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City of Grand Junction, Colorado

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

Prepared by:

*Department of Administrative
Services and Finance*

*Ronald M. Lappi
Director of Administrative
Services and Finance*

City of Grand Junction, Colorado



Introductory Section



Administrative Services Department

250 North 5th Street < Grand Junction, Colorado 81501-2668 < (970) 244-1515 < fax (970) 244-1599

June 15, 2004

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, 2003, 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, 2003, 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, 2003, 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, 2003, 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.

The comprehensive annual financial report is presented in four sections:

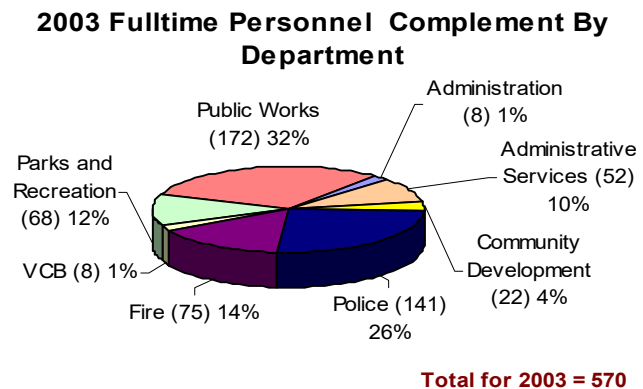
1. **The Introductory Section**, which is unaudited, includes this letter of transmittal and the City's organization chart.
2. **The Financial Section**, which includes the MD&A, the basic financial statements, and the independent auditor's report on the financial statements.
3. **The Statistical Section**, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.
4. **The Single Audit Section**, which includes all reports and schedules necessary in order for the City to comply with the Single Audit Act and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

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 and fire), public works (highways, streets, sanitation, and water), culture-recreation (parks, cemeteries, swimming pools, golf courses, convention center, and general recreation), community development, 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, Grand Junction West Water and Sanitation 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 35 square miles and serves a population of 49,555. The City of Grand Junction is empowered 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 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.

In addition to internal controls, the City maintains 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. 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 for control at the line item 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 and major special revenue funds, this comparison is presented on pages 3-10 and 3-11 as part of the basic financial statements for the governmental funds. For other major governmental funds (and nonmajor) this comparison is presented in the governmental fund subsection of this report, which starts on page 5-1.

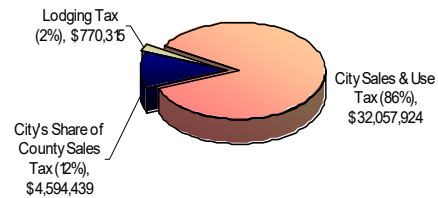
FACTORS AFFECTING FINANCIAL CONDITION

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. Commercial services, merchandising operations and health care services are in place to serve far more people than live in the valley. Major retail outlets have further augmented the regional service aspect of the City. The loss of economic activities in oil and gas exploration in the early nineteen eighties has been replaced by a diversity of industrial, recreational, and service activities. This new base, generated by community economic development and private enterprise marketing, has brought steady, consistent growth to the area. Natural and other disasters, occurring on the southern coastal areas of the United States, have also been a factor in the relocation of businesses and families to the valley.

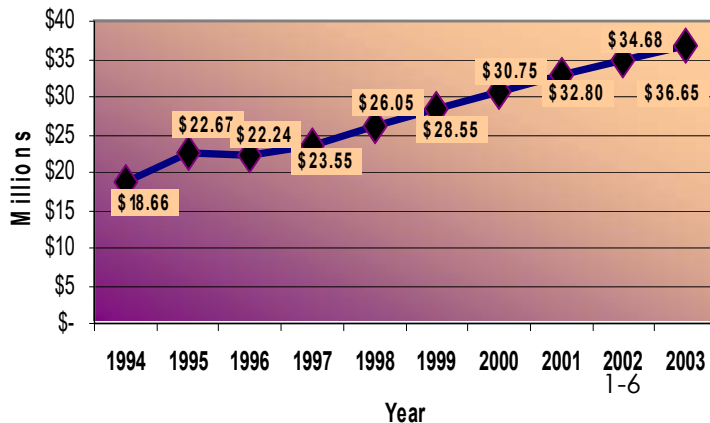
The mild climate and close proximity to a great variety of outdoor activities year-round have made Grand Junction both a vacation destination and a retirement community. A 3% lodging tax passed by the voters and implemented in 1990 is funding extensive promotion of the Grand Valley.

As in the past, city management and leadership continue to finance current operations with current operating revenues. Debt has been kept to a minimum. The three-quarter percent increase in city sales taxes, effective January 1, 1988, provides funds for capital expenditures and economic development. The sales and use tax revenues, allocated to the General Fund, account for 67% of its revenues (excluding capital transfers). These tax revenues increased by 5.7% from 2002 to 2003. 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 1994.

2003 Sales & Use Tax Collections
Total = \$37,422,678



Historical Sales & Use Tax Collections
1994 - 2003



The area has historically experienced economic cycles of about ten to fifteen years, moving from strong economic growth and prosperity to significant decline and deterioration of the business base. The valley has now experienced population growth averaging 2% a year for ten years. The valley currently enjoys a favorable economic environment and anticipates continued stable

performance, while statewide there has been a significant slowdown in the economy. Because of this continuing growth, the City continues to face many challenges. During the fiscal year ended December 31, 2003, the retail face of the City's economy changed dramatically with the addition of several big box retailers and new regional and national chain restaurants. In addition, the City also saw the increase of competition for those retail dollars as our neighboring communities added more retail markets of their own. The City is meeting the challenges of the current growth and is seeking methods and means for future growth.

The City continues to work to diversify our economic base and business climate. St. Mary's hospital will greatly expand the availability of major medical services through their major expansion within the region and will continue to expand the City's base as a health care center.

During the year, the City had many accomplishments. Among them were:

- City management and City Council worked diligently on all aspects of the Council's adopted strategic plan during 2003, with 75% of the action steps completed.
- A 5th Fire Station in the Redlands area of the community is under construction and fifteen additional staff have been hired.
- The Police Department successfully implemented a new neighborhood policing model that promotes community involvement in crime solving.
- A new Employee Recognition Program and Comprehensive Training Program for all employees was implemented full bore and have been very well received.
- A transportation planning committee and long term financial planning group have worked to develop a plan for accomplishing several major street and transportation corridor projects which are now underway. They will cost approximately \$100 million over the next 6 years.
- A major project of eliminating all combined sewers and water line replacements totaling approximately \$18 million was approved and the second year of a three year project began.

FUTURE OUTLOOK

The City remains committed to the maintenance and improvement of the quality of life in the valley. Elements of sound economic expansion including improvements to infrastructure, park and recreation enhancements, community development planning and policies are key issues. The City's efforts in these areas strive to serve its citizenry in the long-term while maintaining a sound financial position.

Future plans include planned growth through the increase of city boundaries and continued economic development efforts. Ten-year plans and projections are utilized in budgeting and organizing city functions. These plans include the continuance of the funding policies, which have put the City on the sound financial footing it enjoys today.

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.

Three new park sites were purchased in 1993, two neighborhood park sites of 13 acres and 30 acres, and one major site of 103 acres. The large site development of Canyon View Park was begun in 1996 and continued in 1999 with major softball and soccer facilities, as well as other amenities including a new weather station to help operate the irrigation system more efficiently. Outside funding was used to construct a baseball field at Canyon View Park in 1998. Additional land at the large site was developed in 2003 at a cost of \$1.5 million. An additional site was purchased in 1996 for future development of a regional park. This site covers over two hundred and seven acres. While the site is currently under a farming lease contract, various trails are open to the public for non-motorized use.

With the successful opening of a second new hotel next door to the City's Two Rivers Convention Center, the City's downtown is very vibrant and active. The City also issued an additional \$3 million in Tax Increment Bonds for future capital improvements in the downtown area. Capital improvements and equipment upgrades were completed at both hospitals which will further enhance and secure Grand Junction's position as a major medical center. The City was able to utilize it's authority for Private Activity Bonds for the second year in a row in 2003 to assist a local printing company's expansion.

The City was also busy in 2003 developing and implementing two new policies and the resulting programs. First they negotiated a new health insurance program with its HMO which provided for a risk sharing corridor much like a risk controlled self insurance program. Secondly, for the first time ever, the City council adopted an Infill and Redevelopment policy to create incentives to fight sprawl and encourage new development where infrastructure is already present.

Maintaining the quality of life includes the preservation and improvement of the infrastructure. The City's continuing program, which is funded to a great extent by the increased sales tax rate in 1988, was enhanced by distributions from the State of Colorado's Highway Users Trust Fund (HUTF). The three-quarter percent is allocated to the Sales Tax Capital Improvement Fund and used to fund budgeted capital improvements. This has clarified the revenue stream for the long-range capital planning efforts. As part of our long-range financial planning process, these funds are projected and allocated to specific projects; while maintaining flexibility for future City Councils.

In 2003, the voters of the City of Grand Junction gave approval for the City to issue \$80 million in general revenue bonds to construct the Riverside Parkway. This is the most significant transportation project in the history of the City. The project entails building a loop around the City that will extend from Highway 50 on Orchard Mesa across the Colorado River and over I-70B and the Union Pacific Railroad tracks and connect to a new interchange at I-70. With the approval to issue general revenue debt, the City will be able to complete the entire project within 7 years, 13 years ahead of the original 20 year completion time. The City also continued several other significant capital improvement projects including the 29 Road corridor, Independent Avenue reconstruction, and various water and storm drainage system improvements.

The City continues to take the lead in promotion and funding for economic development for the area. Incentives and area promotion have brought numerous businesses to the valley. The City plans to continue the support and funding of this process to maintain and stabilize growth. In 1996, the City committed \$250,000 a year through the year 2008 to match funds developed by the Mesa State Foundation for future expansion of the college.

A portion of these funds is allocated from the economic development resources. The City of Grand Junction and Mesa County have successfully negotiated the transfer of the Department of Energy Complex from the federal government to Riverview Technology Corporation in an effort to retain and create jobs for the displaced employees. The 3% lodging tax for the Visitors and Convention Bureau (VCB), as noted earlier, is making an impact on increasing visitors to the Valley. The VCB has and will continue to take advantage of special events. One such event is the annual Junior College Baseball World Series which begins the summer in conjunction with the Memorial Day weekend. The tournament, held since 1957 in Grand Junction, has a permanent home in the City. Stadium seating has been increased to accommodate the growing crowds and now seats approximately 7,300 baseball fans. Another special event began in 1992. "Country Jam USA", a country music festival of four days in mid-summer, draws spectators and performers from all over the country to the Grand Valley.

The City improved communications in 1997 by establishing a new computerized phone information system called "City Dial" and later implemented an automated voice registration system making registering for recreation programs more convenient. Various meetings, including City Council meetings, are televised, and the City has been recognized for its state-of-the-art interactive web site. The new City Hall has state-of-the-art audio/video equipment that was funded by an energy impact grant from the State of Colorado.

In 1992, the City issued its first biennial budget report, covering budgets for 1992 and 1993. The award-winning document continues to be a communication tool for the community, and a working document for goal measurement and reporting. There is a continuing effort to make the budget and financial reports more understandable for all users, especially the general public. A pamphlet sized "Budget in Brief" for the 1993 budget was published and distributed as an easy reference book and communication tool. This publication is increasingly popular and is now published in biennial form in conjunction with the budget report every two years.

The City continues to improve alliances and increase communication with other governmental agencies and community groups. Joint planning with Mesa County is maintained for the urbanizing area from 19 Road to 35 Road to develop a vision of the development for the next fifteen to twenty years. The City assists Mesa County in the support of the new Grand Valley Transit system, a limited fixed route "circulator" which began servicing the core areas of the valley and the outlying municipalities in 2000. Through the cooperative efforts of the Grand Junction City Council, Mesa County, Mesa State College, School District 51, and the Grand Junction Chamber of Commerce, a committee of 10 to 12 citizens from throughout the community was appointed to build a "vision" 2020 for the Grand Valley. Once this project was successfully completed the City undertook and completed its own Strategic Plan for the next 5 to 10 years.

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 2003, the City did not exceed the overall revenue limitation, but will have to refund approximately \$295,000 in property taxes collected. 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. The City conducted a successful bond election under TABOR in 2003.

CASH MANAGEMENT

Cash temporarily idle during the year is invested in accordance with the City's investment policy. The City is also responsible for managing and investing the City of Grand Junction/Mesa County Joint Sewer System cash. The City Council has formally established an investment policy which includes steps to properly manage the risk, safety, and life of investments, and specifically allows investment of longer than five years and in mutual funds (composed of U.S. Government and agency obligations) and collateralized mortgage obligations.

The investment policy provides general guidelines for cash management of all funds. It identifies the scope, objectives, priorities, investment officers, permitted investments, safekeeping, and reporting requirements. A working, adjustable investment strategy has also been established.

Investment income decreased in 2003 due to lower yields. The net average yield on investments was 2.42% down from 4.53% in 2002.

RISK MANAGEMENT

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 with a per claim retention of \$300,000. The per claim retention is now at \$500,000. As a 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. Self-retention limits on property and liability have been increased to \$150,000 to reduce premium expenditures. During the year the self insurance fund designated \$500,000 of its resources for the new risk sharing medical insurance program mentioned earlier.

PENSION BENEFITS PROVIDED

During 2003, like previous years, the City of Grand Junction participated in six different qualified pension plans. Two old hire Police and Fire Pension Plans are Defined Benefit Plans administered by the Colorado FPPA, with only two active firemen working at this time. The other four plans are single employer defined contribution plans and cover all of our full time/part time permanent employees totaling approximately 630. Both City and employee contributions are invested at the direction of employees and no unfunded liability can ever exist for these plans. The two old hire plans are actuarially studied at least every two years and the unfunded liability they both have are being amortized no longer than 20 years.

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, 2002. This was the nineteenth 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.

The GFOA presented an award for Distinguished Budget Presentation to the City of Grand Junction for its biennial budget for the fiscal years beginning January 1, 2002 and January 1, 2003. This was the eighth time that the City has received this coveted award, covering fourteen budget years.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications medium.

ACKNOWLEDGEMENTS

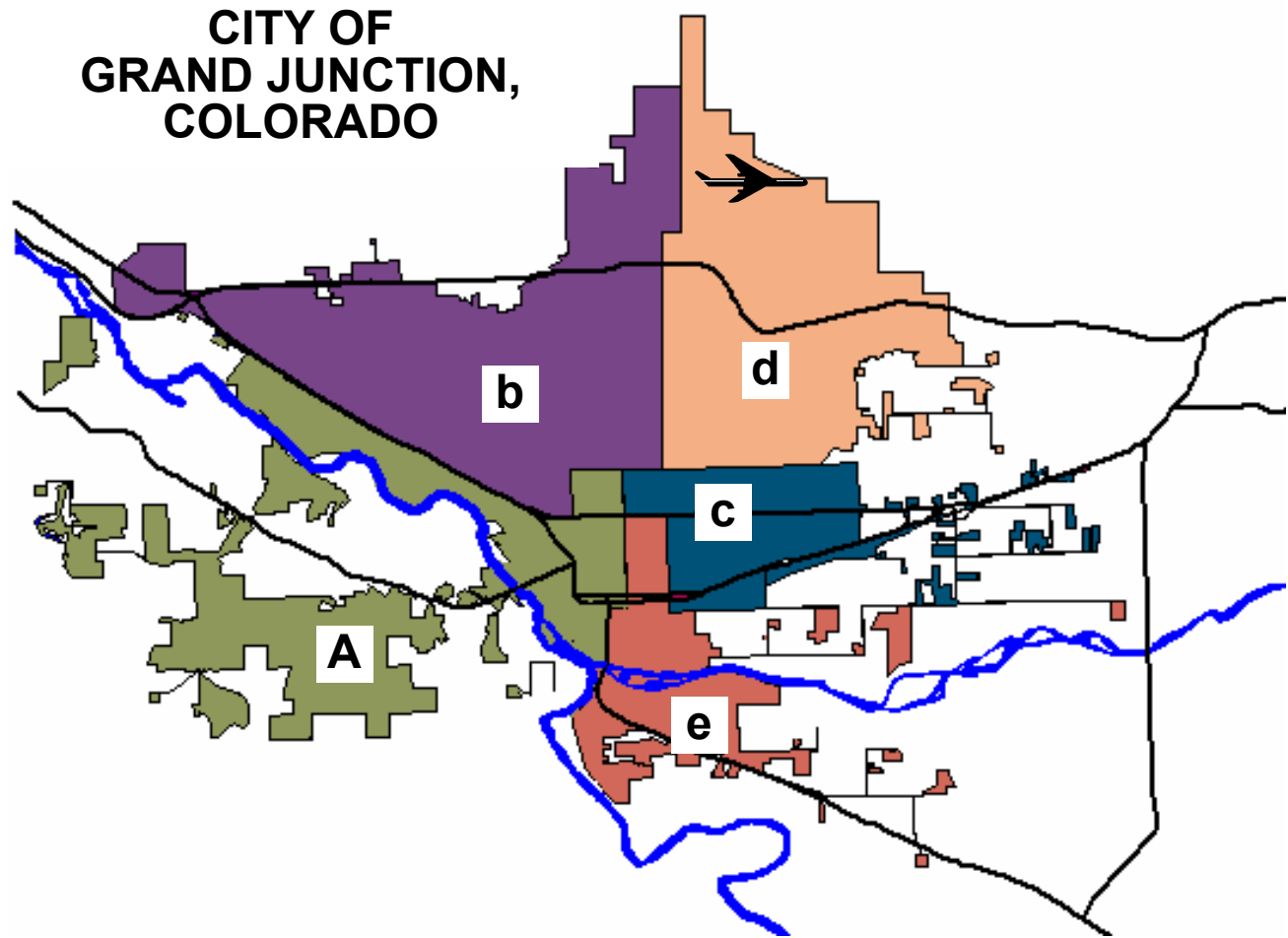
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Administrative Services Department. I would like to express my appreciation of all members of the Department who assisted and contributed to its preparation. It should be noted that staff from other departments provide great assistance in the preparation of the report and their work is appreciated. I also 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, 2003.

Respectfully submitted,

Ronald M. Lappi
Director of Finance and Administrative Services

CITY OF GRAND JUNCTION, COLORADO



ELECTED OFFICIALS

| City Council | Expires |
|---|----------|
| Jim Spehar, Mayor - District B | May 2007 |
| Cindy Enos-Martinez - District A | May 2005 |
| Gregg Palmer - District C | May 2007 |
| William McCurry - District D | May 2005 |
| Harry Butler, Mayor ProTem - District E | May 2005 |
| Bruce Hill - At Large | May 2007 |
| Dennis Kirtland - At Large | May 2005 |

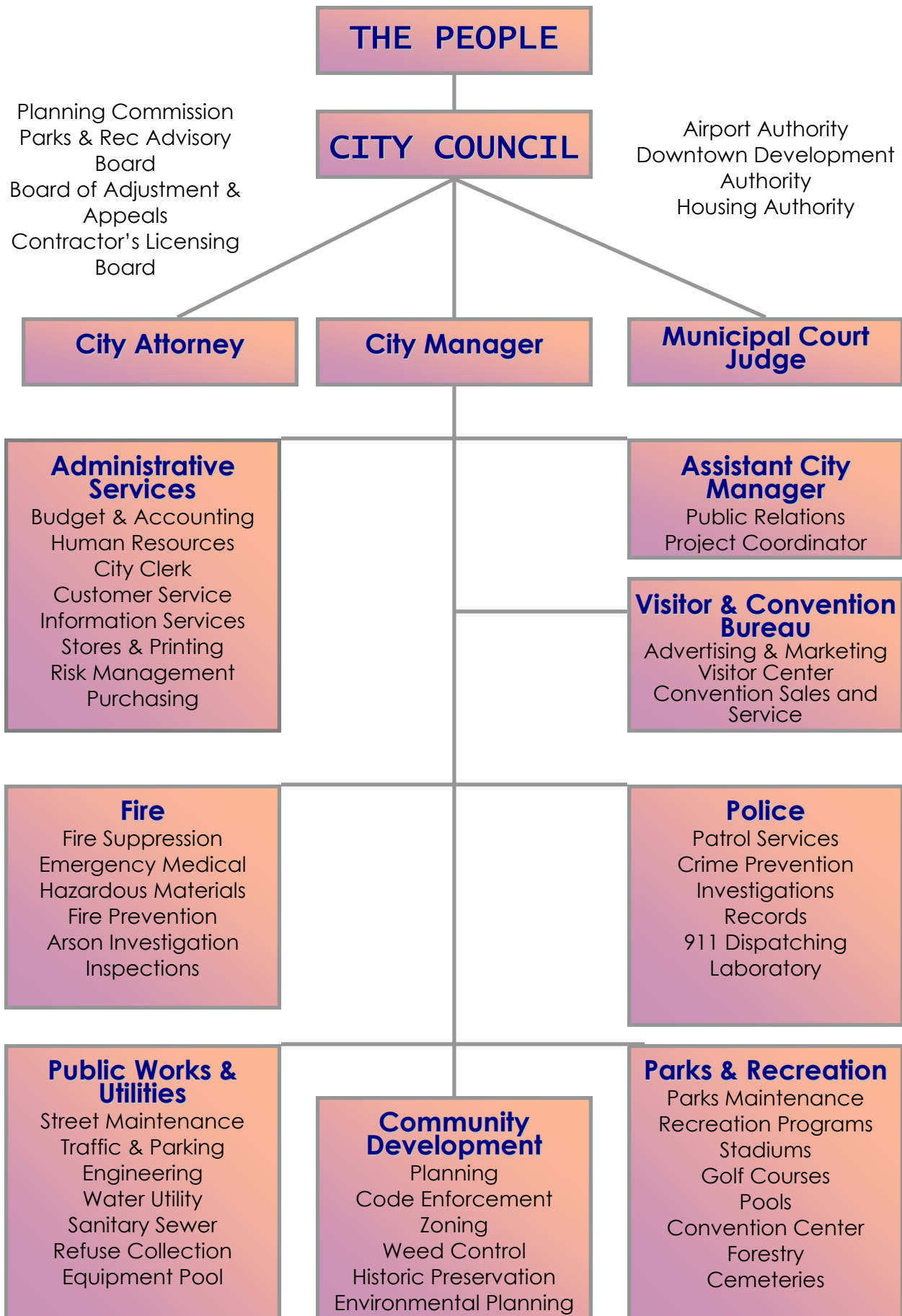
ELECTION DISTRICT BOUNDARIES April, 2004

APPOINTED OFFICIALS

| | |
|---|--------------------------------|
| Kelly E. Arnold Manager | City |
| David A. Varely John P. Shaver Attorney | Assistant City Manager City |
| Jamie Krieling Attorney | Assistant City |

DEPARTMENT DIRECTORS

| | |
|----------------|--------------------------|
| Ron Lappi | Administrative Services |
| Bob Blanchard | Community Development |
| Rick Beaty | Fire Chief |
| Joe Stevens | Parks & Recreation |
| Greg Morrison | Police Chief |
| Mark Relph | Public Works & Utilities |
| Debbie Kovalik | Visitor and Convention |



City of Grand Junction, Colorado



Financial Section

MANAGEMENT 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, 2003. Please read it in conjunction with the transmittal letter on page 1-3 and the City's financial statements, which begin on page 3-3.

