | (1,743,881)    | (2,598,054)     | 20,440,781     | (1,391,068)    | (1,050,877)    | 41,694,776    | (1,550,424)    | (3,150,243)     | (2,793,840)    | 44,998        |
| Net Change in Fund Balances                             | \$ (9,155,994) | \$ (18,819,344) | \$ (6,097,821) | \$ (5,905,336) | \$ (6,383,115) | \$ 50,143,789 | \$ (9,353,880) | \$ (35,379,418) | \$ (6,694,057) | \$ (617,545)  |
| Debt Service as a Percentage of Noncapital Expenditures | 9.8%           | 9.3%            | 9.7%           | 10.8%          | 10.9%          | 11.9%         | 18.7%          | 11.3%           | 12.9%          | 11.7%         |

Source: Current and prior year's financial statements.

TABLE 5

City of Grand Junction, Colorado  
**SALES TAX REVENUE BY TYPE OF INDUSTRY**<sup>1</sup>  
 Last Ten Fiscal Years

| Fiscal Year | Miscellaneous Retail | General Merchandise | Motor Vehicles | Construction Industry | Restaurants & Bars | Taxable Utilities | Grocery, Convenience & Drug Stores | Oil & Gas Extraction | Liquor Stores | Hotels    | Other     | Total Sales Tax | Total Direct Tax Rate |
|-------------|----------------------|---------------------|----------------|-----------------------|--------------------|-------------------|------------------------------------|----------------------|---------------|-----------|-----------|-----------------|-----------------------|
| 2005        | 6,462,976            | 6,714,419           | 5,044,362      | 6,188,082             | 3,693,797          | 1,839,543         | 1,121,649                          | 546,742              | 631,294       | 937,772   | 1,730,173 | 34,910,809      | 2.75%                 |
| 2006        | 7,543,081            | 7,547,529           | 6,312,831      | 7,547,605             | 4,098,032          | 2,125,053         | 1,255,194                          | 954,200              | 710,919       | 1,104,717 | 1,807,939 | 41,007,100      | 2.75%                 |
| 2007        | 8,477,530            | 7,960,438           | 7,201,947      | 8,165,020             | 4,515,221          | 2,288,858         | 1,416,413                          | 1,301,887            | 806,259       | 1,358,948 | 1,996,431 | 45,488,952      | 2.75%                 |
| 2008        | 8,364,818            | 7,828,007           | 7,396,061      | 8,182,627             | 4,844,944          | 2,560,660         | 1,508,914                          | 1,834,548            | 901,415       | 1,519,542 | 2,084,745 | 47,026,281      | 2.75%                 |
| 2009        | 7,086,333            | 6,973,695           | 5,532,003      | 5,460,768             | 4,484,915          | 2,361,704         | 1,469,116                          | 1,129,496            | 920,406       | 1,187,725 | 1,626,684 | 38,232,845      | 2.75%                 |
| 2010        | 7,542,580            | 6,696,440           | 6,052,294      | 5,262,981             | 4,482,577          | 2,358,091         | 1,503,627                          | 1,299,543            | 913,171       | 1,169,747 | 1,528,720 | 38,809,771      | 2.75%                 |
| 2011        | 8,239,971            | 6,996,380           | 5,884,540      | 5,409,778             | 4,593,741          | 2,310,226         | 1,668,861                          | 1,407,923            | 931,723       | 1,108,903 | 1,338,826 | 39,890,872      | 2.75%                 |
| 2012        | 8,605,978            | 6,910,212           | 6,146,000      | 5,298,252             | 4,812,086          | 2,281,527         | 1,748,586                          | 1,612,912            | 979,827       | 1,150,713 | 755,253   | 40,301,346      | 2.75%                 |
| 2013        | 8,369,041            | 6,518,572           | 6,208,876      | 5,712,485             | 5,044,912          | 2,371,461         | 1,752,567                          | 1,045,718            | 1,018,575     | 1,220,306 | 1,466,599 | 40,729,112      | 2.75%                 |
| 2014        | 8,225,826            | 6,495,169           | 6,758,219      | 5,989,543             | 5,319,764          | 2,388,032         | 1,765,891                          | 1,095,263            | 1,047,948     | 1,262,280 | 1,703,372 | 42,051,307      | 2.75%                 |

<sup>1</sup> Excludes use tax and the city's share of county sales tax. Refer to Table 8 for total sales and use tax collections.

Note: Categories are restated for 2005-2013 to more accurately reflect sales tax collection by industry.

Source: City Financial Operations Department: Sales Tax Reports

## 2014 Sales Tax Revenue by Type of Industry

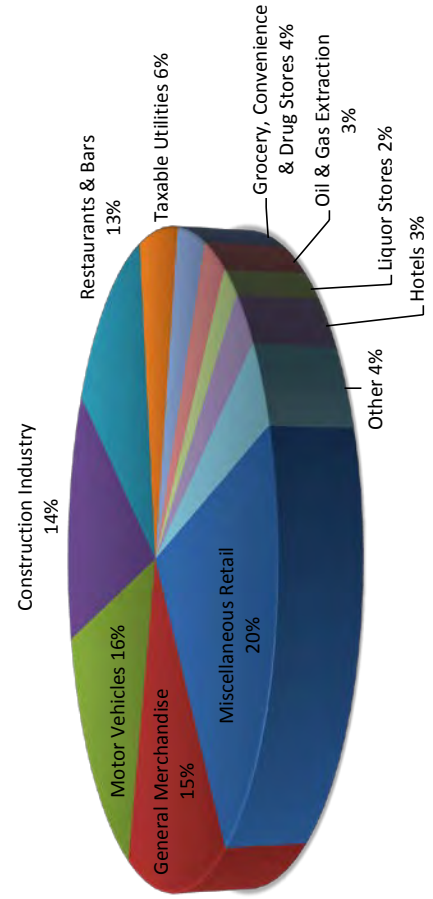


TABLE 6

City of Grand Junction, Colorado  
**DIRECT AND OVERLAPPING SALES TAX RATES**  
 Last Ten Fiscal Years

---

| Fiscal<br>Year | City Direct Rate             |                                   | Overlapping Rates |                      | Total<br>Overlapping<br>Sales Tax<br>Rate |
|----------------|------------------------------|-----------------------------------|-------------------|----------------------|-------------------------------------------|
|                | City of<br>Grand<br>Junction | Total Direct<br>Sales Tax<br>Rate | Mesa<br>County    | State of<br>Colorado |                                           |
| 2005           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2006           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2007           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2008           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2009           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2010           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2011           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2012           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2013           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |
| 2014           | 2.75%                        | 2.75%                             | 2.00%             | 2.90%                | 7.65%                                     |

Notes: The City's sales tax rate may be increased only by a majority vote of the City's residents.

Source: City Financial Operations Department: Sales Tax Reports

---

TABLE 7  
City of Grand Junction, Colorado  
**PRINCIPAL SALES TAX PAYERS**  
Last Ten Fiscal Years

|                                                   | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          | 2014          |
|---------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Aggregate Top Ten Filers <sup>1,2</sup>           | \$ 9,200,730  | \$ 10,330,320 | \$ 10,843,864 | \$ 11,216,552 | \$ 9,889,256  | \$ 9,964,913  | \$ 9,809,972  | \$ 9,742,148  | \$ 9,811,983  | \$ 9,881,413  |
| Aggregate All Other Filers <sup>2</sup>           | 25,710,079    | 30,676,780    | 34,645,088    | 35,809,729    | 28,343,589    | 28,844,858    | 30,080,900    | 30,559,198    | 30,917,129    | 32,169,894    |
| Total Sales Tax                                   | \$ 34,910,809 | \$ 41,007,100 | \$ 45,488,952 | \$ 47,026,281 | \$ 38,232,845 | \$ 38,809,771 | \$ 39,890,872 | \$ 40,301,346 | \$ 40,729,112 | \$ 42,051,307 |
| Top Ten Filers as a Percentage of Total Sales Tax | 26.35%        | 25.19%        | 23.84%        | 23.85%        | 25.87%        | 25.68%        | 24.59%        | 24.17%        | 24.09%        | 23.50%        |

<sup>1</sup> Colorado State Statutes and the City of Grand Junction Ordinances prohibit disclosure of individual sales tax returns, therefore the current year top ten filers are listed in alphabetical order as follows: Best Buy, Cabela's, Home Depot, Lowes, Mesa County Colorado, Sams Club, Target Stores, Walmart-North Avenue, Walmart-Rimrock and Xcel Energy.

<sup>2</sup> Excludes use tax and the city's share of county sales tax. Refer to Table 8 for total sales and use tax collections.

Source: City Financial Operations Department: Sales Tax Reports

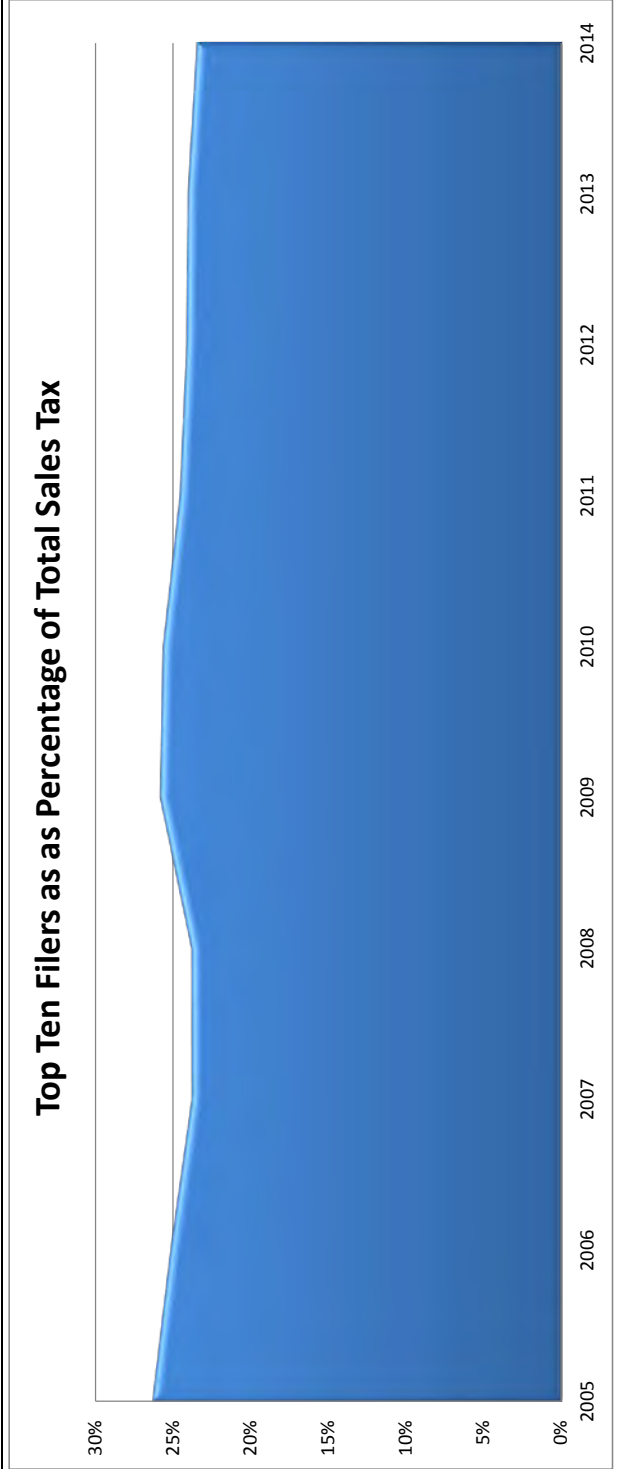


TABLE 8

City of Grand Junction, Colorado  
**SALES AND USE TAX COLLECTIONS**  
 Last Ten Fiscal Years

| Fiscal Year | City<br>Sales Tax | City<br>Use Tax | City Share<br>of County<br>Sales Tax | Lodging<br>Tax | Total      |
|-------------|-------------------|-----------------|--------------------------------------|----------------|------------|
| 2005        | 34,910,809        | 1,599,762       | 5,386,015                            | 928,549        | 42,825,135 |
| 2006        | 41,007,100        | 2,165,095       | 6,120,684                            | 1,081,096      | 50,373,975 |
| 2007        | 45,488,952        | 2,690,355       | 7,080,141                            | 1,323,806      | 56,583,254 |
| 2008        | 47,026,281        | 3,696,770       | 7,216,665                            | 1,507,981      | 59,447,697 |
| 2009        | 38,232,845        | 1,711,356       | 5,721,514                            | 1,190,907      | 46,856,622 |
| 2010        | 38,809,771        | 2,110,934       | 5,354,386                            | 1,148,921      | 47,424,012 |
| 2011        | 39,890,872        | 3,560,160       | 5,727,861                            | 1,133,628      | 50,312,521 |
| 2012        | 40,301,346        | 3,230,026       | 5,959,563                            | 1,212,038      | 50,702,973 |
| 2013        | 40,729,112        | 2,636,987       | 5,896,129                            | 1,205,999      | 50,468,227 |
| 2014        | 42,051,307        | 1,910,683       | 6,056,300                            | 1,254,524      | 51,272,814 |

Source: City Financial Operations Department: Sales Tax Reports

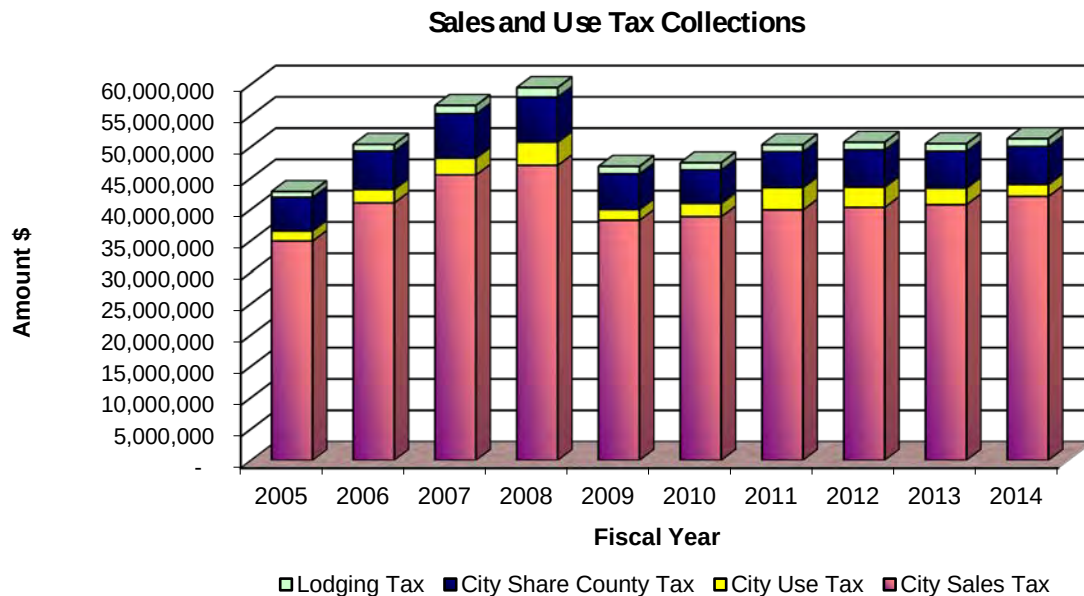


TABLE 9

City of Grand Junction, Colorado  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**TO PERSONAL INCOME AND OUTSTANDING DEBT PER CAPITA<sup>1</sup>**  
 Last Ten Fiscal Years