FINANCIAL HIGHLIGHTS

- The City of Grand Junction remains in strong financial condition
- The assets of the City of Grand Junction exceeded its liabilities at the close of 2003 by \$278.6 million (net assets). Of this amount \$38.3 million or 13.8% is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. During 2003 these net assets increased by \$23.7 million due to continued investment in capital assets (including infrastructure).
- Sales and use tax revenues increased by 5.5% over 2002, primarily due to a relatively healthy economy and some new retail activity.
- At the end of 2003, the unreserved and undesignated fund balance for the General Fund was \$9.8 million, \$0.9 million less than December 31, 2002.
- The Sales Tax Capital Improvement Fund ended the year with a fund balance of \$5.9 million to assist next year's capital plan after spending a record high \$10.7 million for major capital in 2003.
- Significant water and sewer system improvement projects continued in 2003 financed by long term loans from the Colorado Water Resources and Power Development Authority.
- General Fund overall revenues continued their robust growth of 4.5% and reached a record high of \$41.0 million.

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 assets presents information on all of the City of Grand Junction's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 housing and development. The *Business-type Activities* of the City of Grand Junction include Water, Convention Center, Solid Waste, Pools, Golf Courses, Cemetery, 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 3-3 through 3-5 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 Assets and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

The City of Grand Junction maintains sixteen governmental funds of which (as determined by generally accepted accounting principles) the only major funds are the General Fund, Sales Tax Capital Improvement Fund, and Visitors and Convention Special Revenue Fund. The balances of the 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 the each of the funds to demonstrate compliance with this budget. The General Fund and Visitors and Convention Bureau Special Revenue Fund budgetary comparisons are presented as part of the basic governmental fund financial statements which can be found on pages 3-6 through 3-11 of this report. All other required budgetary comparisons including the Sales Tax Capital Improvement Fund are found with the combining statements which can be found on pages 5-8 through 5-21 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, Pools, Golf Courses, Cemetery, Parking and Irrigation.

As determined by generally accepted accounting principles, the Water and Two Rivers Convention Center 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, central stores operations, 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 3-12 through 3-15.

2. **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 3-16 through 3-17.

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 4-1 through 4-29 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 Local Highway Finance Report. This supplementary information can be found on page 10-3 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 5-4 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Grand Junction, assets exceed liabilities by \$278.6 million at the close of fiscal year 2003.

By far the largest portion (84.2%) of the City of Grand Junction's total net assets 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 it 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 ASSETS
(in Thousands)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|-------------------------|-----------|--------------------------|----------|--------------------------|-----------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Current and other assets | \$52,895 | \$47,800 | \$7,512 | 7,943 | \$60,406 | \$55,743 |
| Capital assets | 203,261 | 184,535 | 35,323 | 34,343 | 238,585 | 218,878 |
| Total assets | 256,156 | 232,335 | 42,835 | 42,286 | 298,991 | 274,621 |
| Long-term debt outstanding | 8,600 | 6,816 | 4,129 | 4,083 | 12,730 | 10,899 |
| Other liabilities | 7,272 | 8,348 | 379 | 415 | 7,650 | 8,763 |
| Total liabilities | 15,872 | 15,164 | 4,508 | 4,498 | 20,380 | 19,662 |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 201,219 | 181,892 | 33,495 | 34,220 | 234,714 | 216,112 |
| Restricted | 3,804 | 3,741 | 1,787 | 3,500 | 5,591 | 7,241 |
| Unrestricted | 35,260 | 31,537 | 3,045 | 69 | 38,305 | 31,606 |
| Total net assets | \$240,284 | \$217,171 | \$38,327 | \$37,788 | \$278,611 | \$254,959 |

An additional portion of the City of Grand Junction's net assets (2.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$38.3 million) may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in Net Assets

The City's total revenues of \$82.5 million exceeded program expenses of \$59.0 million for an increase in net assets of \$23.6 million.

CHANGES IN NET ASSETS
(in Thousands)

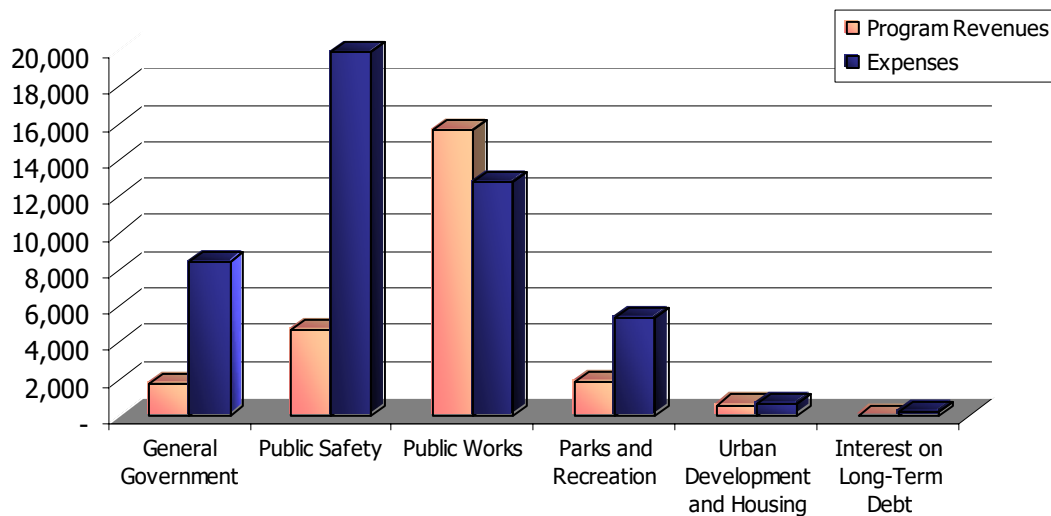
| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|------------------------|-------------------------|--------|--------------------------|--------|--------------------------|--------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | 7,370 | 7,941 | 11,098 | 10,777 | 18,468 | 18,718 |
| Operating grants | 733 | 1,104 | 109 | 107 | 842 | 1,211 |
| Capital grants | 16,359 | 24,346 | 202 | 88 | 16,561 | 24,434 |
| General revenues: | | | | | | |
| Property taxes | 4,352 | 4,044 | - | - | 4,352 | 4,044 |
| Sales and use taxes | 37,423 | 35,463 | - | - | 37,423 | 35,463 |
| Other taxes | 3,987 | 4,167 | - | - | 3,987 | 4,167 |
| Other general revenues | 825 | 1,607 | 81 | 211 | 906 | 1,818 |
| Total revenues | 71,049 | 78,672 | 11,490 | 11,183 | 82,539 | 89,855 |
| Expenses: | | | | | | |
| General government | 8,277 | 10,398 | - | - | 8,277 | 10,398 |
| Public safety | 19,871 | 17,966 | - | - | 19,871 | 17,966 |
| Public works | 12,780 | 12,221 | - | - | 12,780 | 12,221 |
| Parks and recreation | 5,319 | 4,741 | - | - | 5,319 | 4,740 |

| | | | | | | |
|-------------------------------|----------------|----------------|---------------|---------------|----------------|----------------|
| Urban development and housing | 623 | 720 | - | - | 623 | 720 |
| Interest on long-term debt | 234 | 295 | - | - | 234 | 295 |
| Water | - | - | 4,010 | 3,827 | 4,010 | 3,827 |
| Convention Center | - | - | 1,988 | 1,828 | 1,988 | 1,828 |
| Solid Waste Removal | - | - | 2,190 | 2,160 | 2,190 | 2,160 |
| Swimming pools | - | - | 816 | 830 | 816 | 830 |
| Golf | - | - | 1,919 | 1,896 | 1,919 | 1,896 |
| Cemeteries | - | - | 339 | 334 | 339 | 334 |
| Parking | - | - | 273 | 220 | 273 | 220 |
| Irrigation systems | - | - | 250 | 249 | 250 | 249 |
| Total expenses | 47,104 | 46,341 | 11,785 | 11,344 | 58,889 | 57,685 |
| Excess before transfers | 23,945 | 32,333 | (294) | (162) | 23,651 | 32,171 |
| Transfers | (832) | (1,117) | 832 | 1,117 | - | - |
| Increase in net assets | 23,113 | 31,216 | 538 | 955 | 23,651 | 32,171 |
| Net assets 1/1/03 | 217,171 | 185,955 | 37,788 | 36,833 | 254,959 | 222,788 |
| Net assets 12/31/03 | 240,284 | 217,171 | 38,327 | 37,788 | 278,610 | 254,959 |

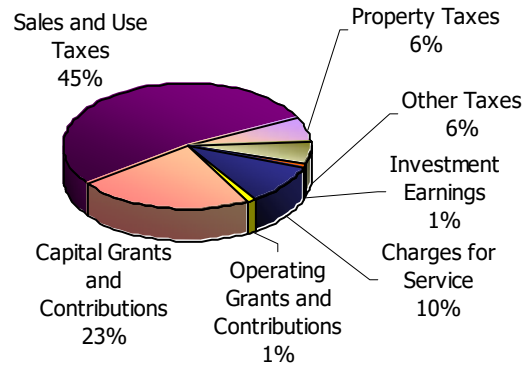
Governmental Activities

Governmental Activities increased the City of Grand Junction's net assets by \$23.1 million. Following are illustrative summaries of Governmental Activities breaking out revenues and expenses.

EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES (in Thousands)



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Sales and use tax revenue increased by 5.5% during the year. The majority of growth is attributed to a healthy economy and impacts of new retail outlets.

Property tax revenue increased by \$308 thousand, or 7.6%, during the year. This growth was attributed to increasing valuations of existing properties and additional construction. The mill levy has remained constant since 1992.

Business-type Activities

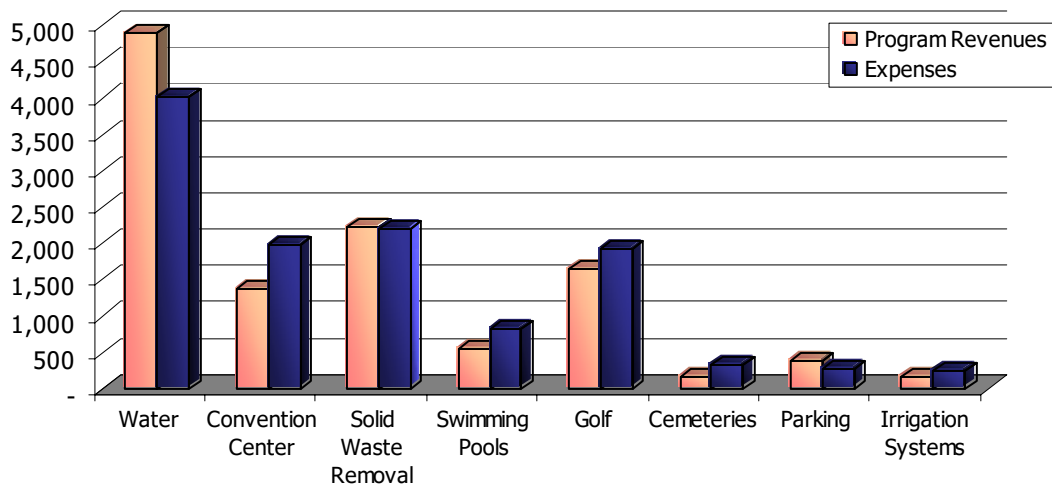
Net assets in Business-type activities increased by \$538 thousand. Business-type activities include Water, Convention Center, Solid Waste, Pools, Golf Courses, Cemeteries, Parking, and Irrigation.

Increased system development fees for the Water Fund resulted in higher than anticipated revenues.

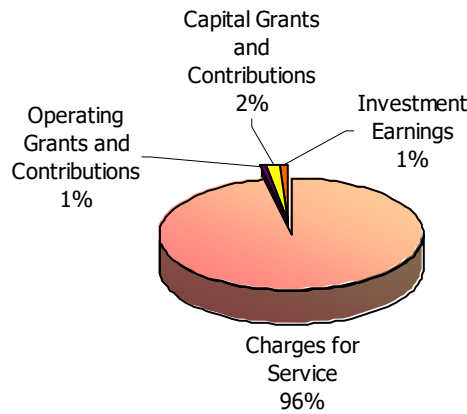
The Two Rivers Convention Center, Pools and Cemetery Fund all received transfers from the General Fund to subsidize operations.

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.

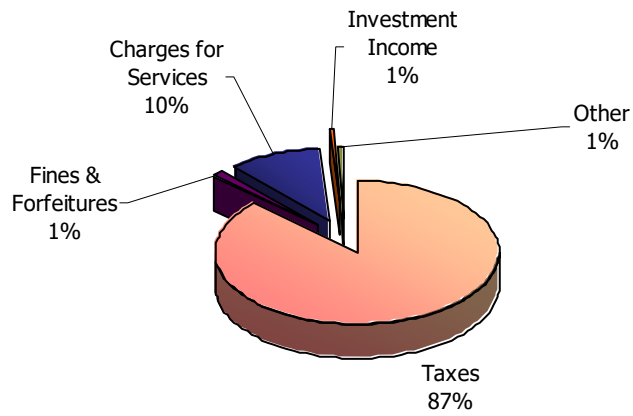
The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

As of the December 31, 2003, the City's governmental funds (general, special revenue, debt service, capital projects, and permanent) reported combined fund balances of \$27.7 million. This represents an increase of \$2.9 million (11.8%) over last year's ending balances.

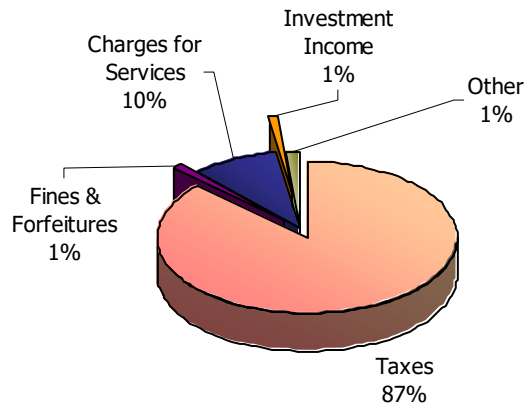
The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund. Revenues exceeded expenditures in the General Fund by \$3.0 million during the year. The General Fund total fund balance increased \$1.4 million over last year. An analysis for this total fund balance shows that it represents over 32% of projected revenues for the new fiscal year which ends December 31, 2004.

Taxes continue to be the largest source of revenue in the General Fund and represent 87% of total general fund revenues. The largest element of taxes is sales taxes as it has been for many years. It represents 77% of total tax revenues and represents 67% of total general fund revenues. The following charts display General Fund revenues as a percent of total revenues for the past two years.

GENERAL FUND REVENUE (GAAP BASIS) 2003

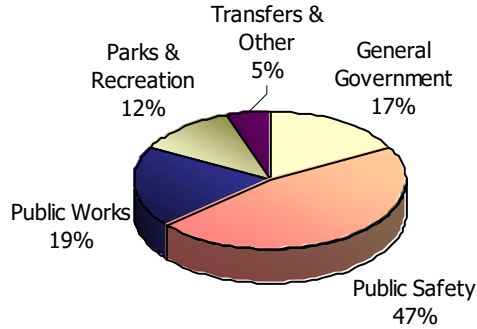


GENERAL FUND REVENUE (GAAP BASIS) 2002

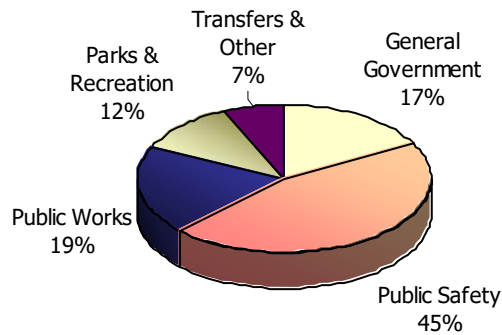


The following graphs display the expenditures in the General Fund by function for the past two fiscal years. As can be seen by reviewing these graphs, most of the expenditures are close to maintaining the same percentage of expenditures over the two years.

GENERAL FUND EXPENSE (GAAP BASIS) 2003



GENERAL FUND EXPENSE (GAAP BASIS) 2002



As stated earlier, the City maintains several enterprise funds to account for the business-type activities of the City. The separate fund statements included in this report provides the same information for business-type activities as is provided in the government-wide financial statements. However, the difference is that the funds statements provide much more detail.

Unrestricted net assets at the end of the year for business-type activities amounted to \$3.0 million. Total growth in net assets for these funds was \$538 thousand. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Grand Junction business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the General Fund budget was amended from an original budget expenditure total of \$43.7 million to a final budget of \$44.3 million. All recommended amendments for budget changes came through the Budget and Accounting Division and City Manager to City Council via Ordinance as required. Ordinance enactment requires 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. For the General Fund, the original budget for revenues was \$41.6 million while the final budgeted amount was \$40.1 million, reflecting a decrease in the projection for sales tax revenue.

Actual General Fund expenditures (including transfers) totaled \$39.7 million. The City's year-end fund balance of \$13.1 million was \$5.4 million above the final budgeted amount.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2003, 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 table below provides a summary of total capital assets at December 31, 2003.

CAPITAL ASSETS AT YEAR-END (net of depreciation, in Thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------------------|-------------------------|------------------|--------------------------|-----------------|------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Land | \$112,576 | \$106,364 | \$4,527 | \$4,552 | \$117,103 | \$110,916 |
| Buildings and systems | 13,109 | 14,014 | 30,095 | 29,111 | 43,204 | 43,125 |
| Improvements other than buildings | 16,005 | 14,361 | 90 | - | 16,095 | 14,361 |
| Vehicles, machinery & equipment | 9,463 | 9,250 | 611 | 680 | 10,074 | 9,930 |
| Infrastructure | 51,249 | 40,546 | - | - | 51,249 | 40,546 |
| Construction in progress | 860 | - | - | - | 860 | - |
| Total | \$203,262 | \$184,535 | \$35,323 | \$34,343 | \$238,585 | \$218,878 |

Major capital additions during 2003 include:

| | <u>2003</u> |
|------------------------------------|--------------|
| Storm Drainage Improvements | \$ 2,474,156 |
| Riverside Parkway | \$ 1,099,388 |
| Water System Improvements | \$ 2,577,079 |
| E-911 Communications Center Equip | \$ 1,734,523 |
| Street Improvements | \$ 1,745,621 |
| 29 Road; Interstate 70-B to F Road | \$ 1,472,833 |
| Fire Station #5 Construction | \$ 1,050,000 |
| Equipment Replacement Program | \$ 1,363,361 |
| City / County Parking Garage | \$ 500,000 |

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 4-13 through 4-14.

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 and a pay-as-you-go approach, the City of Grand Junction has been able to maintain and improve its infrastructure while avoiding unreasonable debt burdens. The City's general obligation bond rating from Moody's is A2,

while Standard & Poor's has given the City an A+. Also, the City recently received the rating AA- from Standard & Poor's for it's upcoming General Fund Revenue Bond obligation after voters approved an \$80 million bond issue to fund the Riverside Parkway project.

As of December 31, 2003 the City of Grand Junction and its related entities has \$23.7 million in outstanding debt. Of this amount only \$2.0 million represents General Government debt. The largest portion, \$12.8 million is the liability of the City of Grand Junction / Mesa County Joint Sewer Utility Fund. The special taxing districts have a combined total of approximately \$5.2 million in debt. The remaining outstanding debt is in the various enterprise funds. Total debt service payments of approximately \$3.8 million in 2004 represents 5.3% of total operating expenditures. Additional information on the City's long-term debt can be found in note 7 on pages 4-16 through 4-19.

The following table depicts all of the outstanding debt for the City of Grand Junction and its related entities.

| | Original Principal Amount | Principal Amount Outstanding 12/31/03 | Remaining Interest to be Paid to Maturity | Total Debt Service Requirements Remaining |
|--|---------------------------------|--|---|--|
| GENERAL OBLIGATION BONDS (Payable from District Tax Revenue): | | | | |
| Ridges Metro District, G.O. Refunding Series 1992 | \$2,590,000 | \$1,635,000 | \$594,870 | \$2,229,870 |
| G.J.W.W.S.D., G.O. Refunding Bonds, Series 1987 A&B | 1,590,000 | 536,383 | 82,156 | 618,539 |
| SPECIAL REVENUE BONDS: | | | | |
| Tax Increment Financing Bonds, Series 2003 | 2,995,000 | 2,995,000 | 174,700 | 3,169,700 |
| Water Fund, CWRPDA Bonds, Series 2002 | 3,566,522 | 3,555,747 | 1,666,343 | 5,222,090 |
| Sewer Fund, CWRPDA Bonds, Series 2002 | 13,490,000 | 12,825,000 | 5,998,207 | 18,823,207 |
| PROMISSORY NOTES: | | | | |
| Riverfront Project, Dunn Property Note, 1989 | 351,327 | 159,213 | 50,787 | 210,000 |
| Water Fund: Water Supply Flowline, CWCB, 1989 | 195,930 | 115,474 | 37,446 | 152,920 |
| CAPITAL LEASE OBLIGATIONS: | | | | |
| Certificates of Participation; Matchett Property, 1996 | 2,155,000 | 765,000 | 88,305 | 853,305 |
| E.M.S. Equipment - Lease Purchase, 2001 | 1,800,378 | 1,117,738 | 64,586 | 1,182,324 |
| TOTAL OUTSTANDING DEBT | \$28,734,157 | \$23,704,555 | \$8,757,400 | \$32,461,955 |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Grand Junction is in a strong financial position. City-wide reserves are at levels required in the City's Budget Policy. The City is being cautious in preparing the 2004 Budget awaiting 1st Quarter and 2nd Quarter revenue results to assist in anticipating the accuracy of revenue projections included in the 2004 Budget. Of the 22 new full-time positions that were requested in the budget only 3 were approved. At the time of this analysis, economic indicators are improving and many economists are projecting a slow but steady recovery statewide.

General Fund balances are within the minimum working capital recommended in the City's budget policy. Although the City is not anticipating large retail (sales & use tax)

revenue growth from new businesses, a 5% increase in sales tax growth was included in the 2004 revenue projections.

Rates in the Utility Funds were set at rates to cover operating and capital costs. A 5% rate increase is approved for the Combined City/County Sewer Fund in 2004 to assist with the additional capital costs for the Combined Sewer Elimination Project. A 10% and 4% increase in golf rates was implemented for 2004 at the Tiara Rado and Lincoln Park golf courses respectively. The 2004 Budget includes funding for the subsidy of the Two Rivers Convention Center and Swimming Pools funds. The operations of the Cemetery Fund are being rolled into the General Fund beginning in 2004.

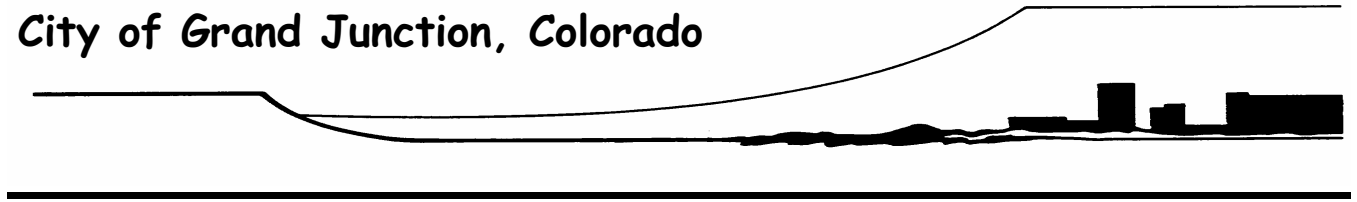
The 2004 Budget reflects the City's continued commitment to capital improvements of City infrastructure. Major capital spending in the biennial period of 2004 and 2005 is expected to reach a record of \$54 million. Some the most significant projects include; sewer, storm drainage and water system improvements, the Riverside Bypass, the completion of Fire Station #5, 25.5 Road from Independent Avenue to Patterson, City / County Parking Garage, and the development of Wingate Park.

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 Administrative Services and Finance Department at City of Grand Junction, 250 N. 5th Street, Grand Junction, CO 81501.



City of Grand Junction, Colorado



Basic Financial Statements

City of Grand Junction
STATEMENT OF NET ASSETS
December 31, 2003

| | Primary Government | | | Component Units |
|--|----------------------------|-----------------------------|-----------------------|---------------------|
| | Governmental Activities | Business-type Activities | Total | |
| ASSETS | | | | |
| Cash and investments | \$ 40,648,662 | \$ 5,541,832 | \$ 46,190,494 | \$ 3,273,814 |
| Cash & investments - restricted | 1,090,211 | 1,787,120 | 2,877,331 | - |
| Other receivables, net of allowance for uncollectibles | 10,415,507 | 756,176 | 11,171,683 | 997,668 |
| Internal balances | 639,128 | (639,128) | - | - |
| Inventories | 101,007 | 65,488 | 166,495 | - |
| Capital assets (net of accumulated depreciation): | | | | |
| Land | 112,575,777 | 4,527,326 | 117,103,103 | 497,498 |
| Buildings and systems | 13,108,788 | 30,095,258 | 43,204,046 | 1,715,735 |
| Improvements other than buildings | 16,005,252 | 89,683 | 16,094,935 | 78,300 |
| Equipment | 9,462,870 | 611,118 | 10,073,988 | 20,883 |
| Infrastructure | 51,248,970 | - | 51,248,970 | - |
| Construction in progress | 859,736 | - | 859,736 | - |
| Total assets | <u>256,155,908</u> | <u>42,834,873</u> | <u>298,990,781</u> | <u>6,583,898</u> |
| LIABILITIES | | | | |
| Accounts payable and other current liabilities | 3,201,910 | 343,328 | 3,545,238 | 4,491 |
| Accrued interest payable | 40,114 | 35,454 | 75,568 | 1,522 |
| Deferred revenue | 4,029,650 | - | 4,029,650 | 997,368 |
| Noncurrent liabilities: | | | | |
| Due within one year | 2,254,376 | 190,313 | 2,444,689 | 690,777 |
| Due in more than one year | 6,346,318 | 3,938,939 | 10,285,257 | 2,314,444 |
| Total liabilities | <u>15,872,368</u> | <u>4,508,034</u> | <u>20,380,402</u> | <u>4,008,602</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 201,219,442 | 33,495,032 | 234,714,474 | 2,312,416 |
| Restricted for : | | | | |
| Perpetual care | 1,097,035 | - | 1,097,035 | - |
| Debt service | 955,212 | - | 955,212 | - |
| Storm drainage construction | 1,751,490 | - | 1,751,490 | - |
| Water systems | - | 1,787,120 | 1,787,120 | - |
| Unrestricted | <u>35,260,361</u> | <u>3,044,687</u> | <u>38,305,048</u> | <u>262,880</u> |
| Total net assets | <u>\$ 240,283,540</u> | <u>\$ 38,326,839</u> | <u>\$ 278,610,379</u> | <u>\$ 2,575,296</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, 2003

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | |
|---------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 8,276,802 | \$ 1,707,755 | \$ 6,132 | \$ 3,000 |
| Public safety | 19,871,283 | 4,194,882 | 131,970 | 330,000 |
| Public works | 12,780,174 | 668,873 | 3,882 | 14,974,042 |
| Parks and recreation | 5,318,756 | 799,011 | 7,513 | 1,051,892 |
| Urban development and housing | 622,802 | - | 584,003 | - |
| Interest on long-term debt | 234,037 | - | - | - |
| Total governmental activities | 47,103,854 | 7,370,521 | 733,500 | 16,358,934 |
| Business-type Activities: | | | | |
| Water | 4,009,508 | 4,746,675 | - | 142,361 |
| Convention Center | 1,988,176 | 1,315,342 | - | 58,000 |
| Solid Waste Removal | 2,190,000 | 2,234,155 | - | - |
| Swimming Pools | 815,682 | 431,336 | 109,551 | - |
| Golf | 1,919,148 | 1,641,313 | - | - |
| Cemeteries | 339,191 | 173,935 | - | - |
| Parking | 272,728 | 384,785 | - | - |
| Irrigation Systems | 250,073 | 170,378 | - | 1,560 |
| Total business-type activities | 11,784,506 | 11,097,919 | 109,551 | 201,921 |
| Total primary government | \$ 58,888,360 | \$ 18,468,440 | \$ 843,051 | \$ 16,560,855 |
| Component unit: | | | | |
| Downtown Development Authority | \$ 1,213,309 | \$ 5,691 | \$ 188,123 | \$ 125,639 |

| |
|------------------------------------|
| General revenues: |
| Sales & use taxes |
| Property taxes |
| Franchise taxes |
| Highway users tax |
| Other shared taxes |
| Investment earnings |
| Transfers |
| Total general revenues |
| Change in net assets |
| Net assets - beginning |
| Net assets - beginning as restated |
| Net assets - 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 Association |
| \$ (6,559,915) | \$ - | \$ (6,559,915) | \$ - |
| (15,214,431) | - | (15,214,431) | - |
| 2,866,623 | - | 2,866,623 | - |
| (3,460,340) | - | (3,460,340) | - |
| (38,799) | - | (38,799) | - |
| (234,037) | - | (234,037) | - |
| <u>(22,640,899)</u> | <u>-</u> | <u>(22,640,899)</u> | <u>-</u> |
| - | 879,528 | 879,528 | - |
| - | (614,834) | (614,834) | - |
| - | 44,155 | 44,155 | - |
| - | (274,795) | (274,795) | - |
| - | (277,835) | (277,835) | - |
| - | (165,256) | (165,256) | - |
| - | 112,057 | 112,057 | - |
| - | (78,135) | (78,135) | - |
| <u>-</u> | <u>(375,115)</u> | <u>(375,115)</u> | <u>-</u> |
| \$ <u>(22,640,899)</u> | \$ <u>(375,115)</u> | \$ <u>(23,016,014)</u> | \$ <u>-</u> |
| - | - | - | (893,856) |
| 37,422,678 | - | 37,422,678 | - |
| 4,351,646 | - | 4,351,646 | 1,172,239 |
| 1,595,864 | - | 1,595,864 | - |
| 1,436,453 | - | 1,436,453 | - |
| 954,621 | - | 954,621 | - |
| 824,981 | 81,100 | 906,081 | 42,640 |
| (832,468) | 832,468 | - | - |
| <u>45,753,775</u> | <u>913,568</u> | <u>46,667,343</u> | <u>1,214,879</u> |
| 23,112,876 | 538,453 | 23,651,329 | 321,023 |
| 220,972,977 | 37,788,386 | 258,761,363 | 3,255,759 |
| 217,170,664 | 37,788,386 | 254,959,050 | 2,254,273 |
| \$ <u>240,283,540</u> | \$ <u>38,326,839</u> | \$ <u>278,610,379</u> | \$ <u>2,575,296</u> |

City of Grand Junction
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2003

| | General Fund | Visitors and Convention Bureau Special Revenue Fund | Sales Tax Capital Improvements Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|--|--|--------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 9,391,546 | \$ 500,487 | \$ 5,496,129 | \$ 7,233,207 | \$ 22,621,369 |
| Cash with fiscal agent - restricted | - | - | - | 1,090,211 | 1,090,211 |
| Interest receivable | 243,252 | - | - | - | 243,252 |
| Accounts receivable, net of allowances for uncollectibles | 324,956 | 211 | 41,535 | 205,071 | 571,773 |
| Taxes receivable | 6,735,784 | 105,816 | 1,059,450 | 204,713 | 8,105,763 |
| Special assessments receivable | - | - | 89,847 | - | 89,847 |
| Due from other funds | 3,381 | - | - | - | 3,381 |
| Advances to other funds | 639,128 | - | - | - | 639,128 |
| Intergovernmental receivables | 1,212,889 | - | - | 178,757 | 1,391,646 |
| Total assets | <u>\$ 18,550,936</u> | <u>\$ 606,514</u> | <u>\$ 6,686,961</u> | <u>\$ 8,911,959</u> | <u>\$ 34,756,370</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 619,382 | \$ 58,291 | \$ 691,217 | \$ 673,942 | \$ 2,042,832 |
| Accrued liabilities | 777,419 | 15,063 | 31,523 | 1,286 | 825,291 |
| Due to other funds | - | - | - | 3,381 | 3,381 |
| Deferred revenue | 3,741,355 | - | 89,847 | 216,835 | 4,048,037 |
| Compensated absences payable | 172,967 | 3,188 | 2,191 | 111 | 178,457 |
| Total liabilities | <u>5,311,123</u> | <u>76,542</u> | <u>814,778</u> | <u>895,555</u> | <u>7,097,998</u> |
| Fund balances: | | | | | |
| Reserved for: | | | | | |
| Advances | 564,060 | - | - | - | 564,060 |
| Perpetual care | - | - | - | 1,097,035 | 1,097,035 |
| Debt service | - | - | - | 955,212 | 955,212 |
| Storm drainage | - | - | - | 1,751,490 | 1,751,490 |
| Unreserved: | | | | | |
| Designated for subsequent year's expenditures- | | | | | |
| General fund | 2,904,042 | - | - | - | 2,904,042 |
| Special revenue funds | - | 70,182 | - | 1,381,542 | 1,451,724 |
| Capital projects funds | - | - | 4,996,793 | 123,500 | 5,120,293 |
| Undesignated, reported in: | | | | | |
| General fund | 9,771,711 | - | - | - | 9,771,711 |
| Special revenue funds | - | 459,790 | - | 2,177,694 | 2,637,484 |
| Capital projects funds | - | - | 875,390 | 529,931 | 1,405,321 |
| Total fund balances | <u>13,239,813</u> | <u>529,972</u> | <u>5,872,183</u> | <u>8,016,404</u> | <u>27,658,372</u> |
| Total liabilities and fund balances | <u>\$ 18,550,936</u> | <u>\$ 606,514</u> | <u>\$ 6,686,961</u> | <u>\$ 8,911,959</u> | <u>\$ 34,756,370</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 ASSETS**
 December 31, 2003

Amounts reported for governmental activities on the statement of net assets (page 3-3)
 are different because:

| | | |
|--|------------------|-------------------------------|
| Total fund balance - governmental funds (page 3-6) | \$ | 27,658,372 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | 194,445,031 |
| Long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | | 18,387 |
| 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 assets \$26,957,888 and liabilities (\$1,758,705) of the internal service funds are included in governmental activities in the statement of net assets. | | 25,199,183 |
| Long-term liabilities including bonds and notes payable, capital leases, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds. | | |
| Long term liabilities | \$ (8,600,694) | |
| Accrued interest payable | (40,114) | |
| Current portion compensated absences | 178,457 | |
| Internal service funds compensated absences | 236,790 | |
| Internal service funds claims payable | <u>1,188,128</u> | |
| | | (7,037,433) |
| Total net assets - governmental activities | \$ | <u><u>240,283,540</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, 2003

| | General Fund | Visitors and Convention Bureau Special Revenue Fund | Sales Tax Capital Improvements Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|--|--|--------------------------------|--------------------------------|
| REVENUES | | | | | |
| Taxes: | | | | | |
| Property | \$ 4,122,290 | \$ - | \$ - | \$ 229,356 | \$ 4,351,646 |
| Sales and use | 27,555,826 | 1,256,405 | 8,610,447 | - | 37,422,678 |
| Franchise | 1,595,864 | - | - | - | 1,595,864 |
| Severance | 212,211 | - | - | - | 212,211 |
| Other | 2,178,863 | - | - | - | 2,178,863 |
| Licenses and permits | 118,616 | - | - | - | 118,616 |
| Intergovernmental revenues | 137,606 | - | 811,925 | 1,011,911 | 1,961,442 |
| Charges for services | 4,254,056 | 20,901 | 3,733 | 1,209,767 | 5,488,457 |
| Fines and forfeitures | 564,294 | - | - | - | 564,294 |
| Special assessments | - | - | 34,230 | - | 34,230 |
| Investment earnings | 210,827 | 9,055 | 95,938 | 172,448 | 488,268 |
| Other income | 8,796 | 130 | 462,433 | 1,540,762 | 2,012,121 |
| Other contributions | 11,891 | - | - | - | 11,891 |
| Total revenues | <u>40,971,140</u> | <u>1,286,491</u> | <u>10,018,706</u> | <u>4,164,244</u> | <u>56,440,581</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 6,701,511 | 1,207,408 | - | 379,733 | 8,288,652 |
| Public safety | 18,553,410 | - | - | - | 18,553,410 |
| Public works | 7,564,156 | - | - | - | 7,564,156 |
| Parks and recreation | 4,731,828 | - | - | - | 4,731,828 |
| Urban development and housing | - | - | 35,446 | 587,356 | 622,802 |
| Debt service: | | | | | |
| Principal retirement | 347,356 | - | - | 478,925 | 826,281 |
| Interest and fiscal charges | 46,752 | 2,208 | - | 190,158 | 239,118 |
| Capital outlay: | | | | | |
| Capital outlay - construction | - | - | 9,586,369 | 969,142 | 10,555,511 |
| Total expenditures | <u>37,945,013</u> | <u>1,209,616</u> | <u>9,621,815</u> | <u>2,605,314</u> | <u>51,381,758</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,026,127</u> | <u>76,875</u> | <u>396,891</u> | <u>1,558,930</u> | <u>5,058,823</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 96,685 | - | 2,212,000 | 1,478,603 | 3,787,288 |
| Transfers out | (1,716,829) | - | (1,086,983) | (3,118,044) | (5,921,856) |
| Total other financing sources and uses | <u>(1,620,144)</u> | <u>-</u> | <u>1,125,017</u> | <u>(1,639,441)</u> | <u>(2,134,568)</u> |
| Net change in fund balances | 1,405,983 | 76,875 | 1,521,908 | (80,511) | 2,924,255 |
| Fund balances -- beginning | 11,833,830 | 453,097 | 4,350,275 | 8,096,915 | 24,734,117 |
| Fund balances -- ending | <u>\$ 13,239,813</u> | <u>\$ 529,972</u> | <u>\$ 5,872,183</u> | <u>\$ 8,016,404</u> | <u>\$ 27,658,372</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**
 December 31, 2003

Amounts reported for governmental activities in the statement of activities (page 3-5) are different because:

| | | |
|---|----|--------------------------|
| Net change in fund balances - total governmental funds (page 3-8) | \$ | 2,924,255 |
| 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 \$10,594,445 exceeded depreciation (\$5,585,833) in the current period. | | 5,008,612 |
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net assets. | | 13,465,825 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | (26,379) |
| The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, 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 | \$ | 826,281 |
| Payment of accrued interest | | 45,494 |
| Increase in net pension obligation | | (271,547) |
| Increase in compensated absences | | <u>(136,473)</u> |
| | | 463,755 |
| 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. | | |
| Expenses | \$ | 9,558,553 |
| Expenses | | <u>(8,281,745)</u> |
| | | <u>1,276,808</u> |
| Change in net assets of governmental activities (page 3-5) | \$ | <u><u>23,112,876</u></u> |

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, 2003

| | <u>Budgeted Amounts</u> | | <u>Actual GAAP Basis Amounts</u> | <u>Adjustment to Budgetary Basis</u> | <u>Actual on Budgetary Basis</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|---------------------|--|--|--|---|
| | <u>Original</u> | <u>Final</u> | | | | |
| REVENUES | | | | | | |
| Taxes: | | | | | | |
| Property | \$ 4,036,792 | \$ 4,177,064 | \$ 4,122,290 | \$ - | \$ 4,122,290 | \$ (54,774) |
| Sales and use | 27,809,180 | 26,667,796 | 27,555,826 | (204,393) | 27,351,433 | 683,637 |
| Franchise | 1,473,000 | 1,388,000 | 1,595,864 | - | 1,595,864 | 207,864 |
| Severance | 45,000 | 183,578 | 212,211 | - | 212,211 | 28,633 |
| Other | 2,345,000 | 2,192,000 | 2,178,863 | (5,840) | 2,173,023 | (18,977) |
| Licenses and permits | 101,382 | 111,657 | 118,616 | - | 118,616 | 6,959 |
| Intergovernmental revenues | 176,581 | 244,696 | 137,606 | - | 137,606 | (107,090) |
| Charges for services | 4,437,966 | 4,183,671 | 4,254,056 | - | 4,254,056 | 70,385 |
| Fines and forfeitures | 650,900 | 600,874 | 564,294 | - | 564,294 | (36,580) |
| Special assessments | 5,000 | 5,000 | - | - | - | (5,000) |
| Investment earnings | 453,000 | 241,400 | 210,827 | 40,891 | 251,718 | 10,318 |
| Other income | 14,250 | 17,839 | 8,796 | - | 8,796 | (9,043) |
| Other contributions | 29,600 | 40,495 | 11,891 | - | 11,891 | (28,604) |
| Total revenues | <u>41,577,651</u> | <u>40,054,070</u> | <u>40,971,140</u> | <u>(169,342)</u> | <u>40,801,798</u> | <u>747,728</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government: | | | | | | |
| Administration | 4,264,786 | 4,607,346 | 1,575,261 | - | 1,575,261 | 3,032,085 |
| Administrative services | 3,312,656 | 3,315,708 | 3,306,693 | - | 3,306,693 | 9,015 |
| Community development | 1,987,813 | 2,046,516 | 1,819,557 | - | 1,819,557 | 226,959 |
| Total general government | <u>9,565,255</u> | <u>9,969,570</u> | <u>6,701,511</u> | <u>-</u> | <u>6,701,511</u> | <u>3,268,059</u> |
| Public safety: | | | | | | |
| Police protection | 11,509,859 | 11,619,419 | 11,217,653 | - | 11,217,653 | 401,766 |
| Fire protection | 7,941,091 | 7,841,447 | 7,335,757 | - | 7,335,757 | 505,690 |
| Total public safety | <u>19,450,950</u> | <u>19,460,866</u> | <u>18,553,410</u> | <u>-</u> | <u>18,553,410</u> | <u>907,456</u> |
| Public works | 7,808,542 | 7,974,124 | 7,564,156 | - | 7,564,156 | 409,968 |
| Parks and recreation | 4,779,700 | 4,804,664 | 4,731,828 | - | 4,731,828 | 72,836 |
| Total current expenditures | <u>41,604,447</u> | <u>42,209,224</u> | <u>37,550,905</u> | <u>-</u> | <u>37,550,905</u> | <u>4,658,319</u> |
| Debt service: | | | | | | |
| Principal retirement | 347,356 | 347,356 | 347,356 | - | 347,356 | - |
| Interest and fiscal charges | 46,752 | 46,752 | 46,752 | - | 46,752 | - |
| Total debt service | <u>394,108</u> | <u>394,108</u> | <u>394,108</u> | <u>-</u> | <u>394,108</u> | <u>-</u> |
| Total expenditures | <u>41,998,555</u> | <u>42,603,332</u> | <u>37,945,013</u> | <u>-</u> | <u>37,945,013</u> | <u>4,658,319</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(420,904)</u> | <u>(2,549,262)</u> | <u>3,026,127</u> | <u>(169,342)</u> | <u>2,856,785</u> | <u>5,406,047</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 20,000 | 99,682 | 96,685 | - | 96,685 | (2,997) |
| Transfers out | (1,653,515) | (1,698,813) | (1,716,829) | - | (1,716,829) | (18,016) |
| Total other financing sources and uses | <u>(1,633,515)</u> | <u>(1,599,131)</u> | <u>(1,620,144)</u> | <u>-</u> | <u>(1,620,144)</u> | <u>(21,013)</u> |
| Net change in fund balances | (2,054,419) | (4,148,393) | 1,405,983 | (169,342) | 1,236,641 | 5,385,034 |
| Fund balances -- beginning | 11,833,830 | 11,833,830 | 11,833,830 | - | 11,833,830 | - |
| Fund balances -- ending | <u>\$ 9,779,411</u> | <u>\$ 7,685,437</u> | <u>\$ 13,239,813</u> | <u>\$ (169,342)</u> | <u>\$ 13,070,471</u> | <u>\$ 5,385,034</u> |