| Fiscal Year | Population <sup>A</sup> | Personal Income In Thousands <sup>C</sup> | Governmental Activities               |               |                  |                | Business-Type Activities |              |                          |                             | Ratio of Outstanding Debt to Personal Income |       |
|-------------|-------------------------|-------------------------------------------|---------------------------------------|---------------|------------------|----------------|--------------------------|--------------|--------------------------|-----------------------------|----------------------------------------------|-------|
|             |                         |                                           | General Obligation Bonds <sup>1</sup> | Revenue Bonds | Promissory Notes | Capital Leases | Promissory Notes         | Loan Payable | Total Primary Government | Outstanding Debt Per Capita | 4.45%                                        | 3.69% |
| 2005        | 49,420                  | 1,425,965                                 | 1,668,791                             | 59,359,891    | 104,448          | 655,636        | 98,812                   | 3,200,316    | 65,087,894               | 1,283                       |                                              |       |
| 2006        | 51,569                  | 1,656,035                                 | 1,389,950                             | 57,867,070    | 72,893           | -              | 89,850                   | 3,052,921    | 62,472,684               | 1,184                       | 3.69%                                        | 1,184 |
| 2007        | 53,662                  | 1,874,682                                 | 1,090,000                             | 79,664,693    | 38,181           | -              | 80,441                   | 2,900,164    | 83,773,479               | 1,541                       | 4.41%                                        | 1,541 |
| 2008        | 55,189                  | 2,060,868                                 | 935,000                               | 75,815,801    | -                | -              | 70,561                   | 2,747,362    | 79,568,724               | 1,425                       | 3.82%                                        | 1,425 |
| 2009        | 56,446                  | 1,963,813                                 | 770,000                               | 71,838,039    | -                | -              | -                        | 2,589,193    | 75,197,232               | 1,319                       | 3.79%                                        | 1,319 |
| 2010        | 58,566                  | 2,084,423                                 | 595,000                               | 67,723,497    | -                | 42,286,843     | -                        | 6,201,050    | 116,806,390              | 1,984                       | 5.58%                                        | 1,984 |
| 2011        | 58,702                  | 2,038,310                                 | 410,000                               | 63,459,413    | -                | 42,097,628     | -                        | 5,864,020    | 111,831,061              | 1,898                       | 5.47%                                        | 1,898 |
| 2012        | 60,170                  | 2,169,008                                 | 210,000                               | 43,920,951    | -                | 41,266,270     | -                        | 5,534,201    | 90,931,422               | 1,508                       | 4.18%                                        | 1,508 |
| 2013        | 60,317                  | 2,193,669                                 | -                                     | 38,850,946    | -                | 40,426,335     | -                        | 5,198,101    | 84,475,382               | 1,401                       | 3.85%                                        | 1,401 |
| 2014        | 61,212                  | 2,367,313 <sup>D</sup>                    | -                                     | 34,412,916    | -                | 39,557,327     | -                        | 4,851,055    | 78,821,298               | 1,288                       | 3.33%                                        | 1,288 |

<sup>1</sup> The general obligation bonds consist of the Ridges Metropolitan District debt and the Grand Junction West Water and Sanitation District debt which are excluded from our ratio of outstanding debt to personal income calculation and our debt per capita calculation because they are to be paid with special property tax levies on property within these Districts only.

Source: Current and prior year's financial statements

<sup>A</sup> Colorado DOLA Demography Section - All other City Financial Operations Department

<sup>B</sup> Estimate, Colorado Department of Local Affairs, State Demography Office

<sup>C</sup> Bureau of Economic Analysis

<sup>D</sup> Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 10

City of Grand Junction, Colorado  
**RATIO OF NET GENERAL BONDED DEBT  
 TO PERSONAL INCOME AND NET BONDED DEBT PER CAPITA<sup>1</sup>**  
 Last Ten Fiscal Years

| Fiscal Year | Popu-<br>lation <sup>A</sup> | Personal<br>Income in<br>Thousands <sup>C</sup> | Revenue<br>Bonded<br>Debt | Debt<br>Service<br>Monies<br>Avail-<br>able | Debt<br>Payable<br>From<br>Enterprise<br>Revenues | Net<br>Bonded<br>Debt | Ratio of<br>Net Bonded<br>Debt to<br>Personal<br>Income | Bonded<br>Debt<br>Per Capita |
|-------------|------------------------------|-------------------------------------------------|---------------------------|---------------------------------------------|---------------------------------------------------|-----------------------|---------------------------------------------------------|------------------------------|
| 2005        | 49,420                       | 1,425,965                                       | 59,359,891                | 36,917,477                                  | -                                                 | 22,442,414            | 1.57%                                                   | 454                          |
| 2006        | 51,569                       | 1,656,035                                       | 57,867,070                | 6,240,215                                   | -                                                 | 51,626,855            | 3.12%                                                   | 1,001                        |
| 2007        | 53,662                       | 1,874,682                                       | 79,664,693                | 3,568,205                                   | -                                                 | 76,096,488            | 4.06%                                                   | 1,418                        |
| 2008        | 55,189                       | 2,060,868                                       | 75,815,801                | 9,374,254                                   | -                                                 | 66,441,547            | 3.22%                                                   | 1,204                        |
| 2009        | 56,446                       | 1,963,813                                       | 71,838,039                | 12,186,977                                  | -                                                 | 59,651,062            | 3.04%                                                   | 1,057                        |
| 2010        | 58,566                       | 2,084,423                                       | 67,723,497                | 15,100,529                                  | -                                                 | 52,622,968            | 2.52%                                                   | 899                          |
| 2011        | 58,702                       | 2,038,310                                       | 63,459,413                | 19,079,054                                  | -                                                 | 44,380,359            | 2.18%                                                   | 756                          |
| 2012        | 60,170                       | 2,169,008                                       | 43,920,951                | 4,117,083                                   | -                                                 | 39,803,868            | 1.84%                                                   | 662                          |
| 2013        | 60,317                       | 2,193,669                                       | 38,850,946                | 6,467,441                                   | -                                                 | 32,383,505            | 1.48%                                                   | 537                          |
| 2014        | 61,212 <sup>B</sup>          | 2,367,313 <sup>D</sup>                          | 34,412,916                | 8,604,537                                   | -                                                 | 25,808,379            | 1.09%                                                   | 422                          |

Notes: Details regarding the city's outstanding debt can be found in note 7 of the financial statements.

The general obligation bonds consist of Ridges Metropolitan District debt and the Grand Junction West Water and Sanitation District debt which are excluded because they are to be paid with special property tax levys on property within these Districts only.