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

City of Grand Junction
VISITORS AND CONVENTION BUREAU SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the year ended December 31, 2003

| | Budgeted Amounts | | Actual GAAP Basis Amounts | Adjustment to Budgetary Basis | Actual on Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|------------------------------------|--|------------------------------------|---|
| | Original | Final | | | | |
| REVENUES | | | | | | |
| Sales and use taxes | \$ 1,292,128 | \$ 1,230,336 | \$ 1,256,405 | \$ (3,470) | \$ 1,252,935 | \$ 22,599 |
| Charges for services | 11,240 | 20,690 | 20,901 | - | 20,901 | 211 |
| Investment earnings | 16,000 | 8,800 | 9,055 | 1,766 | 10,821 | 2,021 |
| Other income | 500 | 300 | 130 | - | 130 | (170) |
| Total revenues | <u>1,319,868</u> | <u>1,260,126</u> | <u>1,286,491</u> | <u>(1,704)</u> | <u>1,284,787</u> | <u>24,661</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | <u>1,343,334</u> | <u>1,343,334</u> | <u>1,207,408</u> | <u>-</u> | <u>1,207,408</u> | <u>135,926</u> |
| Debt service: | | | | | | |
| Interest and fiscal charges | 2,208 | 2,208 | 2,208 | - | 2,208 | - |
| Repayment of interfund payables/advances | 27,598 | 27,598 | - | 27,598 | 27,598 | - |
| Total debt service | <u>29,806</u> | <u>29,806</u> | <u>2,208</u> | <u>27,598</u> | <u>29,806</u> | <u>-</u> |
| Total expenditures | <u>1,373,140</u> | <u>1,373,140</u> | <u>1,209,616</u> | <u>27,598</u> | <u>1,237,214</u> | <u>135,926</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(53,272)</u> | <u>(113,014)</u> | <u>76,875</u> | <u>(29,302)</u> | <u>47,573</u> | <u>160,587</u> |
| Net change in fund balances | (53,272) | (113,014) | 76,875 | (29,302) | 47,573 | 160,587 |
| Fund balances -- beginning | <u>453,097</u> | <u>453,097</u> | <u>453,097</u> | <u>-</u> | <u>453,097</u> | <u>-</u> |
| Fund balances -- ending | <u>\$ 399,825</u> | <u>\$ 340,083</u> | <u>\$ 529,972</u> | <u>\$ (29,302)</u> | <u>\$ 500,670</u> | <u>\$ 160,587</u> |

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

City of Grand Junction, Colorado
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2003

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities- Internal Service Funds |
|--|---|---|------------------------------|------------------------------|--|
| | Water Fund | Two Rivers Convention Center Fund | Other Enterprise Funds | Total Enterprise Funds | |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 4,140,357 | \$ - | \$ 1,401,475 | \$ 5,541,832 | \$ 18,027,293 |
| Restricted cash held by trustee | 1,787,120 | - | - | 1,787,120 | - |
| Accounts receivable, net of allowance | 299,400 | 154,193 | 261,572 | 715,165 | 7,249 |
| Intergovernmental receivable | 964 | - | 40,049 | 41,013 | 5,977 |
| Inventory | - | - | 65,488 | 65,488 | 101,007 |
| Total current assets | 6,227,841 | 154,193 | 1,768,584 | 8,150,618 | 18,141,526 |
| Noncurrent assets: | | | | | |
| Capital assets: | | | | | |
| Land | 2,494,086 | 153,001 | 1,880,239 | 4,527,326 | - |
| Buildings, improvements, plant and system | 30,099,853 | 7,241,135 | 11,200,941 | 48,541,929 | 347,689 |
| Equipment | 336,735 | 458,032 | 949,036 | 1,743,803 | 19,010,509 |
| Less accumulated depreciation | (10,900,776) | (1,362,423) | (7,226,477) | (19,489,676) | (10,541,836) |
| Total capital assets (net of accumulated depreciation) | 22,029,898 | 6,489,745 | 6,803,739 | 35,323,382 | 8,816,362 |
| Total noncurrent assets | 22,029,898 | 6,489,745 | 6,803,739 | 35,323,382 | 8,816,362 |
| Total assets | 28,257,739 | 6,643,938 | 8,572,323 | 43,474,000 | 26,957,888 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 34,129 | 67,960 | 99,884 | 201,973 | 226,453 |
| Accrued liabilities | 60,614 | 18,230 | 62,510 | 141,354 | 107,334 |
| Accrued interest payable | 35,454 | - | - | 35,454 | - |
| Compensated absences payable | 17,461 | 2,250 | 20,111 | 39,822 | 18,004 |
| Claims payable | - | - | - | - | 1,188,128 |
| Current portion of promissory notes payable | 150,491 | - | - | 150,491 | - |
| Due to other funds | - | 56,837 | 115,609 | 172,446 | - |
| Total current liabilities | 298,149 | 145,277 | 298,114 | 741,540 | 1,539,919 |
| Noncurrent liabilities: | | | | | |
| Compensated absences payable | 212,184 | 27,344 | 244,394 | 483,922 | 218,786 |
| Advances from other funds - general fund | - | - | 466,682 | 466,682 | - |
| Promissory notes payable | 3,455,017 | - | - | 3,455,017 | - |
| Total noncurrent liabilities | 3,667,201 | 27,344 | 711,076 | 4,405,621 | 218,786 |
| Total liabilities | 3,965,350 | 172,621 | 1,009,190 | 5,147,161 | 1,758,705 |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | 20,201,548 | 6,489,745 | 6,803,739 | 33,495,032 | 8,816,362 |
| Restricted for water systems | 1,787,120 | - | - | 1,787,120 | - |
| Unrestricted | 2,303,721 | (18,428) | 759,394 | 3,044,687 | 16,382,821 |
| Total net assets | \$ 24,292,389 | \$ 6,471,317 | \$ 7,563,133 | \$ 38,326,839 | \$ 25,199,183 |

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 ASSETS
PROPRIETARY FUNDS
For the year ended December 31, 2003

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities- Internal Service Funds |
|---|---|---|------------------------------|------------------------------|---|
| | Water Fund | Two Rivers Convention Center Fund | Other Enterprise Funds | Total Enterprise Funds | |
| Operating revenues: | | | | | |
| Charges for sales and services | \$ 4,700,245 | \$ 1,315,342 | \$ 5,005,808 | \$ 11,021,395 | \$ 7,716,062 |
| Other income | - | - | - | - | 68,133 |
| Total operating revenues | 4,700,245 | 1,315,342 | 5,005,808 | 11,021,395 | 7,784,195 |
| Operating expenses: | | | | | |
| Personal services | 1,941,194 | 853,984 | 2,571,997 | 5,367,175 | 3,355,188 |
| Costs of sales and services | 1,315,413 | 940,470 | 2,647,736 | 4,903,619 | 3,077,375 |
| Depreciation and amortization | 683,685 | 193,722 | 514,676 | 1,392,083 | 1,849,182 |
| Total operating expenses | 3,940,292 | 1,988,176 | 5,734,409 | 11,662,877 | 8,281,745 |
| Operating income (loss) | 759,953 | (672,834) | (728,601) | (641,482) | (497,550) |
| Nonoperating revenues (expenses): | | | | | |
| Intergovernmental | - | 58,000 | 108,151 | 166,151 | - |
| Miscellaneous | 46,431 | - | 31,494 | 77,925 | - |
| Investment income | 54,054 | - | 27,046 | 81,100 | 336,713 |
| Gain (loss) on disposition of property and equipment | - | - | - | - | 135,544 |
| Interest expense | (69,217) | - | (52,413) | (121,630) | - |
| Total nonoperating revenues (expenses) | 31,268 | 58,000 | 114,278 | 203,546 | 472,257 |
| Income (loss) before contributions and transfers | 791,221 | (614,834) | (614,323) | (437,936) | (25,293) |
| Capital contributions - tap fees | 142,361 | - | 1,560 | 143,921 | - |
| Transfers in | - | 485,668 | 346,800 | 832,468 | 1,302,101 |
| Change in net assets | 933,582 | (129,166) | (265,963) | 538,453 | 1,276,808 |
| Total net assets - beginning | 23,358,807 | 6,600,483 | 7,829,096 | 37,788,386 | 23,922,375 |
| Total net assets - ending | \$ 24,292,389 | \$ 6,471,317 | \$ 7,563,133 | \$ 38,326,839 | \$ 25,199,183 |

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, 2003

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities- Internal Service Funds |
|---|---|---|------------------------------|------------------------------|--|
| | Water Fund | Two Rivers Convention Center Fund | Other Enterprise Funds | Total Enterprise Funds | |
| Cash flows from operating activities: | | | | | |
| Cash received from customers and users | \$ 4,658,057 | \$ 1,308,840 | \$ 5,010,302 | \$ 10,977,199 | \$ 7,790,027 |
| Cash paid to suppliers | (1,304,447) | (945,109) | (2,626,198) | (4,875,754) | (2,831,915) |
| Cash paid to employees | (1,914,779) | (853,455) | (2,578,327) | (5,346,561) | (3,326,181) |
| Miscellaneous nonoperating receipts | 46,431 | - | 30,094 | 76,525 | - |
| Net cash provided (used) by operating activities | <u>1,485,262</u> | <u>(489,724)</u> | <u>(164,129)</u> | <u>831,409</u> | <u>1,631,931</u> |
| Cash flows from noncapital financing activities: | | | | | |
| Transfers from another fund | - | 485,668 | 346,800 | 832,468 | 1,302,101 |
| Increase in amount due other funds | - | 26,252 | 18,231 | 44,483 | - |
| Intergovernmental receipts | - | 60,787 | 98,607 | 159,394 | - |
| Contributions | - | - | 1,400 | 1,400 | - |
| Net cash provided by noncapital financing activities | <u>-</u> | <u>572,707</u> | <u>465,038</u> | <u>1,037,745</u> | <u>1,302,101</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Capital contributions | 142,362 | - | 1,560 | 143,922 | - |
| Principal payments: | | | | | |
| Promissory notes | (17,941) | - | - | (17,941) | - |
| Proceeds of interfund capital loans | - | - | 76,000 | 76,000 | - |
| Repayment of interfund capital loans | - | - | (145,199) | (145,199) | - |
| Interest paid | (41,769) | - | (52,413) | (94,182) | - |
| Proceeds from disposition of capital assets | - | - | - | - | 56,449 |
| Purchase of capital assets | (2,242,599) | (82,983) | (109,681) | (2,435,263) | (2,021,778) |
| Net cash used in capital and related financing activities | <u>(2,159,947)</u> | <u>(82,983)</u> | <u>(229,733)</u> | <u>(2,472,663)</u> | <u>(1,965,329)</u> |
| Cash flows from investing activities: | | | | | |
| Investment income received | 54,054 | - | 27,046 | 81,100 | 336,713 |
| Net cash provided by investing activities | <u>54,054</u> | <u>-</u> | <u>27,046</u> | <u>81,100</u> | <u>336,713</u> |
| Net increase (decrease) in cash and cash equivalents | (620,631) | - | 98,222 | (522,409) | 1,305,416 |
| Cash and cash equivalents, January 1 | 6,548,108 | - | 1,303,253 | 7,851,361 | 16,721,877 |
| Cash and cash equivalents, December 31 | <u>\$ 5,927,477</u> | <u>\$ -</u> | <u>\$ 1,401,475</u> | <u>\$ 7,328,952</u> | <u>\$ 18,027,293</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | |
| Operating income (loss) | \$ 759,953 | \$ (672,834) | \$ (728,601) | \$ (641,482) | \$ (497,550) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation expense | 683,685 | 193,722 | 514,676 | 1,392,083 | 1,849,182 |
| (Increase) decrease in accounts receivable | (42,188) | (6,502) | 4,495 | (44,195) | 5,832 |
| (Increase) decrease in inventory | - | - | (14,933) | (14,933) | 25,505 |
| (Increase) decrease in prepaid items | - | - | - | - | 32,120 |
| Increase (decrease) in accounts payable | (52,241) | (4,639) | 36,471 | (20,409) | 141,564 |
| Increase (decrease) in claims payable | - | - | - | - | 46,271 |
| Increase (decrease) in accrued liabilities and compensated absences payable | 26,415 | 529 | (6,331) | 20,613 | 29,007 |
| (Increase) decrease in accounts payable due to the purchase of capital assets on account | 63,206 | - | - | 63,206 | - |
| Miscellaneous nonoperating receipts included in operating activities | 46,432 | - | 30,094 | 76,526 | - |
| Total adjustments | <u>725,309</u> | <u>183,110</u> | <u>564,472</u> | <u>1,472,891</u> | <u>2,129,481</u> |
| Net cash provided (used) by operating activities | <u>\$ 1,485,262</u> | <u>\$ (489,724)</u> | <u>\$ (164,129)</u> | <u>\$ 831,409</u> | <u>\$ 1,631,931</u> |
| Noncash Investing, Capital and Financing Activities | | | | | |
| Purchase of capital assets on account | \$ 705 | \$ - | \$ - | \$ 705 | \$ 135,144 |
| Net book value of capital assets traded in | - | - | - | - | 39,056 |

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

City of Grand Junction, Colorado
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2003

| | Pension Trust Funds | Private Purpose Trust Funds | Joint Sewer Investment Trust Fund | Agency Funds |
|---------------------------------------|---------------------------|-----------------------------------|---|-------------------|
| ASSETS | | | | |
| Cash and investments | \$ 13,655,750 | \$ 923,721 | \$ 5,722,699 | \$ 174,203 |
| Cash held by trustee - restricted | - | - | 6,858,798 | - |
| Accounts receivable, net of allowance | - | 6,186 | - | 500 |
| Total assets | <u>13,655,750</u> | <u>929,907</u> | <u>12,581,497</u> | <u>174,703</u> |
| LIABILITIES | | | | |
| Accounts payable | - | 100,000 | - | - |
| Due to other governments | - | - | - | 174,703 |
| Total liabilities | <u>-</u> | <u>100,000</u> | <u>-</u> | <u>\$ 174,703</u> |
| NET ASSETS | | | | |
| Held in trust for: | | | | |
| External investment pool participants | - | - | 12,581,497 | |
| Pension benefits | 13,655,750 | - | | |
| Individuals, organizations and others | - | 829,907 | - | |
| Total net assets | <u>\$ 13,655,750</u> | <u>\$ 829,907</u> | <u>\$ 12,581,497</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 ASSETS
FIDUCIARY FUNDS
For the year ended December 31, 2003

| | Pension Trust Funds | Private Purpose Trust Funds | Joint Sewer Investment Trust Fund |
|---|---------------------------|-----------------------------------|---|
| ADDITIONS | | | |
| Additions by participants | \$ - | \$ 412,764 | \$ 7,781,531 |
| Employer contributions | 437,688 | - | - |
| Plan members contributions | 42,370 | - | - |
| Total contributions | <u>480,058</u> | <u>412,764</u> | <u>7,781,531</u> |
| Investment earnings: | | | |
| Interest | 378,879 | 16,305 | 168,632 |
| Net increase (decrease) in fair value of investments | 2,142,756 | - | - |
| Net investment earnings | <u>2,521,635</u> | <u>16,305</u> | <u>168,632</u> |
| Total additions | <u>3,001,693</u> | <u>429,069</u> | <u>7,950,163</u> |
| DEDUCTIONS | | | |
| Distributions to participants | - | 203,000 | 15,628,671 |
| Health insurance premiums paid | - | 88,616 | - |
| Benefits and refunds | 1,592,549 | - | - |
| Administrative expenses | 52,640 | 1,786 | - |
| Total deductions | <u>1,645,189</u> | <u>293,402</u> | <u>15,628,671</u> |
| Change in net assets | 1,356,504 | 135,667 | (7,678,508) |
| Net assets available - beginning | 12,299,246 | 694,240 | 20,260,005 |
| Net assets available - ending | <u>\$ 13,655,750</u> | <u>\$ 829,907</u> | <u>\$ 12,581,497</u> |

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

City of Grand Junction, Colorado
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

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 maintains a data processing facility, a central stores and printing facility and a communications center. The communications center and central stores and printing 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, although legally separate entities, are in substance part of the City's operations. 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 Grand Junction West Water and Sanitation District was annexed into the City and dissolved as a separate district in 1993. The District continues in existence solely to provide for the payment of the District's outstanding debt with a special levy of property taxes and sanitary sewer fees collected only within the District.

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 5). Although the Corporation is a separate legal entity, for financial reporting purposes

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

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 Assets 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, the effect of the interfund activity has been removed. *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:

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

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. All assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the Statement of Net Assets. The Statement of Activities presents changes in net assets. 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. 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.

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 *Visitors and Convention Bureau Fund* is a special revenue fund that accumulates resources from a lodging tax and other taxes to operate a visitor and convention bureau that promotes conventions and tourism.

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 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.

Additionally the City reports the following fund types:

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

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

The *Internal Service Funds* account for data processing, equipment acquisition, operation & maintenance, central stores and printing, 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, pay for health insurance premiums for retired employees 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 Association of Colorado

The *Investment Trust Fund* accounts for the net assets 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

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 5 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 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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

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 2003 taxes collectible in 2004 and are also shown as deferred 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 deferred 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 revenue 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,

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, alleys, traffic signal systems, and storm drainage), 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.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

Property, plant, and equipment of the primary government, as well as the component units, is 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 |

7. 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 464 to 608 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. PTO is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. In governmental funds, that portion of PTO which is estimated to be liquidated with current spendable resources is accrued in the governmental fund

8. 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.

9. 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 assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

NOTES TO THE FINANCIAL STATEMENTS

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10. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans for future use of financial resources that are subject to change.

11. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. 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 Visitors and Convention Bureau (VCB) Special Revenue Fund and the Sales Tax Capital Improvements Fund. The annual budget for the General Fund is prepared on the modified accrual basis of accounting excluding certain basis differences of tax accruals 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 VCB Special Revenue Fund is prepared on the modified accrual basis of accounting except for certain basis differences of tax accruals and the inclusion of the proceeds and repayments of advances from other funds. The annual budget for the Sales Tax Capital Improvements Fund is prepared on the modified accrual basis of accounting except for certain basis differences of tax accruals and retainages held on construction contracts. Annual appropriation budgets are also adopted for all proprietary and nonexpendable trust 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 Administrative Services Director. 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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

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 through a supplemental appropriation.

Supplemental appropriation ordinances during 2003 resulted in budget amendments as follows:

| Fund | Original Amount | Amended Amount |
|---|-----------------|----------------|
| Primary Government - City of Grand Junction: | | |
| Governmental Activities | | |
| General Fund | \$43,652,070 | \$44,302,145 |
| Special Revenue Funds: | | |
| Enhanced 911 | 1,490,451 | 2,271,545 |
| CDBG Special Revenue | 400,000 | 500,000 |
| Parkland Expansion | 552,153 | 649,253 |
| Woodstove Replacement Incentive | 25,000 | 79,682 |
| Economic Development | 450,000 | 550,000 |
| Capital Projects Funds: | | |
| Sales Tax Capital Improvement | 13,381,819 | 16,649,959 |
| Storm Drainage Improvement | 3,916,041 | 4,482,446 |
| Street Assessment Projects | 390,000 | 950,000 |
| Business-Type Activities | | |
| Enterprise Funds: | | |
| Two Rivers Convention Center | 1,728,648 | 1,810,842 |
| Swimming Pools | 691,842 | 729,976 |
| Lincoln Park Golf Course | 669,245 | 784,864 |
| Tiara Rado Golf Course | 1,241,925 | 1,282,969 |
| City Cemeteries | 369,181 | 376,069 |
| Parking | 636,153 | 638,884 |
| Irrigation | 181,015 | 194,721 |
| Internal Service Funds: | | |
| Equipment | 2,627,168 | 2,932,415 |
| Self Insurance | 1,047,635 | 3,029,475 |
| Communications Center | 3,446,482 | 4,227,576 |
| Component Unit - Downtown Development Authority: | | |
| Special Revenue Funds: | | |
| DDA Operations | \$231,334 | \$252,044 |
| DDA Tax Increment | 595,178 | 2,312,707 |
| Capital Projects Funds: | | |
| DDA/TIF/CIP | 25,000 | 1,535,200 |

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. For the year ended December 31, 2003, expenditures exceeded appropriations in CDBG special

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

revenue fund and the Two Rivers Convention Center enterprise fund by \$104,358 and \$75,156 respectively. These over-expenditures were funded by greater than anticipated revenues in the case of the CDBG fund and through an increase in General fund subsidy in the case of the Two Rivers Convention Center fund.

C. DEFICIT FUND EQUITY

No individual funds of the Primary Government or its Component Unit had a deficit fund equity as of December 31, 2003.

NOTE 3. CASH 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.

Except when required by trust or other agreements, all cash is deposited to or disbursed from bank accounts of the General Fund. Cash in excess of immediate operating requirements is invested in accordance with the City's investment policy. Investments held during the year ended December 31, 2003, had a weighted average yield of 2.42%. The accounting records of each applicable fund in the primary government, the component unit, and the external participant reflect equity in the pooled cash and investments. The fair value of investments is determined monthly. Participants' shares sold and redeemed are determined by the cash receipts deposited in and expenditures/expenses paid out of the pool. Interest earned is apportioned monthly to funds and external participants that are legally required to receive interest based on the percentage of its average daily balance to the total pooled cash and investments. Interest income does not accrue to a fund with a negative equity in pooled cash and investments. Amounts of negative equity in pooled cash and investments are classified as due to other funds for reporting purposes.

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 100% of the aggregate amount of public funds held which exceed the amount insured by federal deposit insurance. Deposits must be made in financial institutions in the State of Colorado.

The composition of all cash and investments held by the City cash pool at December 31, 2003, is as follows:

| | |
|--------------------------|------------|
| Cash on hand | \$ 6,080 |
| Cash in banks | 4,034,134 |
| Certificates of deposit | 400,000 |
| Corporate stock | 36,818 |
| U.S. Agency notes | 29,018,693 |
| Other federal securities | 20,533,452 |
| State investment pools | 3,143,935 |
| Cash held by trustees | 8,645,918 |

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

| | |
|--|---------------------|
| Fire & Police Association of Colorado | 13,655,750 |
| Mutual funds | 202,030 |
| Total cash and investments – cash pool | <u>\$79,676,810</u> |

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 11 for more information on the Joint Sewer System.