Source:

<sup>A</sup> Colorado DOLA Demography Section - All other City Financial Operations Department

<sup>B</sup> Estimate, Colorado Department of Local Affairs, State Demography Office

<sup>C</sup> Bureau of Economic Analysis

<sup>D</sup> Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 11

City of Grand Junction, Colorado  
**COMPUTATION OF LEGAL DEBT MARGIN**  
December 31, 2014

---

|                                                               |                         |
|---------------------------------------------------------------|-------------------------|
| Estimated actual value as determined by Assessor <sup>A</sup> | \$ <u>6,028,830,480</u> |
| Debt limit - 3% of actual value                               | \$ 180,864,914          |
| Legal debt margin                                             | \$ <u>180,864,914</u>   |

Source:

<sup>A</sup> Mesa County Assessor

<sup>B</sup> City Financial Operations Department

---



TABLE 12

City of Grand Junction, Colorado  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT** <sup>1</sup>  
 December 31, 2014

| <u>Jurisdiction</u>                                    | <u>Net Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable<br/>to City of<br/>Grand Junction</u> | <u>Amount<br/>Applicable<br/>to City of<br/>Grand Junction</u> |
|--------------------------------------------------------|---------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------|
| Direct:                                                |                                 |                                                                    |                                                                |
| City of Grand Junction <sup>A</sup>                    | \$ 70,565,000                   | 100.00%                                                            | \$ 70,565,000                                                  |
| Overlapping:                                           |                                 |                                                                    |                                                                |
| Mesa County Valley School District No. 51 <sup>B</sup> | 88,200,000                      | 51.09%                                                             | 45,060,466                                                     |
| Mesa County <sup>C</sup>                               | 16,510,000                      | 51.09%                                                             | 8,434,788                                                      |
|                                                        |                                 |                                                                    | <u>53,495,254</u>                                              |
| Total                                                  |                                 |                                                                    | \$ <u><u>124,060,254</u></u>                                   |

## Notes:

<sup>1</sup> Computation of overlapping debt includes only the three major governmental units and excludes several special districts that partially overlap the City. For the purposes of GASB Statement 44, certificates of participation are included in the overlapping debt calculation. However, certificates of participation do not constitute a general obligation or other indebtedness or multiple fiscal year financial obligations within the meaning of any constitutional or statutory debt limitation.

## Source:

- <sup>A</sup> City Financial Operations Department  
<sup>B</sup> Mesa County Valley School District No. 51 Finance Department  
<sup>C</sup> Mesa County Financial Services Department

TABLE 13

City of Grand Junction, Colorado  
**REVENUE BOND COVERAGE**  
**WATER BONDS**  
 Last Ten Fiscal Years

| Fiscal<br>Year | Gross<br>Revenue | Direct<br>Operating<br>Expense | Net Revenue<br>Available for<br>Debt Service | Debt Service Requirements |          |       |          |
|----------------|------------------|--------------------------------|----------------------------------------------|---------------------------|----------|-------|----------|
|                |                  |                                |                                              | Principal                 | Interest | Total | Coverage |
| 2005           | 4,616,835        | 3,444,021                      | 1,172,814                                    | -                         | -        | -     | -        |
| 2006           | 5,003,881        | 3,506,330                      | 1,497,551                                    | -                         | -        | -     | -        |
| 2007           | 5,319,132        | 3,794,036                      | 1,525,096                                    | -                         | -        | -     | -        |
| 2008           | 5,950,066        | 4,129,193                      | 1,820,873                                    | -                         | -        | -     | -        |
| 2009           | 5,977,671        | 4,299,638                      | 1,678,033                                    | -                         | -        | -     | -        |
| 2010           | 5,771,565        | 4,283,596                      | 1,487,969                                    | -                         | -        | -     | -        |
| 2011           | 5,241,766        | 3,860,748                      | 1,381,018                                    | -                         | -        | -     | -        |
| 2012           | 5,578,993        | 4,196,685                      | 1,382,308                                    | -                         | -        | -     | -        |
| 2013           | 5,452,497        | 4,305,490                      | 1,147,007                                    | -                         | -        | -     | -        |
| 2014           | 6,149,570        | 4,465,619                      | 1,683,951                                    | -                         | -        | -     | -        |

Source: City Financial Operations Department

TABLE 14

City of Grand Junction, Colorado  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Fiscal Years

| Fiscal Year | City <sup>A</sup><br>Population | County <sup>A</sup><br>Population | Personal<br>Income in<br>Thousands <sup>C</sup> | Per<br>Capita<br>Income <sup>C</sup> | School <sup>B</sup><br>Enrollment | Unemployment Rate <sup>D, E</sup> |                      |
|-------------|---------------------------------|-----------------------------------|-------------------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|----------------------|
|             |                                 |                                   |                                                 |                                      |                                   | Grand<br>Junction MSA             | State of<br>Colorado |
| 2005        | 49,420                          | 129,630                           | 1,425,965                                       | 28,854                               | 20,660                            | 5.0%                              | 5.1%                 |
| 2006        | 51,569                          | 135,468                           | 1,656,035                                       | 32,113                               | 20,877                            | 4.0%                              | 4.3%                 |
| 2007        | 53,662                          | 140,416                           | 1,874,682                                       | 34,935                               | 21,396                            | 3.2%                              | 3.8%                 |
| 2008        | 55,189                          | 144,440                           | 2,060,868                                       | 37,342                               | 22,272                            | 3.9%                              | 4.8%                 |
| 2009        | 56,446                          | 147,522                           | 1,963,813                                       | 34,791                               | 22,147                            | 9.3%                              | 8.1%                 |
| 2010        | 58,566                          | 146,723                           | 2,084,423                                       | 35,591                               | 22,203                            | 10.7%                             | 9.0%                 |
| 2011        | 58,702                          | 149,556                           | 2,038,310                                       | 34,723                               | 22,081                            | 9.9%                              | 8.5%                 |
| 2012        | 60,170                          | 147,753                           | 2,169,008                                       | 36,048                               | 21,914                            | 9.2%                              | 7.3%                 |
| 2013        | 60,317                          | 148,013                           | 2,193,669                                       | 36,369                               | 21,714                            | 7.4%                              | 5.9%                 |
| 2014        | 61,212 <sup>F</sup>             | 147,811 <sup>F</sup>              | 2,367,313                                       | 38,674 <sup>G</sup>                  | 21,894                            | 5.0%                              | 4.1%                 |

Note:

School enrollment is for Mesa County Valley School District No. 51 which includes the majority of Mesa County.