Cash and investments at December 31, 2003 appear in the Statement of Net Assets as summarized below:

| | |
|--|---------------------|
| Cash and investments – Net assets | \$46,190,494 |
| Cash and investments – Net assets – component unit | 3,273,814 |
| Cash held by trustee – Net assets | 2,877,331 |
| Cash and investments – Fiduciary net assets-pension trust | 13,655,750 |
| Cash and investments – Fiduciary net assets-private purpose | 923,721 |
| Cash and investments – Fiduciary net assets-investment trust | 5,722,699 |
| Cash held by trustee – investment trust | 6,858,798 |
| Cash and investments – Fiduciary net assets-Agency | 174,203 |
| | <u>\$79,676,810</u> |

At December 31, 2003, the carrying amount of the City's deposits with financial institutions was \$4,434,134 and the bank balance was \$5,147,783. Deposits are categorized to give an indication of risk assumed by the City. Category 1 includes deposits that are insured. Category 2 includes deposits collateralized with securities held by the pledging institution's trust department or agent in the City's name, and Category 3 includes uncollateralized, uninsured deposits. Of the bank balance, \$200,000 was covered by federal depository insurance (risk category 1) and \$4,947,783 was collateralized with securities held by an agent of the pledging financial institution in the City's name (risk category 2). Banks in Colorado collateralize deposits with securities held in single financial institution collateral pools as provided by statute.

The City's investments at December 31, 2003, are categorized in the following presentation to give an indication of the level of risk assumed by the City at year-end.

Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name.

| | Category | | | Fair Value | Cost or Amortized Cost |
|--|------------|------|------|------------|------------------------|
| | 1 | 2 | 3 | | |
| Primary government, including component units and external participants | | | | | |
| Corporate stock | \$ 36,818 | \$ - | \$ - | \$ 36,818 | \$ 4,829 |
| U.S. Agency notes | 29,018,693 | - | - | 29,018,693 | 28,966,611 |

City of Grand Junction, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

| | | | | | |
|---|---------------------|-------------|-------------|---------------------|---------------------|
| Other federal securities | 20,533,452 | - | - | 20,533,452 | 20,590,918 |
| | <u>\$49,588,963</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$49,588,963</u> | <u>\$49,562,358</u> |
| <i>Investments not subject to categorization:</i> | | | | | |
| State investment pools | | | | 3,143,935 | 3,143,935 |
| Mutual funds | | | | 202,030 | 202,030 |
| Trustee holdings – mutual funds | | | | 8,645,918 | 8,645,918 |
| Fire & Police Pension Association of Colorado | | | | 13,655,750 | 13,655,750 |
| | | | | <u>\$75,236,596</u> | <u>\$75,209,991</u> |

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.

Condensed statements of net assets at December 31, 2003, and changes in net assets for the year then ended for the City cash pool are as follows:

City of Grand Junction, Colorado
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

Statement of Net Assets

| | |
|--|----------------------------|
| Investments at fair value | \$75,236,596 |
| Cash | <u>4,440,214</u> |
| Net assets | <u>\$79,676,810</u> |
| Net assets consist of: | |
| Internal participants units outstanding (\$1.00 par) | \$67,095,313 |
| External participant units outstanding (\$1.00 par) | <u>12,581,497</u> |
| Net assets | <u>\$79,676,810</u> |
| Participant net asset value, offering price and redemption price per share | <u>\$1.00</u> |

Statement of Changes in Net Assets

| | |
|---|----------------------------|
| Revenues: | |
| Interest income | \$ 1,720,295 |
| Fair value increases and decrease, net | <u>1,937,382</u> |
| Total revenues | 3,657,677 |
| Expenses: | |
| | <u>-</u> |
| Net increase in net assets resulting from operations | <u>3,657,677</u> |
| Allocated to participants | |
| Share transactions at net asset value of \$1.00 per share: | |
| Purchase of units | 100,190,597 |
| Redemption of units | <u>103,358,147</u> |
| Net decrease in net assets and shares resulting from share transactions | <u>(3,167,550)</u> |
| Total increase in net assets | 490,127 |
| Net assets at January 1, 2003 | <u>79,186,683</u> |
| Net assets at December 31, 2003 | <u>\$79,676,810</u> |

NOTE 4. ACCOUNTS RECEIVABLE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts receivable of the various funds of the City at December 31, 2003, is as follows:

| | |
|------------------------------|----------------|
| General Fund | <u>\$5,349</u> |
| Enterprise Funds: | |
| Water | \$ 160 |
| Solid Waste Removal | 274 |
| Two Rivers Convention Center | <u>259</u> |
| | <u>\$ 693</u> |
| Internal Service Funds: | |
| Communications Center | <u>\$ 817</u> |

City of Grand Junction, Colorado
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003 was as follows:

Primary Government - City of Grand Junction:

| | Beginning Balance | Increase | Decreases | Ending Balance |
|---|----------------------|---------------------|------------------|----------------------|
| Governmental Activities: | | | | |
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$106,364,113 | \$ 6,211,664 | \$ - | \$112,575,777 |
| Construction in progress | - | 859,736 | - | 859,736 |
| Total capital assets, not being depreciated | <u>106,364,113</u> | <u>7,071,398</u> | <u>-</u> | <u>113,435,511</u> |
| <i>Capital assets, being depreciated:</i> | | | | |
| Buildings | 18,751,433 | 432,739 | - | 19,184,172 |
| Improvements other than buildings | 19,132,040 | 2,422,030 | - | 21,554,070 |
| Equipment | 20,299,544 | 2,437,152 | 865,907 | 21,870,789 |
| Infrastructure | 89,543,887 | 13,871,578 | - | 103,415,465 |
| Total capital assets, being depreciated | <u>147,726,904</u> | <u>19,163,499</u> | <u>865,907</u> | <u>166,024,496</u> |
| <i>Less accumulated depreciation for:</i> | | | | |
| Buildings | 4,737,198 | 1,338,186 | - | 6,075,384 |
| Improvements other than buildings | 4,770,826 | 777,992 | - | 5,548,818 |
| Equipment | 11,049,932 | 2,150,139 | 792,153 | 12,407,918 |
| Infrastructure | 48,997,798 | 3,168,697 | - | 52,166,495 |
| Total accumulated depreciation | <u>69,555,754</u> | <u>7,435,014</u> | <u>792,153</u> | <u>76,198,615</u> |
| Total capital assets, being depreciated, net | <u>78,171,150</u> | <u>11,728,485</u> | <u>73,754</u> | <u>89,825,881</u> |
| Governmental activities capital assets, net | <u>\$184,535,263</u> | <u>\$18,799,883</u> | <u>\$ 73,754</u> | <u>\$203,261,392</u> |

Business-type activities

| | | | | |
|---|---------------------|--------------------|------------------|---------------------|
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$4,552,395 | \$ - | \$ 25,070 | \$ 4,527,325 |
| Total capital assets, not being depreciated | <u>4,552,395</u> | <u>-</u> | <u>25,070</u> | <u>4,527,325</u> |
| <i>Capital assets, being depreciated:</i> | | | | |
| Buildings and systems | 42,712,707 | 2,163,287 | - | 44,875,994 |
| Improvements other than buildings | 3,576,254 | 89,683 | - | 3,665,937 |
| Equipment | 1,599,645 | 144,158 | - | 1,743,803 |
| Total capital assets, being depreciated | <u>47,888,606</u> | <u>2,397,128</u> | <u>-</u> | <u>50,285,734</u> |
| <i>Less accumulated depreciation for:</i> | | | | |
| Buildings and systems | 15,678,924 | 1,041,401 | - | 16,720,325 |
| Improvements other than buildings | 1,499,444 | 137,217 | - | 1,636,661 |
| Equipment | 919,802 | 212,885 | - | 1,132,687 |
| Total accumulated depreciation | <u>18,098,170</u> | <u>1,391,503</u> | <u>-</u> | <u>19,489,673</u> |
| Total capital assets, being depreciated, net | <u>29,790,436</u> | <u>1,005,625</u> | <u>-</u> | <u>30,796,061</u> |
| Business-type activities capital assets, net | <u>\$34,342,831</u> | <u>\$1,005,625</u> | <u>\$ 25,070</u> | <u>\$35,323,386</u> |

City of Grand Junction, Colorado
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

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

| Governmental Activities | |
|--|-------------|
| General government | \$ 915,940 |
| Public safety | 280,631 |
| Public works | 3,576,909 |
| Parks and recreation | 812,353 |
| Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets | 1,849,181 |
| Total depreciation expense – governmental activities | \$7,435,014 |
| Business-Type Activities | |
| Water | 683,110 |
| Solid waste | 66,747 |
| Meeting and convention center | 193,722 |
| Golf courses | 126,103 |
| Swimming pools | 173,235 |
| Cemetery operations | 10,387 |
| Parking | 50,301 |
| Irrigation | 87,899 |
| Total depreciation expense – business-type activities | \$1,391,504 |

Discretely Presented Component Unit

Activity for the **Downtown Development Authority** for the year ended December 31, 2003, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|------------|--------------|-------------------|
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$ 497,498 | \$ - | \$ - | \$ 497,498 |
| <i>Capital assets, being depreciated:</i> | | | | |
| Buildings | 2,997,110 | 446,797 | 1,280,540 | 2,163,367 |
| Improvements other than buildings | 108,000 | - | - | 108,000 |
| Equipment | 171,750 | - | - | 171,750 |
| Total capital assets, being depreciated | 3,276,860 | 446,797 | 1,280,540 | 2,443,117 |
| <i>Less accumulated depreciation for:</i> | | | | |
| Buildings | 491,217 | 89,092 | 132,677 | 447,632 |
| Improvements other than buildings | 24,300 | 5,400 | - | 29,700 |
| Equipment | 140,103 | 10,764 | - | 150,867 |
| Total accumulated depreciation | 655,620 | 105,256 | 132,677 | 628,199 |
| Total capital assets, being depreciated, net | 2,621,240 | 341,541 | 1,147,863 | 1,814,918 |
| DDA capital assets, net | \$3,118,738 | \$ 341,541 | \$ 1,147,863 | \$2,312,416 |

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 6. CAPITAL LEASES

The City entered into an open space land lease with The Grand Junction Public Finance Corporation. The Grand Junction Public Finance Corporation was incorporated in May, 1996 as a Colorado non-profit corporation to facilitate the financing of open space land. Pursuant to an annually terminable lease purchase agreement, the Corporation issued \$2,155,000 certificates of participation, dated May 15, 1996. Proceeds from the issue reserved for debt service and principal and interest payments are accounted for in the Grand Junction Public Finance Corporation Debt Service Fund.

The City has agreed to pay base rentals from annually appropriated funds. The City is responsible for maintenance and management of the open space land during the course of the lease. 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. A \$216,155 reserve is held by a trustee, as required by the agreement. Interest rates range from 4.35% to 5.7% payable semiannually on June 1 and December 1.

The City entered into a lease with the option to purchase agreement dated December 31, 2001, with Kansas State Bank of Manhattan for emergency response and fire suppression equipment with a down payment of \$120,118. The lease agreement is in accordance with Colorado law as to being subject to annual appropriation by the City. The annualized interest rate is 3.5%. Payments are due quarterly from April 1, 2002 through December 31, 2006. In accordance with generally accepted accounting principles, the leases are capitalized for financial reporting purposes at the present value of future lease payments.

The assets acquired through capital leases are as follows:

| | |
|-------------------------------|----------------------------|
| | Governmental Activities |
| Asset: | |
| Land, not depreciated | \$ 2,025,329 |
| Equipment | 1,920,496 |
| Less accumulated depreciation | (318,682) |
| Total | <u>\$ 3,627,143</u> |

A schedule, by years, of future minimum lease payments under the lease agreement, together with the present value of the net minimum lease payments as of December 31, 2003, follows:

| Year ending December 31 | Land Lease | Fire Equipment Lease | Total Governmental Activities |
|---|-------------------|-------------------------|-------------------------------------|
| 2004 | 283,118 | 394,108 | 677,226 |
| 2005 | 284,797 | 394,108 | 678,905 |
| 2006 | 285,390 | 394,108 | 679,498 |
| Total minimum lease payments | 853,305 | 1,182,324 | 2,035,629 |
| Less amounts representing interest | (88,305) | (64,586) | (152,891) |
| Present value of minimum lease payments | <u>\$ 765,000</u> | <u>\$ 1,117,738</u> | <u>\$ 1,882,738</u> |

City of Grand Junction, Colorado
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term liability activity of the City for the year ended December 31, 2003:

Primary Government - City of Grand Junction:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--|----------------------|--------------------|--------------------|--------------------|------------------------|
| Governmental Activities: | | | | | |
| General obligation bonds: | | | | | |
| <i>Ridges</i> | \$1,750,000 | \$ - | \$ 115,000 | \$1,635,000 | \$ 125,000 |
| <i>GJWWSD</i> | 646,600 | - | 110,217 | 536,383 | 119,034 |
| Promissory notes: | | | | | |
| <i>Sales Tax Capital Improvement Fund</i> | 182,921 | - | 23,708 | 159,213 | 26,079 |
| Capital leases: | | | | | |
| <i>Certificates of Participation</i> | 995,000 | - | 230,000 | 765,000 | 240,000 |
| <i>Lease Purchase Agreement</i> | 1,465,093 | - | 347,356 | 1,117,737 | 359,674 |
| Net pension obligation: | | | | | |
| <i>Police Defined Benefit Plan</i> | 321,413 | - | 10,251 | 311,162 | - |
| <i>Fire Defined Benefit Plan</i> | 22,513 | 281,798 | - | 304,311 | - |
| Claims payable | 1,141,857 | 540,920 | 494,649 | 1,188,128 | 1,188,128 |
| Compensated absences | 2,447,286 | 2,280,418 | 2,143,945 | 2,583,759 | 196,461 |
| Governmental activity long-term liabilities | <u>\$8,972,683</u> | <u>\$3,103,136</u> | <u>\$3,475,126</u> | <u>\$8,600,693</u> | <u>\$2,254,376</u> |
| Business-Type Activities | | | | | |
| Promissory notes: | | | | | |
| <i>Water Systems</i> | \$123,215 | \$ - | \$ 7,741 | \$ 115,474 | \$ 8,128 |
| Loan payable | | | | | |
| <i>Water Systems</i> | 3,566,522 | - | 10,775 | 3,555,747 | 145,462 |
| Less deferred amounts: | | | | | |
| For loan discount | (66,289) | 576 | - | (65,713) | (3,100) |
| Compensated absences | 516,965 | 139,456 | 132,677 | 523,744 | 39,824 |
| Business-type activity long-term liabilities | <u>\$4,140,413</u> | <u>\$139,456</u> | <u>\$151,769</u> | <u>\$4,129,252</u> | <u>\$190,314</u> |

Component Unit - Downtown Development Authority:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|----------------------|----------------------|--------------------|---------------------|--------------------|------------------------|
| Tax increment bonds | \$ 2,120,000 | \$2,995,000 | \$ 2,120,000 | \$2,995,000 | \$ 690,000 |
| Compensated absences | 5,576 | 14,230 | 9,585 | 10,221 | 777 |
| Total | <u>\$ 2,125,576</u> | <u>\$3,009,230</u> | <u>\$ 2,129,585</u> | <u>\$3,005,221</u> | <u>\$ 690,777</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 \$236,789 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, 2003, are comprised of the following:

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

Primary Government - City of Grand Junction:

GENERAL OBLIGATION BONDS:

\$2,590,000 Ridges Metropolitan District General Obligation Refunding Bonds Series 1992 consisting of \$995,000 serial bonds bearing interest at 3.5% to 5.75% payable April 15 and October 15 annually through October 15, 2003, 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, 2003, 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 \$1,635,000 unpaid principal at December 31, 2003, payable over the following term:

| Year | Principal | Interest | Total |
|------|--------------------|------------------|--------------------|
| 2004 | 125,000 | 99,190 | 224,190 |
| 2005 | 130,000 | 91,690 | 221,690 |
| 2006 | 140,000 | 83,890 | 223,890 |
| 2007 | 150,000 | 75,490 | 225,490 |
| 2008 | 155,000 | 66,490 | 221,490 |
| 2009 | 165,000 | 57,035 | 222,035 |
| 2010 | 175,000 | 46,970 | 221,970 |
| 2011 | 185,000 | 36,295 | 221,295 |
| 2012 | 200,000 | 25,010 | 225,010 |
| 2013 | 210,000 | 12,810 | 222,810 |
| | <u>\$1,635,000</u> | <u>\$594,870</u> | <u>\$2,229,870</u> |

\$1,590,000 Grand Junction West Water and Sanitation District General Obligation Refunding Bonds Series 1987A and 1987B payable September 1 annually through September 1, 2007. The bonds are dated September 1, 1987, and bear interest at 8% to September 1, 1992. From September 1, 1992, the bonds will bear interest at a rate equal to 90% of the then current yield to maturity of U.S. Treasury Bonds maturing November 15, 2007. The bond interest rate will be adjusted in this manner every fifth year on September 1 until maturity. The interest rate was adjusted to 1.6% effective September 1, 2002. The bonds are callable at par at the District's option, at any interest payment date. Series 1987A \$327,227 unpaid principal at December 31, 2003, payable over the following term:

| Year | Principal | Interest | Total |
|------|------------------|-----------------|------------------|
| 2004 | 72,618 | 19,306 | 91,924 |
| 2005 | 78,428 | 15,022 | 93,450 |
| 2006 | 84,702 | 10,395 | 95,097 |
| 2007 | 91,479 | 5,397 | 96,876 |
| | <u>\$327,227</u> | <u>\$50,120</u> | <u>\$377,347</u> |

Series 1987B \$209,156 unpaid principal at December 31, 2003, payable over the following term:

| Year | Principal | Interest | Total |
|------|-----------|----------|--------|
| 2004 | 46,416 | 12,340 | 58,756 |
| 2005 | 50,129 | 9,602 | 59,731 |
| 2006 | 54,139 | 6,644 | 60,783 |
| 2007 | 58,472 | 3,450 | 61,922 |

NOTES TO THE FINANCIAL STATEMENTS

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| | | |
|------------------|-----------------|------------------|
| <u>\$209,156</u> | <u>\$32,036</u> | <u>\$241,192</u> |
|------------------|-----------------|------------------|

PROMISSORY NOTES:

\$351,327, 10% promissory note issued in 1989, payable in annual installments of \$42,000 including interest through 2008, unsecured. There was \$159,213 unpaid principal at December 31, 2003, payable over the following term:

| Year | Principal | Interest | Total |
|------|------------------|-----------------|------------------|
| 2004 | 26,079 | 15,921 | 42,000 |
| 2005 | 28,687 | 13,313 | 42,000 |
| 2006 | 31,555 | 10,445 | 42,000 |
| 2007 | 34,711 | 7,289 | 42,000 |
| 2008 | 38,181 | 3,819 | 42,000 |
| | <u>\$159,213</u> | <u>\$50,787</u> | <u>\$210,000</u> |

\$195,930, 5% promissory note issued in 1989, to the Colorado Water Conservation Board, payable in 25 annual installments of \$13,902 including interest, collateralized by a portion of the water supply flowline. There was \$115,474 unpaid principal at December 31, 2003, payable over the following term:

| Year | Principal | Interest | Total |
|------|------------------|-----------------|------------------|
| 2004 | 8,128 | 5,774 | 13,902 |
| 2005 | 8,535 | 5,367 | 13,902 |
| 2006 | 8,961 | 4,941 | 13,902 |
| 2007 | 9,409 | 4,493 | 13,902 |
| 2008 | 9,880 | 4,022 | 13,902 |
| 2009 | 10,374 | 3,528 | 13,902 |
| 2010 | 10,892 | 3,010 | 13,902 |
| 2011 | 11,437 | 2,465 | 13,902 |
| 2012 | 12,009 | 1,893 | 13,902 |
| 2013 | 12,609 | 1,293 | 13,902 |
| 2014 | 13,240 | 662 | 13,902 |
| | <u>\$115,474</u> | <u>\$37,448</u> | <u>\$152,922</u> |

LOAN 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, 2003 was \$3,555,746 payable over the following term from *Business activities*:

| Year | Principal | Interest | Total |
|------|-----------|----------|---------|
| 2004 | 145,462 | 100,863 | 246,325 |
| 2005 | 150,850 | 126,801 | 277,651 |
| 2006 | 150,850 | 123,753 | 274,603 |
| 2007 | 156,237 | 120,355 | 276,592 |
| 2008 | 156,237 | 116,835 | 273,072 |

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

| | | | |
|-----------|--------------------|--------------------|--------------------|
| 2009-2013 | 861,999 | 520,148 | 1,382,147 |
| 2014-2018 | 996,687 | 389,632 | 1,386,319 |
| 2019-2022 | 937,424 | 167,956 | 1,105,380 |
| | <u>\$3,555,746</u> | <u>\$1,666,343</u> | <u>\$5,222,089</u> |

Component Unit – Downtown Development Authority:

TAX INCREMENT BONDS

During 2003, The Downtown Development Authority issued \$2,995,000 Tax Increment Financing Bonds and defeased, using monies presently on hand, the 1996 Tax Increment Refunding and Improvement Bonds and the 1999 Subordinate Tax Increment Revenue bonds, both due to be called in May, 2004. The 2003 Tax Increment Financing Bonds bear an interest rate of 2.3% and are payable June 22 and December 22 annually through 2007.

There was \$2,995,000 unpaid principal at December 31, 2003, payable over the following term:

| Year | Principal | Interest | Total |
|------|--------------------|------------------|--------------------|
| 2004 | 690,000 | 60,863 | 750,863 |
| 2005 | 730,000 | 52,237 | 782,237 |
| 2006 | 770,000 | 39,463 | 809,463 |
| 2007 | 805,000 | 22,137 | 827,137 |
| | <u>\$2,995,000</u> | <u>\$174,700</u> | <u>\$3,169,700</u> |

The amount of debt outstanding that is considered defeased, but remains a contingent liability of the Downtown Development Authority at December 31, 2003, is as follows:

| | Balance Outstanding at December 31, 2003 |
|--|--|
| Component Unit-Downtown Development Authority: | |
| Tax Increment Refunding and Improvement Bonds, Series 1996 | \$ 620,000 |
| Subordinate Tax Increment Revenue Bonds, Series 1999 | 1,050,000 |
| | <u>\$1,670,000</u> |

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

PRIOR DEFEASANCE OF DEBT

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts assets and the liability for the defeased bonds are not included in the City financial statements.