Source:

- <sup>A</sup> US Census Bureau and Colorado DOLA Demography Office
- <sup>B</sup> Mesa County Valley School District No. 51 - District wide enrollment
- <sup>C</sup> Bureau of Economic Analysis
- <sup>D</sup> US Department of Labor, Bureau of Labor Statistics, Non Seasonally Adjusted
- <sup>E</sup> Prior year reports reflected unemployment rates for Mesa County; those have been replaced in the current year report with unemployment rates for the Grand Junction Metropolitan Statistical Area
- <sup>F</sup> Colorado Department of Local Affairs, State Demography Office
- <sup>G</sup> Estimate, based on prior year data and Bureau of Economic Analysis

## Population, Income and School Enrollment Trend

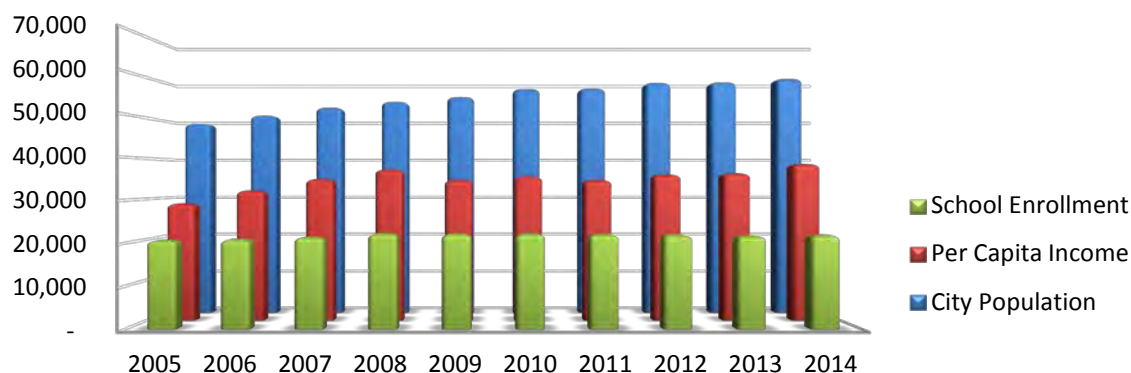


TABLE 15

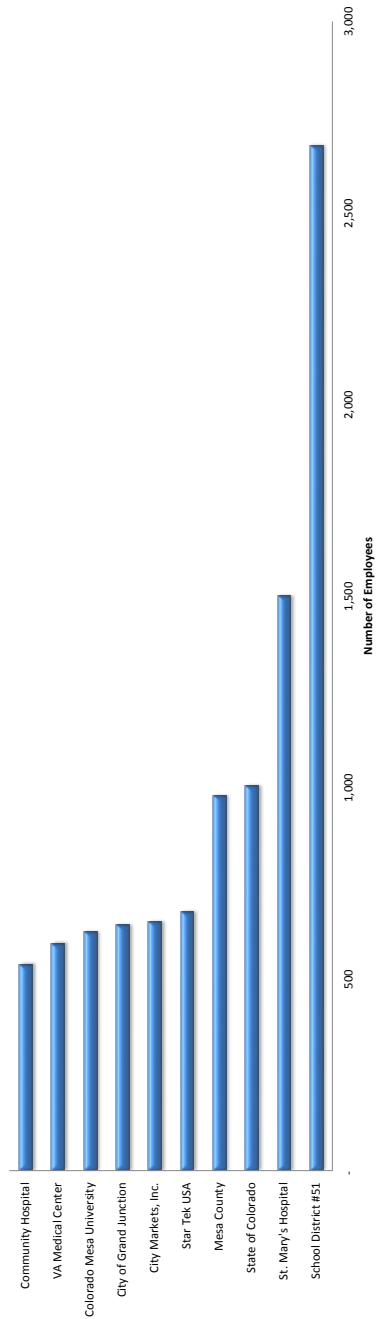
City of Grand Junction, Colorado  
**TOP 10 PRINCIPAL EMPLOYERS**  
 December 31, 2014  
 Last Ten Fiscal Years

| Employer                            | Type of Business | 2005 <sup>a</sup>   | 2005 <sup>a</sup>   | 2006 <sup>a</sup>   | 2006 <sup>a</sup>   | 2007 <sup>a</sup>   | 2007 <sup>a</sup>   | 2008 <sup>a</sup>   | 2008 <sup>a</sup>   | 2009 <sup>a</sup>   | 2009 <sup>a</sup>   | 2010 <sup>a</sup>   | 2010 <sup>a</sup>   | 2011 <sup>a</sup>   | 2011 <sup>a</sup>   | 2012 <sup>a</sup>   | 2012 <sup>a</sup>   | 2013 <sup>a</sup>   | 2013 <sup>a</sup>   | 2014 <sup>a</sup>   | 2014 <sup>a</sup>   |
|-------------------------------------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                     |                  | Number of Employees | Percentage of Total | Number of Employees | Percentage of Total | Number of Employees | Percentage of Total | Number of Employees | Percentage of Total | Number of Employees | Percentage of Total | Number of Employees | Percentage of Total | Number of Employees | Percentage of Total | Number of Employees | Percentage of Total | Number of Employees | Percentage of Total | Number of Employees | Percentage of Total |
| School District #51                 | Schools          | 2,429               | 3.18%               | 2,600               | 3.30%               | 3,133               | 4.26%               | 3,200               | 4.58%               | 3,000               | 4.15%               | 3,000               | 4.05%               | 2,554               | 3.59%               | 2,348               | 3.25%               | 2,401               | 3.32%               | 2,675               | 3.70%               |
| St. Mary's Hospital                 | Medical          | 2,014               | 2.64%               | 2,000               | 2.53%               | 2,235               | 3.04%               | 2,235               | 3.03%               | 2,191               | 3.03%               | 2,068               | 2.79%               | 1,494               | 2.10%               | 1,548               | 2.14%               | 1,500               | 2.07%               | 1,500               | 2.07%               |
| State of Colorado                   | Government       | 969                 | 1.27%               | 982                 | 1.24%               | 982                 | 1.34%               | 1,197               | 1.71%               | 1,212               | 1.68%               | 973                 | 1.37%               | 913                 | 1.28%               | 902                 | 1.25%               | 623                 | 0.86%               | 1,004               | 1.39%               |
| Mesa County                         | Government       | 927                 | 1.21%               | 925                 | 1.17%               | 977                 | 1.33%               | 982                 | 1.40%               | 977                 | 1.35%               | 980                 | 1.32%               | 962                 | 1.35%               | 987                 | 1.36%               | 987                 | 1.36%               | 978                 | 1.35%               |
| Star Tek USA                        | Services         |                     |                     |                     | 0.76%               | 625                 | 0.85%               | 625                 | 0.85%               | 595                 | 0.82%               | 600                 | 0.81%               | 637                 | 0.89%               | 860                 | 1.19%               | 900                 | 1.24%               | 675                 | 0.93%               |
| City Markets, Inc.                  | Retail           | 400                 | 0.52%               | 589                 | 0.75%               | 590                 | 0.80%               | 650                 | 0.93%               | 677                 | 0.94%               | 565                 | 0.76%               | 1,656               | 2.33%               | 636                 | 0.88%               | 637                 | 0.88%               | 648                 | 0.90%               |
| City of Grand Junction              | Government       | 900                 | 1.18%               | 808                 | 1.02%               | 968                 | 1.32%               | 1,202               | 1.72%               | 1,219               | 1.69%               | 672                 | 0.91%               | 625                 | 0.88%               | 576                 | 0.80%               | 642                 | 0.89%               | 641                 | 0.89%               |
| Colorado Mesa University            | Schools          | 1,177               | 1.54%               | 1,250               | 1.58%               | 1,440               | 1.96%               | 1,259               | 1.80%               | 718                 | 0.99%               | 699                 | 0.94%               | 600                 | 0.84%               | 648                 | 0.90%               | 569                 | 0.79%               | 593                 | 0.82%               |
| VA Medical Center                   | Medical          |                     |                     |                     |                     |                     |                     | 574                 | 0.82%               | 588                 | 0.81%               | 593                 | 0.82%               | 593                 | 0.82%               | 576                 | 0.79%               | 569                 | 0.79%               | 593                 | 0.82%               |
| Community Hospital                  | Medical          | 414                 | 0.54%               |                     |                     |                     |                     | 574                 | 0.82%               | 588                 | 0.81%               | 593                 | 0.82%               | 593                 | 0.82%               | 576                 | 0.79%               | 569                 | 0.79%               | 593                 | 0.82%               |
| Hilltop Energy                      | Services         | 415                 | 0.54%               | 700                 | 0.89%               | 800                 | 1.09%               | 977                 | 1.40%               |                     | 0.00%               | 700                 | 0.94%               | 855                 | 1.20%               | 593                 | 0.82%               | 625                 | 0.86%               | 538                 | 0.74%               |
| Hilltop Community Resources         | Services         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Walmart                             | Retail           | 865                 | 1.13%               | 910                 | 1.15%               | 865                 | 1.18%               | 860                 | 1.23%               | 980                 | 1.35%               | 859                 | 1.16%               | 775                 | 1.09%               | 593                 | 0.82%               | 625                 | 0.86%               | 538                 | 0.74%               |
| Other                               |                  | 56,523              | 86.23%              | 60,571              | 85.60%              | 63,729              | 82.83%              | 65,767              | 81.21%              | 61,306              | 83.19%              | 58,786              | 84.97%              | 61,255              | 84.43%              | 64,572              | 86.85%              | 62,270              | 86.88%              | 62,451              | 86.35%              |
| Total of All Employees <sup>a</sup> |                  | 67,033              |                     | 71,935              |                     | 76,344              |                     | 78,903              |                     | 73,464              |                     | 69,924              |                     | 72,332              |                     | 74,086              |                     | 71,133              |                     | 72,325              |                     |

Source:

<sup>a</sup> Grand Junction Chamber of Commerce (includes Part-Time and Seasonal Employees)  
<sup>a</sup> Grand Junction Economic Partnership (includes Part-Time and Seasonal Employees)

Top 10 Principal Employers



City of Grand Junction, Colorado  
**MISCELLANEOUS STATISTICS**  
Last Ten Fiscal Years

| Building permits: <sup>B</sup> | Year |  | # Issued | Value       |  | Elections: <sup>A</sup> | Year |  | Number of Registered Voters | Number of Votes in last General Election |  | Percentage |  |
|--------------------------------|------|--|----------|-------------|--|-------------------------|------|--|-----------------------------|------------------------------------------|--|------------|--|
|                                |      |  |          |             |  |                         |      |  |                             |                                          |  |            |  |
|                                |      |  |          |             |  |                         |      |  |                             |                                          |  |            |  |
|                                | 2005 |  | 2,250    | 234,133,308 |  |                         | 2005 |  | 25,650                      | 8,417                                    |  | 32.81%     |  |
|                                | 2006 |  | 2,205    | 286,484,081 |  |                         | 2006 |  | 21,677                      | 8,756                                    |  | 40.39%     |  |
|                                | 2007 |  | 2,183    | 323,358,687 |  |                         | 2007 |  | 21,677                      | 8,756                                    |  | 40.39%     |  |
|                                | 2008 |  | 1,762    | 254,912,474 |  |                         | 2008 |  | 34,774                      | 27,508                                   |  | 79.11%     |  |
|                                | 2009 |  | 984      | 89,935,667  |  |                         | 2009 |  | 27,977                      | 8,579                                    |  | 30.66%     |  |
|                                | 2010 |  | 929      | 128,551,321 |  |                         | 2010 |  | 24,558                      | 21,463                                   |  | 87.40%     |  |
|                                | 2011 |  | 881      | 96,498,756  |  |                         | 2011 |  | 23,928                      | 13,786                                   |  | 57.61%     |  |
|                                | 2012 |  | 899      | 90,830,317  |  |                         | 2012 |  | 29,989                      | 29,039                                   |  | 96.83%     |  |
|                                | 2013 |  | 988      | 124,166,999 |  |                         | 2013 |  | 29,989                      | 11,665                                   |  | 38.90%     |  |
|                                | 2014 |  | 1,075    | 168,028,225 |  |                         | 2014 |  | 32,367                      | 22,540                                   |  | 69.64%     |  |

| Type                                                               | 2005  | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014  |
|--------------------------------------------------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| Mesa County Valley School District No. 51 Enrollment: <sup>c</sup> |       |        |        |        |        |        |        |        |        |       |
| Elementary                                                         | 9,482 | 10,153 | 10,147 | 10,783 | 10,710 | 10,753 | 10,107 | 10,034 | 10,224 | 9,898 |
| Middle                                                             | 4,872 | 4,751  | 4,729  | 4,882  | 4,868  | 4,860  | 5,366  | 5,319  | 5,307  | 5,515 |
| High                                                               | 6,306 | 5,973  | 6,520  | 6,607  | 6,569  | 6,361  | 6,363  | 6,361  | 6,329  | 6,329 |
| Colorado Mesa University Enrollment: <sup>b</sup>                  | 6,235 | 5,938  | 6,127  | 6,205  | 6,665  | 7,746  | 8,826  | 9,010  | 9,325  | 8,853 |

City Clerk  
City Planning Division/Mesa County Building Department  
Mesa County Valley School District No. 51  
Colorado Mesa University  
City Personnel Department

TABLE 17

City of Grand Junction, Colorado  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
 Last Ten Fiscal Years

| Function                              | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Police <sup>B</sup>                   |        |        |        |        |        |        |        |        |        |        |
| Stations                              | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Vehicular Patrol Units                | 30     | 31     | 33     | 35     | 38     | 39     | 39     | 40     | 41     | 40     |
| Canine Units                          | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 2      | 2      |
| Motorcycles Units                     | 4      | 6      | 6      | 6      | 8      | 8      | 8      | 8      | 8      | 8      |
| Bicycles (Attached to Patrol Units)   | 18     | 23     | 23     | 26     | 20     | 17     | 22     | 22     | 20     | 20     |
| Fire Stations <sup>C</sup>            | 5      | 5      | 5      | 5      | 5      | 5      | 5      | 5      | 5      | 5      |
| Public Works <sup>A</sup>             |        |        |        |        |        |        |        |        |        |        |
| Area (Sq Miles)                       | 34.65  | 35.47  | 36.90  | 37.46  | 37.84  | 38.05  | 39.10  | 39.18  | 39.35  | 39.37  |
| Paved Streets (Centerline Miles)      | 318.50 | 333.50 | 342.60 | 353.70 | 357.10 | 360.60 | 361.80 | 362.54 | 368.54 | 370.03 |
| Unpaved Streets (Centerline Miles)    | 3.70   | 3.80   | 3.50   | 4.20   | 4.20   | 4.20   | 5.40   | 5.44   | 5.52   | 3.43   |
| Total Streets (Centerline Miles)      | 322.20 | 337.30 | 346.10 | 357.90 | 361.30 | 364.80 | 367.20 | 367.98 | 374.06 | 373.46 |
| Parks and Recreation <sup>D</sup>     |        |        |        |        |        |        |        |        |        |        |
| Developed Parks (Acres)               | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 | 365.22 |
| Undeveloped Parks (Acres)             | 389.00 | 389.00 | 389.00 | 389.00 | 389.00 | 389.00 | 389.00 | 514.11 | 514.90 | 514.90 |
| Total Parks (Acres)                   | 754.22 | 754.22 | 754.22 | 754.22 | 754.22 | 754.22 | 754.22 | 879.33 | 880.12 | 880.12 |
| Swimming Pools                        | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Waterslides                           | 1      | 1      | 1      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Pickleball Courts                     | -      | -      | -      | -      | -      | -      | -      | -      | -      | 4      |
| Tennis Courts                         | 16     | 16     | 16     | 22     | 22     | 22     | 22     | 22     | 24     | 22     |
| Shelters                              | 18     | 18     | 18     | 18     | 18     | 18     | 18     | 19     | 19     | 19     |
| Baseball Stadiums(Lighted)            | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Baseball Stadiums(Unlighted)          | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Football/Track Stadium (Lighted)      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Softball Fields(Lighted)              | 6      | 6      | 6      | 6      | 6      | 6      | 6      | 6      | 6      | 6      |
| Softball Fields(Unlighted)            | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Golf Courses                          | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Golf Courses (Acres)                  | 156    | 156    | 156    | 156    | 156    | 156    | 156    | 156    | 156    | 156    |
| Outdoor Basketball Courts (Lighted)   | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 2      | 2      |
| Outdoor Basketball Courts (Unlighted) | 7      | 7      | 7      | 10     | 10     | 10     | 10     | 10     | 10     | 10     |
| Multi-purpose Fields (Lighted)        | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Multi-purpose Fields (Unlighted)      | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 12     |
| Auditorium                            | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Senior Recreation Center              | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Riverfront Trail (Miles)              | 14.80  | 14.80  | 14.80  | 18.70  | 18.70  | 19.07  | 19.07  | 21.47  | 21.47  | 21.47  |
| Skateparks                            | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Activity Center                       |        | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Utilities <sup>E</sup>                |        |        |        |        |        |        |        |        |        |        |
| Storm sewers (Miles)                  | 166.83 | 135.24 | 216.07 | 138.57 | 161.37 | 185.03 | 186.63 | 192.17 | 205.76 | 251.00 |
| Sanitary sewer (Miles)                | 316.14 | 502.57 | 537.64 | 589.70 | 597.81 | 595.27 | 594.68 | 596.35 | 600.57 | 601.00 |