The amount of debt outstanding that is considered defeased, but remains a contingent liability of the City at December 31, 2003, is as follows:

| | Balance Outstanding at December 31, 2003 |
|--|--|
| Primary Government - City of Grand Junction: | |
| Sewer Refunding Revenue Bonds, Series 1978A | \$ 770,000 |
| General Obligation Water Refunding Bonds, Series 1978B | 1,245,000 |
| General Obligation Water Bonds, Series 1978C | 1,865,000 |
| | <u>\$3,880,000</u> |

City of Grand Junction, Colorado
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

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 from GAAP basis expenses.

| | Budgeted Amounts | | Expenditures Reported on the Basis of GAAP | Adjustment to Budgetary Basis | Expenditures on Budgetary Basis | Variance with Final Budget – Positive (Negative) |
|---------------------------------|------------------|-------------|--|----------------------------------|---------------------------------------|---|
| | Original | Final | | | | |
| Enterprise Funds: | | | | | | |
| Water | \$7,570,358 | \$7,570,358 | \$4,009,509 | \$1,501,400 | \$5,510,909 | \$2,059,449 |
| Solid Waste Removal | 2,232,282 | 2,232,282 | 2,190,000 | (747) | 2,189,253 | 43,029 |
| Two Rivers Convention Center | 1,728,648 | 1,810,842 | 1,988,177 | (110,739) | 1,877,438 | (66,596) |
| Swimming Pools | 691,842 | 729,976 | 815,682 | (153,236) | 662,446 | 67,530 |
| Lincoln Park Golf | 669,245 | 784,864 | 681,593 | 34,358 | 715,951 | 68,913 |
| Tiara Rado Golf | 1,241,925 | 1,262,969 | 1,237,555 | 8,418 | 1,245,973 | 16,996 |
| Cemetery | 369,181 | 376,069 | 339,191 | (10,388) | 328,803 | 47,266 |
| Parking Authority | 636,153 | 638,884 | 272,728 | (50,302) | 222,426 | 416,458 |
| Irrigation | 181,015 | 194,721 | 250,073 | (87,899) | 162,174 | 32,547 |
| Internal Service Funds: | | | | | | |
| Data Processing | 1,767,853 | 1,767,853 | 1,703,968 | (76,047) | 1,627,921 | 139,932 |
| Equipment | 2,627,168 | 2,932,415 | 2,806,822 | (374,453) | 2,432,369 | 500,046 |
| Stores | 231,770 | 231,770 | 219,575 | (2,300) | 217,275 | 14,495 |
| Self-Insurance | 1,047,635 | 3,029,475 | 952,529 | - | 952,529 | 2,076,946 |
| Communications Center | 3,446,482 | 4,227,576 | 2,598,850 | 625,393 | 3,224,243 | 1,003,333 |

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2003, is as follows:

Due to/from other funds:

| | Due from Other Funds | Due to Other Funds |
|---|-------------------------|-----------------------|
| General Fund | \$ 175,827 | \$ - |
| Community Development Special Revenue Fund | - | 3,381 |
| Two River Convention Center Enterprise Fund | - | 56,837 |
| Solid Waste Enterprise Fund | - | 66,000 |
| Swimming Pools Enterprise Fund | - | 18,231 |
| Lincoln Park Golf Course Enterprise Fund | - | 13,482 |
| Tiara Rado Golf Course Enterprise Fund | - | 17,896 |
| Total | \$ 175,827 | \$ 175,827 |

Advances to/from other funds:

| | Advance to Other Funds | Advance from Other Funds |
|--------------|---------------------------|-----------------------------|
| General Fund | \$ 564,060 | \$ - |

City of Grand Junction, Colorado
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

| | | |
|--|------------|------------|
| Solid Waste Removal Enterprise Fund | - | 198,000 |
| Lincoln Park Golf Course Enterprise Fund | - | 76,000 |
| Tiara Rado Golf Course Enterprise Fund | - | 290,060 |
| Total | \$ 564,060 | \$ 564,060 |

Interfund Transfers:

| Transfers out: | Transfers In: | | | | | | Total |
|-----------------------------|---------------|---------------|------------------------------|-----------------------|------------------|----------------------|-------------|
| | General Fund | Sales Tax CIP | Two Rivers Convention Center | Nonmajor Governmental | Internal Service | Nonmajor Proprietary | |
| General Fund | - | \$912,000 | \$460,685 | \$150,000 | \$ - | \$194,144 | \$1,716,829 |
| Sales Tax CIP | - | - | 24,983 | 1,042,000 | - | 20,000 | 1,086,983 |
| Nonmajor governmental funds | 96,685 | 1,300,000 | - | 286,603 | 1,302,101 | 132,656 | 3,118,045 |
| Total transfers out | \$96,685 | \$2,212,000 | \$485,668 | \$1,478,603 | \$1,302,101 | \$346,800 | \$5,921,857 |

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 Wells Fargo Bank, N.A. 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, 2003, was \$30,824,860. Covered wages and contributions in 2003 were as follows:

| <u>General Employee Plan</u> | |
|------------------------------|--------------|
| Covered wages | \$16,933,050 |
| City contribution | 1,030,225 |
| Employee contribution | 1,030,225 |

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 at Wells Fargo Bank, N.A. Vesting is accomplished over a seven-year period. Amounts forfeited by employees who leave employment before becoming fully vested are

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

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 2003 were as follows:

| <u>New Hire – Police & Fire</u> | <u>Police Officers</u> | <u>Fire Fighters</u> |
|-------------------------------------|------------------------|----------------------|
| Covered wages | \$4,460,253 | \$3,963,673 |
| City contribution | 476,570 | 424,140 |
| Employee contribution | 476,570 | 424,140 |

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). 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 2003, there were no police officers participating in the defined benefit plans. Covered wages of fire fighters in 2003 were as follows:

| <u>Old Hire Rank Escalation</u> | <u>Police Officers</u> | <u>Fire Fighters</u> |
|---------------------------------|------------------------|----------------------|
| Covered wages | \$ - | \$108,889 |
| City contribution | - | 7,241 |
| Employee contribution | - | 708 |

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

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 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 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.

NOTES TO THE FINANCIAL STATEMENTS

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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.

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 2003, there were no active policemen covered by the Police Old Hire Plan and 23 retirees and beneficiaries receiving benefits. The City's payroll for firefighters covered by the system was \$108,889 out of a total payroll of \$30,824,860 for the year ended December 31, 2003. There were 2 active firefighters contributing to the Fire Old Hire Plan and 44 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, 2003, were as follows:

| | Police Old Hire Plan | Fire Old Hire Plan | Total |
|------------------------|----------------------|--------------------|------------------|
| City contribution | \$426,799 | \$42,370 | \$469,169 |
| Employee contributions | - | 10,889 | 10,889 |
| State contribution | - | - | - |
| Total | <u>\$426,799</u> | <u>\$53,259</u> | <u>\$480,058</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 2003, the Police and Fire Old Hire Plans were fully funded and the State of Colorado was no longer required to make contributions to the Plans.

The City's annual pension cost 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) | \$426,798 | \$ 42,371 |
| Interest on net pension obligation (NPO) | 45,405 | 284,021 |
| Adjustment to ARC | <u>(55,655)</u> | <u>(2,224)</u> |
| Annual pension cost | 416,548 | 324,168 |
| Contributions made | <u>426,799</u> | <u>42,370</u> |

City of Grand Junction, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

| | | |
|-------------------------------|------------------------------|------------------------------|
| Decrease in NPO | (10,251) | 281,798 |
| NPO – January 1, 2003 | <u>321,413</u> | <u>22,513</u> |
| NPO – December 31, 2003 | <u>\$311,162</u> | <u>\$304,311</u> |
| Actuarial valuation date | 1/1/04 | 1/1/04 |
| Actuarial cost method | Entry age | Entry age |
| Amortization method | Level percent of pay, closed | Level percent of pay, closed |
| Remaining amortization period | 6 years | 6 years |
| Asset valuation method | 3-Year Smoothed | 3-Year Smoothed |
| Actuarial assumptions: | | |
| Investment rate of return | 8.00% | 8.00% |
| Projected salary increases | 4.5 – 13.0% | 4.5 – 13.0% |
| Includes inflation at | 4.00% | 4.00% |
| Cost of living adjustment | 4.00% | 4.00% |

City of Grand Junction, Colorado
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

Three-year trend information is as follows:

| | Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|----------------------|-------------|---------------------------|-------------------------------|------------------------|
| Police Old Hire Plan | 12/31/01 | \$ 693,808 | 103.13% | \$352,866 |
| | 12/31/02 | \$ 684,076 | 104.60% | \$321,413 |
| | 12/31/03 | \$ 416,548 | 102.46% | \$311,162 |
| Fire Old Hire Plan | 12/31/01 | \$ 18,250 | 112.26% | \$255,222 |
| | 12/31/02 | \$ - | N/A | \$ 22,513 |
| | 12/31/03 | \$ 324,168 | 13.07% | \$ 304,311 |

Listed below is the required disclosure for the most recent actuarial valuation and the two preceding valuations:

| Actuarial Valuation Date | Actuarial value of plan assets (a) | Actuarial accrued liability (b) | Unfunded actuarial liability (or funding excess) (c) | Funded ratio (a)/(b) |
|-----------------------------|------------------------------------|---------------------------------|--|----------------------|
| Police Old Hire Plan | | | | |
| 1/1/04 | \$ 2,373,408 | \$ 6870,885 | \$ 4,497,477 | 35% |
| 1/1/02 | 2,503,638 | 6,635,865 | 4,132,227 | 38% |
| 1/1/01 | 2,254,720 | 6,753,323 | 4,498,603 | 33% |
| Fire Old Hire Plan | | | | |
| 1/1/04 | \$11,041,517 | \$14,415,150 | \$ 3,373,633 | 77% |
| 1/1/02 | 14,023,374 | 14,410,033 | 386,659 | 97% |
| 1/1/01 | 14,710,647 | 14,119,961 | (590,686) | 104% |

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 2009. 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. 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,

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

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, 2003, and for the year then ended, are as follows:

| Statement of Net Assets | |
|---|-----------------------------|
| Assets: | |
| Current assets | \$ 13,413,416 |
| Noncurrent assets | 1,117,742 |
| Net property, plant, and equipment | <u>46,815,281</u> |
| Total assets | <u>\$ 61,346,439</u> |
| Liabilities: | |
| Current liabilities | \$ 1,837,594 |
| Long-term debt | <u>12,832,822</u> |
| Total liabilities | <u>14,670,416</u> |
| Net Assets | |
| Invested in capital assets, net of related debt | 40,184,079 |
| Unrestricted | <u>6,491,944</u> |
| Total net assets | <u>\$ 46,676,023</u> |

| Statement of Revenue and Expenses | |
|--|----------------------------|
| Operating revenue | \$ 5,587,890 |
| Operating expenses | <u>5,563,502</u> |
| Operating income | 24,388 |
| Net nonoperating revenue and expenses | <u>(124,536)</u> |
| Net income | <u>\$ (100,148)</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 \$12,581,497 and is reported as an Investment Trust Fund in the City's reporting entity. See Note 2 for disclosure of all investing policies concerning the pool.

Operating expense includes \$1,443,156 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, 2003 was \$12,825,000 payable over the following term from *Business activities*:

City of Grand Junction, Colorado
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

| Year | Principal | Interest | Total |
|-----------|---------------------|--------------------|---------------------|
| 2004 | 670,000 | 398,450 | 1,068,450 |
| 2005 | 685,000 | 488,555 | 1,173,555 |
| 2006 | 705,000 | 467,750 | 1,172,750 |
| 2007 | 730,000 | 446,339 | 1,176,339 |
| 2008 | 755,000 | 422,343 | 1,177,343 |
| 2009-2013 | 4,150,000 | 1,723,673 | 5,873,673 |
| 2014-2018 | 2,045,000 | 1,219,470 | 3,264,470 |
| 2019-2023 | 2,480,000 | 786,273 | 3,266,273 |
| 2024 | 605,000 | 45,354 | 650,354 |
| | <u>\$12,825,000</u> | <u>\$5,998,207</u> | <u>\$18,823,207</u> |

B. 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, 2003, and for the year then ended are as follows:

Balance Sheet

Assets:

| | |
|---------------------|-------------------------|
| Cash | \$345,085 |
| Loans receivable | <u>47,240</u> |
| Total assets | <u>\$392,325</u> |

Liabilities and fund equity:

| | |
|--------------------------|------------------------|
| Liabilities | |
| Accounts payable | <u>\$ 4,547</u> |
| Total liabilities | <u>\$ 4,547</u> |

Fund equity:

| | |
|--|-------------------------|
| Fund balance: | |
| Reserved for interest and loans receivable | 47,240 |
| Unreserved, undesignated | <u>340,538</u> |
| Total fund equity | <u>387,778</u> |
| Total liabilities and fund equity | <u>\$392,325</u> |

Statement of Revenues and Expenditures

| | |
|---|------------------------|
| Interest and other income | \$ 3,218 |
| Expenditures | <u>(3,630)</u> |
| Excess of revenues over expenditures | <u>\$ (412)</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

NOTE 12. CONTINGENCIES

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City 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 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. Settled claims have not exceeded these coverages in any of the past three 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 \$1,188,128 in the Self-Insurance Internal Service Fund at December 31, 2003, 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. Retained earnings of the fund in the amount of \$5,543,854 would be used in the event of a future catastrophic loss. Changes in the Self-Insurance Internal Service Fund's claims liability amount in 2002 and 2003 were:

| | January 1 Claims Payable | Claims and Changes in Estimates | Claim Payments | December 31 Claims Payable |
|------|-----------------------------|------------------------------------|-------------------|-------------------------------|
| 2002 | \$1,049,647 | 665,933 | \$(573,723) | \$1,141,857 |
| 2003 | \$1,141,857 | 540,920 | \$(494,649) | \$1,188,128 |

B. 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.

C. COMMITMENTS

The City pledged during 1996 to support the efforts of a local state college to acquire additional land adjacent to the college. The City has agreed to contribute matching funds of up to \$250,000 annually for the next ten years to the Mesa State College Foundation to purchase property within a limited area. The City's contribution is contingent upon the Foundation raising adequate matching funds and negotiating property purchases within the defined area. The City's total contribution is not to exceed \$2,500,000. Total contributions through December 31, 2003, made from the Economic Development Special Revenue Fund, are as follows:

| Year | Amount |
|------|--------|
|------|--------|

City of Grand Junction, Colorado
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

| | |
|---|---------------------------|
| 1996 through 2002 | \$1,750,000 |
| 2003 | <u>250,000</u> |
| Total expense through December 31, 2003 | <u><u>\$2,000,000</u></u> |

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 13. 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, 2003, there was a series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$3,555,000 and a series of private activity economic development bonds with an 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 14. 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 15. 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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

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. During 2003, City revenue did not exceed the Fiscal Year Spending limit.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The City's emergency reserve is budgeted as part of the contingencies under general government in the general fund.

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 16. SUBSEQUENT EVENT

In November, 2003, the voters of the City of Grand Junction gave approval for the City to issue \$80 million in general revenue debt to fund the Riverside Parkway project. On March 2, 2004, the City issued \$57.075 million of the approved \$80 million to start construction on the project. The interest rate on the bonds range from 2 – 5 percent with maturities ranging from March 1, 2005 to September 1, 2024. Debt service payments are scheduled semiannually at amounts that range from \$500,000 - \$3,030,000.

NOTE 17. ACCOUNTING CHANGES

The beginning fund balance on the Government-Wide Statement of Activities for Governmental Activities has been restated to reflect a change in the treatment of deferred property tax revenue. The amounts have been restated from \$220,972,977 to a revised amount of \$217,170,664. In 2002, the City eliminated property tax revenue related to the prior year and reclassified deferred revenue as revenue. It was determined, however, that property tax recognition in Governmental Funds, generally meet the definition of imposed nonexchange revenues. Consequently, under the accrual basis of accounting, the City has recognized property tax revenues in the period for which the taxes are levied.



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City of Grand Junction, Colorado



Nonmajor 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 to expenditures for specified purposes.

Enhanced 911 Fund - to account for the resources from municipal telephone charges and their expenditure for improvements to the emergency 911 communication center.

Parkland Expansion Fund - to accumulate resources from the state lottery and land developers within the City to acquire and maintain parks and green space.

Golf Course Expansion Fund - to account for resources accumulated from golf course fees for golf course improvements and expansion.

Economic Development Fund - to account for resources accumulated to further economic development efforts in the City of Grand Junction and the Grand Valley area.

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

Wood Stove Replacement Incentive Fund - to account for resources accumulated to assist low-income city residents in purchasing replacement wood stoves that comply with City ordinances.

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 capital improvement bond issue.

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

Storm Drainage Development Fund - to account for storm drainage development 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.

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 West Water and Sanitation District (GJWWSD) Debt Service Fund - to account for those assets received by the City upon the dissolution of the Grand Junction West Water and Sanitation District restricted to the payment of GJWWSD long-term debt, the collection of property taxes and other fees levied within the District for the payment of long-term debt and the payment of GJWWSD 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.

City of Grand Junction
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2003

Special Revenue

| | Enhanced 911 | Parkland Expansion | Golf Course Expansion | Economic Development | Community Development | Wood Stove Replacement | Total |
|--|---------------------|-----------------------|-----------------------------|-------------------------|--------------------------|------------------------------|---------------------|
| ASSETS | | | | | | | |
| Cash and investments | \$ 1,624,744 | \$ 984,450 | \$ 93,737 | \$ 697,394 | \$ - | \$ - | \$ 3,400,325 |
| Taxes receivable | - | - | - | - | - | - | - |
| Accounts receivable | 165,990 | 675 | - | - | - | - | 166,665 |
| Due from other governments | - | - | - | - | 9,833 | - | 9,833 |
| Cash - restricted | - | - | - | - | - | - | - |
| Total assets | <u>\$ 1,790,734</u> | <u>\$ 985,125</u> | <u>\$ 93,737</u> | <u>\$ 697,394</u> | <u>\$ 9,833</u> | <u>\$ -</u> | <u>\$ 3,576,823</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 9,900 | \$ 53 | \$ - | \$ - | \$ 4,253 | \$ - | \$ 14,206 |
| Accrued liabilities | - | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | 3,381 | - | 3,381 |
| Deferred revenue | - | - | - | - | - | - | - |
| Total liabilities | <u>9,900</u> | <u>53</u> | <u>-</u> | <u>-</u> | <u>7,634</u> | <u>-</u> | <u>17,587</u> |
| Fund balances: | | | | | | | |
| Reserved for perpetual care | - | - | - | - | - | - | - |
| Reserved for debt service | - | - | - | - | - | - | - |
| Reserved for storm drainage | - | - | - | - | - | - | - |
| Unreserved: | | | | | | | |
| Designated for subsequent year's expenditures | 503,643 | 574,168 | 72,540 | 231,191 | - | - | 1,381,542 |
| Undesignated | 1,277,191 | 410,904 | 21,197 | 466,203 | 2,199 | - | 2,177,694 |
| Total fund balances | <u>1,780,834</u> | <u>985,072</u> | <u>93,737</u> | <u>697,394</u> | <u>2,199</u> | <u>-</u> | <u>3,559,236</u> |
| Total liabilities and fund balances | <u>\$ 1,790,734</u> | <u>\$ 985,125</u> | <u>\$ 93,737</u> | <u>\$ 697,394</u> | <u>\$ 9,833</u> | <u>\$ -</u> | <u>\$ 3,576,823</u> |

| Debt Service | | | | | Capital Projects | | | Permanent Fund | Total Nonmajor Governmental Funds |
|--------------|-------------------|-------------------|-------------------|---------------------|----------------------------|----------------------------|---------------------|-------------------------|-----------------------------------|
| General | Ridges | GJWWSD | GJ Public Finance | Total | Storm Drainage Development | Street Assessment Projects | Total | Cemetery Perpetual Care | |
| \$ - | \$ 445,315 | \$ 291,581 | \$ 218,316 | \$ 955,212 | \$ 1,644,996 | \$ 1,232,674 | \$ 2,877,670 | \$ - | \$ 7,233,207 |
| - | 126,429 | 78,284 | - | 204,713 | - | - | - | - | 204,713 |
| - | 8,746 | 3,376 | - | 12,122 | - | 19,460 | 19,460 | 6,824 | 205,071 |
| - | - | - | - | - | 168,924 | - | 168,924 | - | 178,757 |
| - | - | - | - | - | - | - | - | 1,090,211 | 1,090,211 |
| <u>\$ -</u> | <u>\$ 580,490</u> | <u>\$ 373,241</u> | <u>\$ 218,316</u> | <u>\$ 1,172,047</u> | <u>\$ 1,813,920</u> | <u>\$ 1,252,134</u> | <u>\$ 3,066,054</u> | <u>\$ 1,097,035</u> | <u>\$ 8,911,959</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 61,033 | \$ 598,703 | 659,736 | \$ - | \$ 673,942 |
| - | - | - | - | - | 1,397 | - | 1,397 | - | 1,397 |
| - | - | - | - | - | - | - | - | - | 3,381 |
| - | 135,175 | 81,660 | - | 216,835 | - | - | - | - | 216,835 |
| - | 135,175 | 81,660 | - | 216,835 | 62,430 | 598,703 | 661,133 | - | 895,555 |
| - | - | - | - | - | - | - | - | 1,097,035 | 1,097,035 |
| - | 445,315 | 291,581 | 218,316 | 955,212 | - | - | - | - | 955,212 |
| - | - | - | - | - | 1,751,490 | - | 1,751,490 | - | 1,751,490 |
| - | - | - | - | - | - | 123,500 | 123,500 | - | 1,505,042 |
| - | - | - | - | - | - | 529,931 | 529,931 | - | 2,707,625 |
| - | 445,315 | 291,581 | 218,316 | 955,212 | 1,751,490 | 653,431 | 2,404,921 | 1,097,035 | 8,016,404 |
| <u>\$ -</u> | <u>\$ 580,490</u> | <u>\$ 373,241</u> | <u>\$ 218,316</u> | <u>\$ 1,172,047</u> | <u>\$ 1,813,920</u> | <u>\$ 1,252,134</u> | <u>\$ 3,066,054</u> | <u>\$ 1,097,035</u> | <u>\$ 8,911,959</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, 2003