Source:

<sup>A</sup> City Administration GIS Department<sup>B</sup> City Police Department<sup>C</sup> City Fire Department<sup>D</sup> City Parks and Recreation Department<sup>E</sup> City Public Works Department



# **SINGLE AUDIT**



(This page intentionally left blank)





REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133

June 23, 2015

To the City Council  
City of Grand Junction, Colorado

We have audited the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of and for the year ended December 31, 2014, and our report thereon dated June 23, 2015, which expressed unmodified opinions on those financial statements, appears on page 17. Our audit was conducted for the purpose of forming opinions on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Chadwick Steinkirchner Davis & Co., P.C.*



(This page intentionally left blank)

City of Grand Junction, Colorado  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended December 31, 2014

| Federal Grantor/Pass Through Grantor/Program Title                                                                 | Federal<br>CFDA<br>Number | Award<br>Amount | 2014<br>Amount<br>of Award<br>Expended |
|--------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------|----------------------------------------|
| <b>U.S. DEPARTMENT OF HOUSING AND<br/>URBAN DEVELOPMENT</b>                                                        |                           |                 |                                        |
| Community Development Block Grants/<br>Entitlement Grants                                                          | 14.218                    | \$ 1,458,842    | \$ 462,899                             |
| <b>U.S.DEPARTMENT OF JUSTICE</b>                                                                                   |                           |                 |                                        |
| Public Safety Partnership and Community<br>Policing Grants                                                         | 16.710                    | 998,368         | 307,063                                |
| Bulletproof Vest Partnership Program                                                                               | 16.607                    | 16,575          | 16,575                                 |
| Passed Through the Colorado Bureau of Investigation<br>DNA Backlog Reduction Program                               | 16.741                    | 4,980           | 4,762                                  |
| Passed Through the Colorado Division of Criminal Justice<br>Edward Byrne Memorial Justice Assistance Grant Program | 16.738                    | 75,312          | <u>74,484</u>                          |
| Total U.S. Department of Justice                                                                                   |                           |                 | 402,884                                |
| <b>U.S.DEPARTMENT OF HOMELAND SECURITY</b>                                                                         |                           |                 |                                        |
| Passed Through the Northwest Colorado Council of Governments<br>State Homeland Security Program (SHSP)             | 97.073                    | 20,566          | 20,566                                 |
| <b>U.S.DEPARTMENT OF HEALTH AND<br/>HUMAN SERVICES</b>                                                             |                           |                 |                                        |
| Passed Through Mesa County, Colorado<br>The Drug Free Community Support Program                                    | 93.276                    | 32,107          | 32,107                                 |
| Total Federal Award Expenditures                                                                                   |                           |                 | <u>\$ 918,456</u>                      |

The accompanying notes are an integral part of this schedule.

City of Grand Junction, Colorado

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

December 31, 2014

---

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Grand Junction, Colorado and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**NOTE B – SUB-RECIPIENTS**

Of the federal expenditures presented in the schedule the City of Grand Junction, Colorado provided federal awards to sub-recipients as follows:

| <u>Program Title</u>                                      | <u>CFDA #</u> | <u>Amount Provided<br/>to Sub-recipient</u> |
|-----------------------------------------------------------|---------------|---------------------------------------------|
| Community Development Block Grants/<br>Entitlement Grants | 14.218        | \$ 300,688                                  |



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

June 23, 2015

To the City Council  
City of Grand Junction, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of and for the year ended December 31, 2014, and the related notes to the financial statements which collectively comprise the City of Grand Junction's basic financial statements, and have issued our report thereon dated June 23, 2015.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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



To the City Council  
June 23, 2015

**Purpose of this Report**

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

*Chadwick, Sturcken, Davis & Co., P.C.*



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

June 23, 2015

To the City Council  
City of Grand Junction, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited the City of Grand Junction, Colorado's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2014. The City of Grand Junction's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City of Grand Junction, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

**Report on Internal Control Over Compliance**

Management of the City of Grand Junction, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

To the City Council  
June 23, 2015

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses deficiencies or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Chadwick, Sturkin & Davis & Co., P.C.*



City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified

not considered to be material weaknesses?

\_\_\_\_\_ yes ✓ none reported

Noncompliance material to financial statements  
noted?

\_\_\_\_\_ yes ✓ no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified

not considered to be material weaknesses?

\_\_\_\_\_ yes ✓ none reported

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

Unmodified Opinion

Any audit findings disclosed that are required  
to be reported in accordance with  
Circular A-133, Section .510(a)?

\_\_\_\_\_ yes ✓ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

14.218

Community Development Block Grants – Entitlement Grants

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

✓ yes \_\_\_\_\_ no

City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2014

---

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no financial statement findings.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are findings or no questioned costs required to be reported under OMB Circular A-133.

City of Grand Junction, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2014

---

Prior year findings:

There were no prior year findings.