Special Revenue

| | Enhanced 911 | Parkland Expansion | Golf Course Expansion | Economic Development | Community Development | Wood Stove Replacemen t | Total |
|--|---------------------|-----------------------|-----------------------------|-------------------------|--------------------------|----------------------------------|---------------------|
| REVENUES | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | 427,908 | - | - | 584,003 | - | 1,011,911 |
| Charges for services | 1,029,484 | - | 156,157 | - | - | - | 1,185,641 |
| Miscellaneous | - | 425,688 | - | - | - | - | 425,688 |
| Investment income | 48,220 | 19,168 | 2,419 | - | - | 872 | 70,679 |
| Total revenues | <u>1,077,704</u> | <u>872,764</u> | <u>158,576</u> | <u>-</u> | <u>584,003</u> | <u>872</u> | <u>2,693,919</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | - | 4,480 | - | 370,100 | - | - | 374,580 |
| Urban development and housing | - | - | - | - | 587,356 | - | 587,356 |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>4,480</u> | <u>-</u> | <u>370,100</u> | <u>587,356</u> | <u>-</u> | <u>961,936</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,077,704</u> | <u>868,284</u> | <u>158,576</u> | <u>(370,100)</u> | <u>(3,353)</u> | <u>872</u> | <u>1,731,983</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | - | - | - | 450,000 | - | - | 450,000 |
| Transfers out | (1,302,101) | (636,603) | (107,000) | - | (17,002) | (79,682) | (2,142,388) |
| Total other financing sources (uses) | <u>(1,302,101)</u> | <u>(636,603)</u> | <u>(107,000)</u> | <u>450,000</u> | <u>(17,002)</u> | <u>(79,682)</u> | <u>(1,692,388)</u> |
| Net change in fund balance | (224,397) | 231,681 | 51,576 | 79,900 | (20,355) | (78,810) | 39,595 |
| Fund balances - beginning | 2,005,231 | 753,391 | 42,161 | 617,494 | 22,554 | 78,810 | 3,519,641 |
| Fund balances - ending | <u>\$ 1,780,834</u> | <u>\$ 985,072</u> | <u>\$ 93,737</u> | <u>\$ 697,394</u> | <u>\$ 2,199</u> | <u>\$ -</u> | <u>\$ 3,559,236</u> |

| Debt Service | | | | | Capital Projects | | | Permanen nt | Total Nonmajor Governmental Funds |
|--------------|------------|------------|----------------------|------------|--------------------------------------|----------------------------------|-----------|-------------------------------|--|
| General | Ridges | GJWWSD | GJ Public Finance | Total | Storm Drainage Developmen t | Street Assessment Projects | Total | Cemetery Perpetual Care | |
| \$ - | \$ 140,246 | \$ 89,110 | \$ - | \$ 229,356 | \$ - | \$ - | \$ - | \$ - | \$ 229,356 |
| - | - | - | - | - | 189,162 | - | 189,162 | - | 1,201,073 |
| - | - | - | - | - | - | - | - | 24,127 | 1,209,768 |
| - | - | 32,144 | - | 32,144 | 154,323 | 739,445 | 893,768 | - | 1,351,600 |
| - | 10,596 | 6,517 | 1,686 | 18,799 | 33,561 | 27,939 | 61,500 | 21,469 | 172,447 |
| - | 150,842 | 127,771 | 1,686 | 280,299 | 377,046 | 767,384 | 1,144,430 | 45,596 | 4,164,244 |
| - | 2,681 | 1,522 | 950 | 5,153 | - | - | - | - | 379,733 |
| - | - | - | - | - | - | - | - | - | 587,356 |
| 23,708 | 115,000 | 110,217 | 230,000 | 478,925 | - | - | - | - | 478,925 |
| 18,292 | 105,803 | 10,410 | 55,653 | 190,158 | - | - | - | - | 190,158 |
| - | - | - | - | - | 969,142 | - | 969,142 | - | 969,142 |
| 42,000 | 223,484 | 122,149 | 286,603 | 674,236 | 969,142 | - | 969,142 | - | 2,605,314 |
| (42,000) | (72,642) | 5,622 | (284,917) | (393,937) | (592,096) | 767,384 | 175,288 | 45,596 | 1,558,930 |
| 42,000 | - | - | 286,603 | 328,603 | 700,000 | - | 700,000 | - | 1,478,603 |
| - | - | - | - | - | - | (950,000) | (950,000) | (25,656) | (3,118,044) |
| 42,000 | - | - | 286,603 | 328,603 | 700,000 | (950,000) | (250,000) | (25,656) | (1,639,441) |
| - | (72,642) | 5,622 | 1,686 | (65,334) | 107,904 | (182,616) | (74,712) | 19,940 | (80,511) |
| - | 517,957 | 285,959 | 216,630 | 1,020,546 | 1,643,586 | 836,047 | 2,479,633 | 1,077,095 | 8,096,915 |
| \$ - | \$ 445,315 | \$ 291,581 | \$ 218,316 | \$ 955,212 | 1,751,490 | \$ 653,431 | 2,404,921 | \$ 1,097,035 | \$ 8,016,404 |

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, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget- Positive (Negative) |
|--------------------------------------|---------------------|--------------------|---------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services | \$ 955,000 | \$ 955,000 | \$ 1,029,484 | \$ 74,484 |
| Investment income | 107,000 | 50,000 | 48,220 | (1,780) |
| Total revenues | <u>1,062,000</u> | <u>1,005,000</u> | <u>1,077,704</u> | <u>72,704</u> |
| EXPENDITURES | | | | |
| | - | - | - | - |
| Excess of revenues over expenditures | <u>1,062,000</u> | <u>1,005,000</u> | <u>1,077,704</u> | <u>72,704</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(1,490,451)</u> | <u>(2,271,545)</u> | <u>(1,302,101)</u> | <u>969,444</u> |
| Net change in fund balance | (428,451) | (1,266,545) | (224,397) | 1,042,148 |
| Fund balances - beginning | 2,005,231 | 2,005,231 | 2,005,231 | - |
| Fund balances - ending | <u>\$ 1,576,780</u> | <u>\$ 738,686</u> | <u>\$ 1,780,834</u> | <u>\$ 1,042,148</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, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget- Positive (Negative) |
|--------------------------------------|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 330,000 | \$ 400,000 | \$ 427,908 | \$ 27,908 |
| Miscellaneous | 110,300 | 318,300 | 425,688 | 107,388 |
| Investment income | 6,500 | 19,500 | 19,168 | (332) |
| Total revenues | <u>446,800</u> | <u>737,800</u> | <u>872,764</u> | <u>134,964</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| Operating expenditures | 15,000 | 12,100 | 4,480 | 7,620 |
| Total expenditures | <u>15,000</u> | <u>12,100</u> | <u>4,480</u> | <u>7,620</u> |
| Excess of revenues over expenditures | 431,800 | 725,700 | 868,284 | 142,584 |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(537,153)</u> | <u>(637,153)</u> | <u>(636,603)</u> | <u>550</u> |
| Net change in fund balance | (105,353) | 88,547 | 231,681 | 143,134 |
| Fund balances - beginning | 753,391 | 753,391 | 753,391 | - |
| Fund balances - ending | <u>\$ 648,038</u> | <u>\$ 841,938</u> | <u>\$ 985,072</u> | <u>\$ 143,134</u> |

City of Grand Junction, Colorado
GOLF COURSE EXPANSION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget- Positive (Negative) |
|--------------------------------------|------------------|------------------|------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services | \$ 162,000 | \$ 162,000 | \$ 156,157 | \$ (5,843) |
| Investment income | 8,000 | 1,600 | 2,419 | 819 |
| Total revenues | <u>170,000</u> | <u>163,600</u> | <u>158,576</u> | <u>(5,024)</u> |
| EXPENDITURES | | | | |
| | - | - | - | - |
| Excess of revenues over expenditures | 170,000 | 163,600 | 158,576 | (5,024) |
| OTHER FINANCING USES | | | | |
| Transfers out | (147,831) | (147,831) | (107,000) | 40,831 |
| Net change in fund balance | 22,169 | 15,769 | 51,576 | 35,807 |
| Fund balances - beginning | 42,161 | 42,161 | 42,161 | - |
| Fund balances - ending | <u>\$ 64,330</u> | <u>\$ 57,930</u> | <u>\$ 93,737</u> | <u>\$ 35,807</u> |

City of Grand Junction, Colorado
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget- Positive (Negative) |
|---|------------------|------------|------------|--|
| | Original | Final | | |
| REVENUES | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| Special projects | 450,000 | 550,000 | 370,100 | 179,900 |
| Deficiency of revenues under expenditures | (450,000) | (550,000) | (370,100) | 179,900 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 450,000 | 450,000 | 450,000 | - |
| Net change in fund balance | - | (100,000) | 79,900 | 179,900 |
| Fund balances - beginning | 617,494 | 617,494 | 617,494 | - |
| Fund balances - ending | \$ 617,494 | \$ 517,494 | \$ 697,394 | \$ 179,900 |

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, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget- Positive (Negative) |
|--------------------------------------|------------------|-------------|------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 400,000 | \$ 446,563 | \$ 584,003 | \$ 137,440 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Urban development and housing | 380,000 | 480,000 | 587,356 | (107,356) |
| Excess of revenues over expenditures | 20,000 | (33,437) | (3,353) | 30,084 |
| OTHER FINANCING SOURCES | | | | |
| Transfers out | (20,000) | (20,000) | (17,002) | 2,998 |
| Net change in fund balance | - | (53,437) | (20,355) | 33,082 |
| Fund balances - beginning | 22,554 | 22,554 | 22,554 | - |
| Fund balances - ending | \$ 22,554 | \$ (30,883) | \$ 2,199 | \$ 33,082 |

City of Grand Junction, Colorado
WOOD STOVE REPLACEMENT INCENTIVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget- Positive (Negative) |
|---|------------------|-----------------|-----------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Investment income | \$ 2,000 | \$ 872 | \$ 872 | \$ - |
| Total revenues | <u>2,000</u> | <u>872</u> | <u>872</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Urban development and housing | <u>25,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Deficiency of revenues under expenditures | (23,000) | 872 | 872 | - |
| OTHER FINANCING SOURCES | | | | |
| Transfers out | <u>-</u> | <u>(79,682)</u> | <u>(79,682)</u> | <u>-</u> |
| Net change in fund balance | (23,000) | (78,810) | (78,810) | - |
| Fund balances - beginning | <u>78,810</u> | <u>78,810</u> | <u>78,810</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 55,810</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</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, 2003

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|---|-------------------|--|
| REVENUES | \$ - | \$ - | \$ - |
| EXPENDITURES | | | |
| Debt service: | | | |
| Principal retirement | 23,708 | 23,708 | - |
| Interest and fiscal charges | 18,292 | 18,292 | - |
| Total expenditures | 42,000 | 42,000 | - |
| Deficiency of revenues under expenditures | (42,000) | (42,000) | - |
| OTHER FINANCING SOURCES | | | |
| Transfers in | 42,000 | 42,000 | - |
| 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, 2003

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 149,000 | \$ 138,000 | \$ 140,246 | \$ 2,246 |
| Miscellaneous | - | - | - | - |
| Investment income | 26,000 | 12,000 | 10,596 | (1,404) |
| Total revenues | <u>175,000</u> | <u>150,000</u> | <u>150,842</u> | <u>842</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 3,300 | 3,500 | 2,681 | 819 |
| Debt service: | | | | |
| Principal retirement | 115,000 | 115,000 | 115,000 | - |
| Interest and fiscal charges | <u>105,803</u> | <u>105,803</u> | <u>105,803</u> | <u>-</u> |
| Total expenditures | <u>224,103</u> | <u>224,303</u> | <u>223,484</u> | <u>819</u> |
| Excess (deficiency) of revenues over (under) expenditures | (49,103) | (74,303) | (72,642) | 1,661 |
| Fund balances - beginning | 517,957 | 517,957 | 517,957 | - |
| Fund balances - ending | <u>\$ 468,854</u> | <u>\$ 443,654</u> | <u>\$ 445,315</u> | <u>\$ 1,661</u> |

City of Grand Junction, Colorado
GRAND JUNCTION WEST WATER AND SANITATION DISTRICT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2003

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 71,000 | \$ 84,000 | \$ 89,110 | \$ 5,110 |
| Miscellaneous | 37,000 | 26,000 | 32,144 | 6,144 |
| Investment income | 15,000 | 7,000 | 6,517 | (483) |
| Total revenues | <u>123,000</u> | <u>117,000</u> | <u>127,771</u> | <u>10,771</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 1,200 | 2,000 | 1,522 | 478 |
| Debt service: | | | | |
| Principal retirement | 110,217 | 110,217 | 110,217 | - |
| Interest and fiscal charges | <u>38,150</u> | <u>38,150</u> | <u>10,410</u> | <u>27,740</u> |
| Total expenditures | <u>149,567</u> | <u>150,367</u> | <u>122,149</u> | <u>28,218</u> |
| Deficiency of revenues under expenditures | (26,567) | (33,367) | 5,622 | 38,989 |
| Fund balances - beginning | 285,959 | 285,959 | 285,959 | - |
| Fund balances - ending | <u>\$ 259,392</u> | <u>\$ 252,592</u> | <u>\$ 291,581</u> | <u>\$ 38,989</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, 2003

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|---|-------------------|--|
| REVENUES | | | |
| Investment income | \$ - | \$ 1,686 | \$ 1,686 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 1,500 | 950 | 550 |
| Debt service: | | | |
| Principal retirement | 230,000 | 230,000 | - |
| Interest and fiscal charges | 55,653 | 55,653 | - |
| Total expenditures | <u>287,153</u> | <u>286,603</u> | <u>550</u> |
| Deficiency of revenues under expenditures | (287,153) | (284,917) | 2,236 |
| OTHER FINANCING SOURCES | | | |
| Transfers in | 288,813 | 286,603 | (2,210) |
| Net change in fund balance | 1,660 | 1,686 | 26 |
| Fund balances - beginning | 216,630 | 216,630 | - |
| Fund balances - ending | <u>\$ 218,290</u> | <u>\$ 218,316</u> | <u>\$ 26</u> |

City of Grand Junction, Colorado
SALES TAX CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the year ended December 31, 2003

| | Budgeted Amounts | | Actual GAAP Basis Amounts | Adjustment to Budgetary Basis | Actual on Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|------------------------------------|--|------------------------------------|---|
| | Original | Final | | | | |
| REVENUES | | | | | | |
| Taxes | \$ 8,702,692 | \$ 8,324,548 | \$ 8,610,447 | \$ (69,373) | \$ 8,541,074 | \$ 216,526 |
| Intergovernmental | 2,405,317 | 2,522,727 | 811,925 | - | 811,925 | (1,710,802) |
| Special assessments | 146,643 | 146,643 | 34,230 | - | 34,230 | (112,413) |
| Investment income | 31,000 | 86,000 | 95,938 | 16,612 | 112,550 | 26,550 |
| Miscellaneous | 9,900 | 200,435 | 466,168 | - | 466,168 | 265,733 |
| Total revenues | <u>11,295,552</u> | <u>11,280,353</u> | <u>10,018,708</u> | <u>(52,761)</u> | <u>9,965,947</u> | <u>(1,314,406)</u> |
| EXPENDITURES | | | | | | |
| Capital outlay: | | | | | | |
| Construction | 9,759,772 | 15,500,959 | 9,621,817 | - | 9,621,817 | 5,879,142 |
| Total expenditures | <u>9,759,772</u> | <u>15,500,959</u> | <u>9,621,817</u> | <u>-</u> | <u>9,621,817</u> | <u>5,879,142</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,535,780</u> | <u>(4,220,606)</u> | <u>396,891</u> | <u>(52,761)</u> | <u>344,130</u> | <u>4,564,736</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 1,477,000 | 2,212,000 | 2,212,000 | - | 2,212,000 | - |
| Transfers out | (3,622,047) | (1,149,000) | (1,086,983) | - | (1,086,983) | 62,017 |
| Total other financing sources (uses) | <u>(2,145,047)</u> | <u>1,063,000</u> | <u>1,125,017</u> | <u>-</u> | <u>1,125,017</u> | <u>62,017</u> |
| Net change in fund balances | (609,267) | (3,157,606) | 1,521,908 | (52,761) | 1,469,147 | 4,626,753 |
| Fund balances -- beginning | 4,350,275 | 4,350,275 | 4,350,275 | - | 4,350,275 | - |
| Fund balances -- ending | <u>\$ 3,741,008</u> | <u>\$ 1,192,669</u> | <u>\$ 5,872,183</u> | <u>\$ (52,761)</u> | <u>\$ 5,819,422</u> | <u>\$ 4,626,753</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, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget- Positive (Negative) |
|---|-------------------|-----------------------|---------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 200,000 | \$ 200,000 | \$ 189,162 | \$ (10,838) |
| Miscellaneous: | | | | |
| Development fees | 50,000 | 150,000 | 154,323 | 4,323 |
| Investment income | 45,000 | 37,000 | 33,561 | (3,439) |
| Total revenues | <u>295,000</u> | <u>387,000</u> | <u>377,046</u> | <u>(9,954)</u> |
| EXPENDITURES | | | | |
| Capital outlay: | | | | |
| Construction | 3,916,041 | 4,482,446 | 969,142 | 3,513,304 |
| Deficiency of revenues under expenditures | (3,621,041) | (4,095,446) | (592,096) | 3,503,350 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 2,780,047 | 700,000 | 700,000 | - |
| Net change in fund balance | (840,994) | (3,395,446) | 107,904 | 3,503,350 |
| Fund balances - beginning | 1,643,586 | 1,643,586 | 1,643,586 | - |
| Fund balances - ending | <u>\$ 802,592</u> | <u>\$ (1,751,860)</u> | <u>\$ 1,751,490</u> | <u>\$ 3,503,350</u> |

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, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget- Positive (Negative) |
|--------------------------------------|------------------|----------------|----------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Miscellaneous: | | | | |
| Development fees | \$ 230,000 | \$ 380,000 | \$ 739,445 | \$ 359,445 |
| Investment income | 31,000 | 31,000 | 27,939 | (3,061) |
| Total revenues | 261,000 | 411,000 | 767,384 | 356,384 |
| EXPENDITURES | | | | |
| | - | - | - | - |
| Excess of revenues over expenditures | 261,000 | 411,000 | 767,384 | 356,384 |
| OTHER FINANCING USES | | | | |
| Transfers out | (390,000) | (950,000) | (950,000) | - |
| Net change in fund balance | (129,000) | (539,000) | (182,616) | 356,384 |
| Fund balances - beginning | 836,047 | 836,047 | 836,047 | - |
| Fund balances - ending | \$ 707,047 | \$ 297,047 | \$ 653,431 | \$ 356,384 |

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, 2003

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|-----------------------------------|---------------------|---------------------|---------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Perpetual care revenue | \$ 34,373 | \$ 19,000 | \$ 24,127 | \$ 5,127 |
| Investment income | 50,000 | 24,000 | 21,468 | (2,532) |
| Total revenues | <u>84,373</u> | <u>43,000</u> | <u>45,595</u> | <u>2,595</u> |
| EXPENDITURES | | | | |
| | - | - | - | - |
| Excess revenues over expenditures | 84,373 | 43,000 | 45,595 | 2,595 |
| OTHER FINANCING USES | | | | |
| Transfers out | (50,000) | (50,000) | (25,656) | 24,344 |
| Net change in fund balance | 34,373 | (7,000) | 19,939 | 26,939 |
| Fund balances - beginning | 1,077,095 | 1,077,095 | 1,077,095 | - |
| Fund balances - ending | <u>\$ 1,111,468</u> | <u>\$ 1,070,095</u> | <u>\$ 1,097,034</u> | <u>\$ 26,939</u> |



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Proprietary Funds

Enterprise

Internal Service



Nonmajor 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 (expenses, 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 revenues and expenses associated with refuse collection within the City.

Swimming Pools Fund - to account for revenues and expenses associated with the use and maintenance of all municipally owned swimming pools.

Lincoln Park Golf Course Fund - to account for the revenues and expenses associated with the operations of the Lincoln Park Golf Course.

Tiara Rado Golf Course Fund - to account for the revenues and expenses associated with the operations of the Tiara Rado Golf Course.

Cemetery Fund - to account for the revenues and expenses associated with the operations of municipally owned cemeteries.

Parking Fund - to account for the revenues and expenses associated with the operation of City owned and leased parking facilities and the enforcement of City parking regulations.

Irrigation Fund - to account for the resources and expenses associated with the operation of the irrigation system located in the Ridges residential area.

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 the 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.

Stores Fund - to account for the expenses of purchasing and maintaining an inventory of frequently used or essential materials and supplies and the related charges for these materials and supplies.

Self-Insurance Fund - to account for the expenses associated with providing workmen's compensation and excess property and liability insurance coverage and the related charges to the various departments of the City.

Communications Center Fund - to account for the expense associated with the operations of the Grand Valley Combined Emergency 911 Communications Center and the related charges for its operation to the various local governments using its services.