(This page intentionally left blank)



# **OTHER SUPPLEMENTAL INFORMATION**



(This page intentionally left blank)



INDEPENDENT AUDITOR'S REPORT ON OTHER  
SUPPLEMENTAL INFORMATION

June 23, 2015

To the City Council  
City of Grand Junction, Colorado

We have audited the basic financial statements of the City of Grand Junction, Colorado as of and for the year ended December 31, 2014, and our report thereon dated June 23, 2015, which expressed unmodified opinions on those financial statements, appears on page 17. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grand Junction, Colorado's basic financial statements as a whole. The accompanying Local Highway Finance Report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 basic financial statements as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*



(This page intentionally left blank)



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

|                                     |                                                                             |
|-------------------------------------|-----------------------------------------------------------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b> | City or County:<br>City of Grand Junction<br>YEAR ENDING :<br>December 2014 |
|-------------------------------------|-----------------------------------------------------------------------------|

|                                                                           |                        |
|---------------------------------------------------------------------------|------------------------|
| This Information From The Records Of (example - City of _ or County of _) | Prepared By:<br>Phone: |
|---------------------------------------------------------------------------|------------------------|

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

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

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

| ITEM                                                        | AMOUNT     |
|-------------------------------------------------------------|------------|
| <b>A. Receipts from local sources:</b>                      |            |
| 1. Local highway-user taxes                                 |            |
| a. Motor Fuel (from Item I.A.5.)                            |            |
| b. Motor Vehicle (from Item I.B.5.)                         |            |
| c. Total (a.+b.)                                            |            |
| 2. General fund appropriations                              | 6,143,340  |
| 3. Other local imposts (from page 2)                        | 1,412,887  |
| 4. Miscellaneous local receipts (from page 2)               | 946,076    |
| 5. Transfers from toll facilities                           |            |
| 6. Proceeds of sale of bonds and notes:                     |            |
| a. Bonds - Original Issues                                  |            |
| b. Bonds - Refunding Issues                                 |            |
| c. Notes                                                    |            |
| d. Total (a. + b. + c.)                                     | 0          |
| 7. Total (1 through 6)                                      | 8,502,303  |
| <b>B. Private Contributions</b>                             |            |
| <b>C. Receipts from State government</b><br>(from page 2)   | 2,496,121  |
| <b>D. Receipts from Federal Government</b><br>(from page 2) | 0          |
| <b>E. Total receipts (A.7 + B + C + D)</b>                  | 10,998,424 |

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

| ITEM                                              | AMOUNT     |
|---------------------------------------------------|------------|
| <b>A. Local highway disbursements:</b>            |            |
| 1. Capital outlay (from page 2)                   | 2,078,600  |
| 2. Maintenance:                                   | 2,741,919  |
| 3. Road and street services:                      |            |
| a. Traffic control operations                     | 855,712    |
| b. Snow and ice removal                           | 71,829     |
| c. Other                                          |            |
| d. Total (a. through c.)                          | 927,541    |
| 4. General administration & miscellaneous         | 3,139      |
| 5. Highway law enforcement and safety             |            |
| 6. Total (1 through 5)                            | 5,751,199  |
| <b>B. Debt service on local obligations:</b>      |            |
| 1. Bonds:                                         |            |
| a. Interest                                       | 1,512,225  |
| b. Redemption                                     | 3,735,000  |
| c. Total (a. + b.)                                | 5,247,225  |
| 2. Notes:                                         |            |
| a. Interest                                       |            |
| b. Redemption                                     |            |
| c. Total (a. + b.)                                | 0          |
| 3. Total (1.c + 2.c)                              | 5,247,225  |
| <b>C. Payments to State for highways</b>          |            |
| <b>D. Payments to toll facilities</b>             |            |
| <b>E. Total disbursements (A.6 + B.3 + C + D)</b> | 10,998,424 |

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

|                              | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|------------------------------|--------------|---------------|-------------|--------------|
| <b>A. Bonds (Total)</b>      | 34,380,000   |               | 3,735,000   | 30,645,000   |
| 1. Bonds (Refunding Portion) |              |               |             |              |
| <b>B. Notes (Total)</b>      |              |               |             | 0            |

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

|  | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
|  | 0                    | 10,998,424        | 10,998,424             |                   | 0                 |

Notes and Comments:

|                                                                 |                                         |                                                             |                           |
|-----------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|---------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b>                             |                                         | STATE:<br>Colorado<br>YEAR ENDING (mm/yy):<br>December 2014 |                           |
| <b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>       |                                         |                                                             |                           |
| <b>ITEM</b>                                                     | <b>AMOUNT</b>                           | <b>ITEM</b>                                                 | <b>AMOUNT</b>             |
| <b>A.3. Other local imposts:</b>                                |                                         | <b>A.4. Miscellaneous local receipts:</b>                   |                           |
| a. Property Taxes and Assessments                               | 15,634                                  | a. Interest on investments                                  | 4,503                     |
| b. Other local imposts:                                         |                                         | b. Traffic Fines & Penalties                                |                           |
| 1. Sales Taxes                                                  |                                         | c. Parking Garage Fees                                      |                           |
| 2. Infrastructure & Impact Fees                                 |                                         | d. Parking Meter Fees                                       |                           |
| 3. Liens                                                        |                                         | e. Sale of Surplus Property                                 |                           |
| 4. Licenses                                                     |                                         | f. Charges for Services                                     | 57,307                    |
| 5. Specific Ownership &/or Other                                | 1,397,253                               | g. Other Misc. Receipts                                     |                           |
| 6. Total (1. through 5.)                                        | 1,397,253                               | h. Other                                                    | 884,266                   |
| c. Total (a. + b.)                                              | 1,412,887                               | i. Total (a. through h.)                                    | 946,076                   |
|                                                                 | (Carry forward to page 1)               |                                                             | (Carry forward to page 1) |
| <b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b> |                                         |                                                             |                           |
| <b>ITEM</b>                                                     | <b>AMOUNT</b>                           | <b>ITEM</b>                                                 | <b>AMOUNT</b>             |
| <b>C. Receipts from State Government</b>                        |                                         | <b>D. Receipts from Federal Government</b>                  |                           |
| 1. Highway-user taxes                                           | 2,240,348                               | 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                                  | 234,215                                 | d. Federal Transit Admin                                    |                           |
| d. Other (Specify) - DOLA Grant                                 |                                         | e. U.S. Corps of Engineers                                  |                           |
| e. Other (Specify)                                              | 21,558                                  | f. Other Federal                                            |                           |
| f. Total (a. through e.)                                        | 255,773                                 | g. Total (a. through f.)                                    | 0                         |
| 4. Total (1. + 2. + 3.f)                                        | 2,496,121                               | 3. Total (1. + 2.g)                                         |                           |
|                                                                 |                                         |                                                             | (Carry forward to page 1) |
| <b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b> |                                         |                                                             |                           |
|                                                                 | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a) | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b)                    | TOTAL<br>(c)              |
| <b>A.1. Capital outlay:</b>                                     |                                         |                                                             |                           |
| a. Right-Of-Way Costs                                           |                                         | 158,819                                                     | 158,819                   |
| b. Engineering Costs                                            | 61,597                                  | 228,833                                                     | 290,430                   |
| c. Construction:                                                |                                         |                                                             |                           |
| (1). New Facilities                                             |                                         | 221,341                                                     | 221,341                   |
| (2). Capacity Improvements                                      | 157,705                                 |                                                             | 157,705                   |
| (3). System Preservation                                        |                                         | 1,066,004                                                   | 1,066,004                 |
| (4). System Enhancement & Operation                             |                                         | 184,301                                                     | 184,301                   |
| (5). Total Construction (1) + (2) + (3) + (4)                   | 157,705                                 | 1,471,646                                                   | 1,629,351                 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)             | 219,302                                 | 1,859,298                                                   | 2,078,600                 |
|                                                                 |                                         |                                                             | (Carry forward to page 1) |
| Notes and Comments:                                             |                                         |                                                             |                           |



# Grand Junction



(This page intentionally left blank)