City of Grand Junction, Colorado
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
December 31, 2003

| | Business-Type Activities - Enterprise Funds | | | |
|---|---|---------------------|--------------------------------|------------------------------|
| | Solid Waste Removal | Swimming Pools | Lincoln Park Golf Course | Tiara Rado Golf Course |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 735,988 | \$ - | \$ 11,755 | \$ 10,260 |
| Accounts receivable, net of allowance | 231,782 | - | - | - |
| Intergovernmental receivable | - | 39,949 | 100 | - |
| Inventory | - | - | 20,928 | 44,560 |
| Total current assets | 967,770 | 39,949 | 32,783 | 54,820 |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Land | - | - | 19,370 | 871,986 |
| Buildings, improvements, plant and system | 36,299 | 3,945,954 | 889,890 | 2,025,046 |
| Equipment | 649,249 | 93,454 | 51,871 | 115,711 |
| Less accumulated depreciation | (509,841) | (2,531,132) | (651,958) | (1,274,830) |
| Total capital assets (net of accumulated depreciation) | 175,707 | 1,508,276 | 309,173 | 1,737,913 |
| Total noncurrent assets | 175,707 | 1,508,276 | 309,173 | 1,737,913 |
| Total assets | 1,143,477 | 1,548,225 | 341,956 | 1,792,733 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 46,655 | 27,525 | 6,382 | 14,275 |
| Accrued liabilities | 24,368 | 5,226 | 8,697 | 12,628 |
| Compensated absences payable | 8,284 | 464 | 2,575 | 4,586 |
| Due to other funds | 66,000 | 18,231 | 13,482 | 17,896 |
| Total current liabilities | 145,307 | 51,446 | 31,136 | 49,385 |
| Noncurrent liabilities: | | | | |
| Compensated absences payable | 100,665 | 5,644 | 31,294 | 55,730 |
| Advances from other funds - general fund | 132,000 | - | 62,518 | 272,164 |
| Total noncurrent liabilities | 232,665 | 5,644 | 93,812 | 327,894 |
| Total liabilities | 377,972 | 57,090 | 124,948 | 377,279 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 175,707 | 1,508,276 | 309,173 | 1,737,913 |
| Unrestricted | 589,798 | (17,141) | (92,165) | (322,459) |
| Total net assets | \$ 765,505 | \$ 1,491,135 | \$ 217,008 | \$ 1,415,454 |

Business-Type Activities - Enterprise Funds

| Cemetery | Parking | Irrigation | Total |
|------------------|---------------------|---------------------|---------------------|
| \$ 351 | \$ 443,675 | \$ 199,446 | \$ 1,401,475 |
| 7,749 | 5,893 | 16,148 | 261,572 |
| - | - | - | 40,049 |
| - | - | - | 65,488 |
| <u>8,100</u> | <u>449,568</u> | <u>215,594</u> | <u>1,768,584</u> |
| 4,500 | 984,383 | - | 1,880,239 |
| 252,144 | 685,348 | 3,366,260 | 11,200,941 |
| 19,200 | 19,551 | - | 949,036 |
| (238,486) | (274,185) | (1,746,045) | (7,226,477) |
| <u>37,358</u> | <u>1,415,097</u> | <u>1,620,215</u> | <u>6,803,739</u> |
| 37,358 | 1,415,097 | 1,620,215 | 6,803,739 |
| <u>45,458</u> | <u>1,864,665</u> | <u>1,835,809</u> | <u>8,572,323</u> |
| 2,116 | 2,931 | - | 99,884 |
| 5,998 | 3,154 | 2,439 | 62,510 |
| 1,487 | 2,081 | 634 | 20,111 |
| - | - | - | 115,609 |
| <u>9,601</u> | <u>8,166</u> | <u>3,073</u> | <u>298,114</u> |
| 18,069 | 25,287 | 7,705 | 244,394 |
| - | - | - | 466,682 |
| <u>18,069</u> | <u>25,287</u> | <u>7,705</u> | <u>711,076</u> |
| <u>27,670</u> | <u>33,453</u> | <u>10,778</u> | <u>1,009,190</u> |
| 37,358 | 1,415,097 | 1,620,215 | 6,803,739 |
| (19,570) | 416,115 | 204,816 | 759,394 |
| <u>\$ 17,788</u> | <u>\$ 1,831,212</u> | <u>\$ 1,825,031</u> | <u>\$ 7,563,133</u> |

City of Grand Junction, Colorado
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR PROPRIETARY FUNDS
For the year ended December 31, 2003

| | Business-Type Activities - Enterprise Funds | | | |
|---|---|-------------------|--------------------------------|------------------------------|
| | Solid Waste Removal | Swimming Pools | Lincoln Park Golf Course | Tiara Rado Golf Course |
| Operating revenues: | | | | |
| Charges for sales and services | \$ 2,234,154 | \$ 431,336 | \$ 580,901 | \$ 1,030,319 |
| Operating expenses: | | | | |
| Personal services | 760,731 | 401,961 | 375,974 | 610,704 |
| Costs of sales and services | 1,341,403 | 240,485 | 261,014 | 514,059 |
| Depreciation and amortization | 66,747 | 173,236 | 41,945 | 84,159 |
| Total operating expenses | 2,168,881 | 815,682 | 678,933 | 1,208,922 |
| Operating income (loss) | 65,273 | (384,346) | (98,032) | (178,603) |
| Nonoperating revenues (expenses): | | | | |
| Intergovernmental | - | 108,151 | - | - |
| Miscellaneous | - | 1,400 | 4,366 | 25,728 |
| Investment income | 15,075 | - | 229 | 659 |
| Interest expense | (21,120) | - | (2,660) | (28,633) |
| Total nonoperating revenues (expenses) | (6,045) | 109,551 | 1,935 | (2,246) |
| Income (loss) before contributions and transfers | 59,228 | (274,795) | (96,097) | (180,849) |
| Capital contributions - tap fees | - | - | - | - |
| Transfers in | - | 104,418 | 15,000 | 92,000 |
| Change in net assets | 59,228 | (170,377) | (81,097) | (88,849) |
| Total net assets - beginning | 706,277 | 1,661,512 | 298,105 | 1,504,303 |
| Total net assets - ending | \$ 765,505 | \$ 1,491,135 | \$ 217,008 | \$ 1,415,454 |

Business-Type Activities - Enterprise Funds

| <u>Cemetery</u> | <u>Parking</u> | <u>Irrigation</u> | <u>Total</u> |
|-----------------|----------------|-------------------|--------------|
| \$ 173,935 | \$ 384,785 | \$ 170,378 | \$ 5,005,808 |
| 231,940 | 102,367 | 88,320 | 2,571,997 |
| 96,863 | 120,059 | 73,853 | 2,647,736 |
| 10,388 | 50,302 | 87,899 | 514,676 |
| 339,191 | 272,728 | 250,072 | 5,734,409 |
| (165,256) | 112,057 | (79,694) | (728,601) |
| - | - | - | 108,151 |
| - | - | - | 31,494 |
| - | 7,164 | 3,919 | 27,046 |
| - | - | - | (52,413) |
| - | 7,164 | 3,919 | 114,278 |
| (165,256) | 119,221 | (75,775) | (614,323) |
| - | - | 1,560 | 1,560 |
| 135,382 | - | - | 346,800 |
| (29,874) | 119,221 | (74,215) | (265,963) |
| 47,662 | 1,711,991 | 1,899,246 | 7,829,096 |
| \$ 17,788 | \$ 1,831,212 | \$ 1,825,031 | \$ 7,563,133 |

City of Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the year ended December 31, 2003

| | Business-Type Activities - Enterprise Funds | | | |
|---|---|---------------------|--------------------------------|------------------------------|
| | Solid Waste Removal | Swimming Pools | Lincoln Park Golf Course | Tiara Rado Golf Course |
| Cash flows from operating activities: | | | | |
| Cash received from customers and users | \$ 2,241,390 | \$ 431,335 | \$ 580,801 | \$ 1,031,364 |
| Cash paid to suppliers | (1,321,980) | (220,081) | (270,179) | (525,225) |
| Cash paid to employees | (738,499) | (417,772) | (400,977) | (601,455) |
| Miscellaneous nonoperating receipts | - | - | 4,366 | 25,728 |
| Net cash provided (used) by operating activities | <u>180,911</u> | <u>(206,518)</u> | <u>(85,989)</u> | <u>(69,588)</u> |
| Cash flows from noncapital financing activities: | | | | |
| Operating transfers from another fund | - | 104,418 | 15,000 | 92,000 |
| Increase in amount due other funds | - | 18,231 | - | - |
| Intergovernmental receipts | - | 98,607 | - | - |
| Contributions | - | 1,400 | - | - |
| Net cash provided by noncapital financing activities | <u>-</u> | <u>222,656</u> | <u>15,000</u> | <u>92,000</u> |
| Cash flows from capital and related financing activities: | | | | |
| Tap fees | - | - | - | - |
| Proceeds of interfund capital loans | - | - | 76,000 | - |
| Repayment of interfund capital loans | (66,000) | - | - | (79,199) |
| Interest paid | (21,120) | - | (2,660) | (28,633) |
| Purchase of capital assets | - | (19,999) | (76,303) | (13,379) |
| Net cash used in capital and related financing activities | <u>(87,120)</u> | <u>(19,999)</u> | <u>(2,963)</u> | <u>(121,211)</u> |
| Cash flows from investing activities: | | | | |
| Investment income received | 15,075 | - | 229 | 659 |
| Net cash provided by investing activities | <u>15,075</u> | <u>-</u> | <u>229</u> | <u>659</u> |
| Net increase (decrease) in cash and cash equivalents | 108,866 | (3,861) | (73,723) | (98,140) |
| Cash and cash equivalents, January 1 | 627,122 | 3,861 | 85,478 | 108,400 |
| Cash and cash equivalents, December 31 | <u>\$ 735,988</u> | <u>\$ -</u> | <u>\$ 11,755</u> | <u>\$ 10,260</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Operating income (loss) | \$ 65,273 | \$ (384,346) | \$ (98,032) | \$ (178,603) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation expense | 66,747 | 173,236 | 41,944 | 84,159 |
| (Increase) decrease in accounts receivable | 7,236 | - | (100) | 1,045 |
| (Increase) decrease in inventory | - | - | (7,406) | (7,527) |
| Increase (decrease) in accounts payable | 19,423 | 20,403 | (1,758) | (3,638) |
| Increase (decrease) in accrued liabilities and compensated absences payable | 22,232 | (15,811) | (25,003) | 9,248 |
| Miscellaneous nonoperating receipts included in operating activities | - | - | 4,366 | 25,728 |
| Total adjustments | <u>115,638</u> | <u>177,828</u> | <u>12,043</u> | <u>109,015</u> |
| Net cash provided (used) by operating activities | <u>\$ 180,911</u> | <u>\$ (206,518)</u> | <u>\$ (85,989)</u> | <u>\$ (69,588)</u> |

Business-Type Activities - Enterprise Funds

| <u>Cemetery</u> | <u>Parking</u> | <u>Irrigation</u> | <u>Total</u> |
|---------------------|-------------------|-------------------|---------------------|
| \$ 176,792 | \$ 378,892 | \$ 169,728 | \$ 5,010,302 |
| (94,919) | (119,844) | (73,970) | (2,626,198) |
| (232,995) | (100,651) | (85,978) | (2,578,327) |
| - | - | - | 30,094 |
| <u>(151,122)</u> | <u>158,397</u> | <u>9,780</u> | <u>(164,129)</u> |
| 135,382 | - | - | 346,800 |
| - | - | - | 18,231 |
| - | - | - | 98,607 |
| - | - | - | 1,400 |
| <u>135,382</u> | <u>-</u> | <u>-</u> | <u>465,038</u> |
| - | - | 1,560 | 1,560 |
| - | - | - | 76,000 |
| - | - | - | (145,199) |
| - | - | - | (52,413) |
| - | - | - | (109,681) |
| <u>-</u> | <u>-</u> | <u>1,560</u> | <u>(229,733)</u> |
| - | 7,164 | 3,919 | 27,046 |
| <u>-</u> | <u>7,164</u> | <u>3,919</u> | <u>27,046</u> |
| (15,740) | 165,561 | 15,259 | 98,222 |
| 16,091 | 278,114 | 184,187 | 1,303,253 |
| <u>\$ 351</u> | <u>\$ 443,675</u> | <u>\$ 199,446</u> | <u>\$ 1,401,475</u> |
| \$ (165,256) | \$ 112,057 | \$ (79,694) | \$ (728,601) |
| 10,388 | 50,302 | 87,899 | 514,675 |
| 2,857 | (5,893) | (650) | 4,495 |
| - | - | - | (14,933) |
| 1,944 | 215 | (117) | 36,472 |
| (1,055) | 1,716 | 2,342 | (6,331) |
| - | - | - | 30,094 |
| <u>14,134</u> | <u>46,340</u> | <u>89,474</u> | <u>564,472</u> |
| <u>\$ (151,122)</u> | <u>\$ 158,397</u> | <u>\$ 9,780</u> | <u>\$ (164,129)</u> |

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2003

| | Data Processing | Equipment | Stores | Self- Insurance | Communications Center | Total |
|---|---------------------|----------------------|-------------------|---------------------|--------------------------|----------------------|
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Cash and investments | \$ 1,749,227 | \$ 9,099,456 | \$ 171,341 | \$ 6,768,277 | \$ 238,992 | \$ 18,027,293 |
| Accounts receivable, net of allowance | - | 2,044 | 1,507 | 3,698 | - | 7,249 |
| Intergovernmental receivable | - | - | - | - | 5,977 | 5,977 |
| Inventory | - | - | 101,007 | - | - | 101,007 |
| Total current assets | <u>1,749,227</u> | <u>9,101,500</u> | <u>273,855</u> | <u>6,771,975</u> | <u>244,969</u> | <u>18,141,526</u> |
| Noncurrent assets: | | | | | | |
| Capital assets: | | | | | | |
| Buildings and improvements | - | - | - | - | 347,690 | 347,690 |
| Equipment | 739,653 | 15,020,823 | 22,995 | - | 3,227,037 | 19,010,508 |
| Less accumulated depreciation | (635,078) | (8,554,555) | (10,449) | - | (1,341,754) | (10,541,836) |
| Total capital assets (net of accumulated depreciation) | <u>104,575</u> | <u>6,466,268</u> | <u>12,546</u> | <u>-</u> | <u>2,232,973</u> | <u>8,816,362</u> |
| Total assets | <u>1,853,802</u> | <u>15,567,768</u> | <u>286,401</u> | <u>6,771,975</u> | <u>2,477,942</u> | <u>26,957,888</u> |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 3,294 | 114,616 | 4,432 | 12,891 | 91,220 | 226,453 |
| Accrued liabilities | 31,630 | 13,782 | 3,503 | 3,966 | 54,453 | 107,334 |
| Compensated absences payable | 8,748 | 1,814 | 1,191 | 1,759 | 4,492 | 18,004 |
| Estimated claims payable | - | - | - | 1,188,128 | - | 1,188,128 |
| Total current liabilities | <u>43,672</u> | <u>130,212</u> | <u>9,126</u> | <u>1,206,744</u> | <u>150,165</u> | <u>1,539,919</u> |
| Noncurrent liabilities | | | | | | |
| Compensated absences payable | 106,304 | 22,047 | 14,475 | 21,377 | 54,583 | 218,786 |
| Total liabilities | <u>149,976</u> | <u>152,259</u> | <u>23,601</u> | <u>1,228,121</u> | <u>204,748</u> | <u>1,758,705</u> |
| NET ASSETS | | | | | | |
| Invested in capital assets | 104,575 | 6,466,268 | 12,546 | - | 2,232,973 | 8,816,362 |
| Unrestricted | 1,599,251 | 8,949,241 | 250,254 | 5,543,854 | 40,221 | 16,382,821 |
| Total net assets | <u>\$ 1,703,826</u> | <u>\$ 15,415,509</u> | <u>\$ 262,800</u> | <u>\$ 5,543,854</u> | <u>\$ 2,273,194</u> | <u>\$ 25,199,183</u> |

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the year ended December 31, 2003

| | Data Processing | Equipment | Stores | Self- Insurance | Communications Center | Total |
|---|---------------------|----------------------|-------------------|---------------------|--------------------------|----------------------|
| Operating revenues: | | | | | | |
| Charges for sales and services: | \$ 1,932,307 | \$ 2,670,303 | \$ 200,560 | \$ 954,815 | \$ 1,958,077 | \$ 7,716,062 |
| Miscellaneous | - | 58,770 | - | 9,285 | 78 | 68,133 |
| Total operating revenues | <u>1,932,307</u> | <u>2,729,073</u> | <u>200,560</u> | <u>964,100</u> | <u>1,958,155</u> | <u>7,784,195</u> |
| Operating expenses: | | | | | | |
| Personal services | 987,010 | 444,540 | 114,214 | 135,668 | 1,673,756 | 3,355,188 |
| Costs of sales and services | 640,911 | 848,560 | 103,062 | 816,861 | 667,981 | 3,077,375 |
| Depreciation and amortization | 76,047 | 1,513,722 | 2,299 | - | 257,114 | 1,849,182 |
| Total operating expenses | <u>1,703,968</u> | <u>2,806,822</u> | <u>219,575</u> | <u>952,529</u> | <u>2,598,851</u> | <u>8,281,745</u> |
| Operating income (loss) | <u>228,339</u> | <u>(77,749)</u> | <u>(19,015)</u> | <u>11,571</u> | <u>(640,696)</u> | <u>(497,550)</u> |
| Nonoperating revenues (expenses): | | | | | | |
| Investment income | 30,267 | 174,675 | 3,251 | 128,520 | - | 336,713 |
| Gain (loss) on disposition of property and equipment | - | 127,865 | 7,679 | - | - | 135,544 |
| Total nonoperating revenues (expenses) | <u>30,267</u> | <u>302,540</u> | <u>10,930</u> | <u>128,520</u> | <u>-</u> | <u>472,257</u> |
| Income (loss) before operating transfers | 258,606 | 224,791 | (8,085) | 140,091 | (640,696) | (25,293) |
| Transfers in | - | - | - | - | 1,302,101 | 1,302,101 |
| Change in net assets | 258,606 | 224,791 | (8,085) | 140,091 | 661,405 | 1,276,808 |
| Total net assets - beginning | 1,445,220 | 15,190,718 | 270,885 | 5,403,763 | 1,611,789 | 23,922,375 |
| Total net assets - ending | <u>\$ 1,703,826</u> | <u>\$ 15,415,509</u> | <u>\$ 262,800</u> | <u>\$ 5,543,854</u> | <u>\$ 2,273,194</u> | <u>\$ 25,199,183</u> |

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2003

| | Data Processing | Equipment | Stores | Self Insurance | Communications Center | Total |
|---|---------------------|---------------------|-------------------|---------------------|--------------------------|----------------------|
| Cash flows from operating activities: | | | | | | |
| Cash received from customers and users | \$ 1,932,307 | \$ 2,734,533 | \$ 204,651 | \$ 960,402 | \$ 1,958,134 | \$ 7,790,027 |
| Cash paid to suppliers | (639,030) | (762,065) | (80,716) | (753,210) | (596,894) | (2,831,915) |
| Cash paid to employees | (976,091) | (440,090) | (112,646) | (134,076) | (1,663,278) | (3,326,181) |
| Net cash provided (used) by operating activities | <u>317,186</u> | <u>1,532,378</u> | <u>11,289</u> | <u>73,116</u> | <u>(302,038)</u> | <u>1,631,931</u> |
| Cash flows from noncapital financing activities: | | | | | | |
| Transfers from another fund | - | - | - | - | 1,302,101 | 1,302,101 |
| Net cash provided by noncapital financing activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,302,101</u> | <u>1,302,101</u> |
| Cash flows from capital and related financing activities: | | | | | | |
| Proceeds from disposition of capital assets | - | 48,770 | 7,679 | - | - | 56,449 |
| Purchase of capital assets | - | (1,139,270) | - | - | (882,508) | (2,021,778) |
| Net cash used in capital and related financing activities | <u>-</u> | <u>(1,090,500)</u> | <u>7,679</u> | <u>-</u> | <u>(882,508)</u> | <u>(1,965,329)</u> |
| Cash flows from investing activities: | | | | | | |
| Investment income received | 30,267 | 174,675 | 3,251 | 128,520 | - | 336,713 |
| Net cash provided by investing activities | <u>30,267</u> | <u>174,675</u> | <u>3,251</u> | <u>128,520</u> | <u>-</u> | <u>336,713</u> |
| Net increase in cash and cash equivalents | 347,453 | 616,553 | 22,219 | 201,636 | 117,555 | 1,305,416 |
| Cash and cash equivalents, January 1 | 1,401,774 | 8,482,903 | 149,122 | 6,566,641 | 121,437 | 16,721,877 |
| Cash and cash equivalents, December 31 | <u>\$ 1,749,227</u> | <u>\$ 9,099,456</u> | <u>\$ 171,341</u> | <u>\$ 6,768,277</u> | <u>\$ 238,992</u> | <u>\$ 18,027,293</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | | | | | |
| Operating income (loss) | \$ 228,339 | \$ (77,749) | \$ (19,015) | \$ 11,571 | \$ (640,696) | \$ (497,550) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | |
| Depreciation expense | 76,047 | 1,513,722 | 2,299 | - | 257,114 | 1,849,182 |
| (Increase) decrease in accounts receivable | - | 5,460 | 4,091 | (3,698) | (21) | 5,832 |
| Decrease in inventory | - | - | 25,505 | - | - | 25,505 |
| (Increase) decrease in prepaid items | - | 26,317 | - | 5,803 | - | 32,120 |
| Increase (decrease) in accounts payable | 1,881 | 60,178 | (3,159) | 11,577 | 71,087 | 141,564 |
| Increase (decrease) in estimated claims payable | - | - | - | 46,271 | - | 46,271 |
| Increase (decrease) in accrued wages and compensated absences payable | 10,919 | 4,450 | 1,568 | 1,592 | 10,478 | 29,007 |
| Total adjustments | <u>88,847</u> | <u>1,610,127</u> | <u>30,304</u> | <u>61,545</u> | <u>338,658</u> | <u>2,129,481</u> |
| Net cash provided (used) by operating activities | <u>\$ 317,186</u> | <u>\$ 1,532,378</u> | <u>\$ 11,289</u> | <u>\$ 73,116</u> | <u>\$ (302,038)</u> | <u>\$ 1,631,931</u> |
| Noncash Investing, Capital and Financing Activities | | | | | | |
| Net book value of capital assets traded in on capital assets acquired | \$ - | \$ 73,754 | \$ - | \$ - | \$ - | \$ 73,754 |

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 Statement section of this report.

Private Purpose Trust Funds:

Mesa County Valley School District 51 SLD Fee Fund - to account for revenues and expenditures associated with school land dedication fees.

General Trust 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.

Employee Retirement Health Benefit Fund - to account for revenues and expenditures associated with health insurance premiums for retired employees.

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 police 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 collecting assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if applicable.

City of Grand Junction, Colorado
COMBINING STATEMENTS OF NET ASSETS
PENSION TRUST FUNDS
December 31, 2003

| | <u>Police Old Hire</u> | <u>Fire Old Hire</u> | <u>Total</u> |
|--------------------------------------|----------------------------|--------------------------|---------------|
| ASSETS | | | |
| Cash and investments | \$ 2,427,043 | \$ 11,228,707 | \$ 13,655,750 |
| LIABILITIES | | | |
| | - | - | - |
| NET ASSETS HELD IN TRUST FOR: | | | |
| Pension benefits | \$ 2,427,043 | \$ 11,228,707 | \$ 13,655,750 |

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
For the year ended December 31, 2003

| | Police Old Hire | Fire Old Hire | Total |
|--|---------------------|----------------------|----------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| City | \$ 426,799 | \$ 10,889 | \$ 437,688 |
| Plan member | - | 42,370 | 42,370 |
| Total contributions | <u>426,799</u> | <u>53,259</u> | <u>480,058</u> |
| Investment income: | | | |
| Net appreciation (depreciation) in fair value of investments | 374,263 | 1,768,493 | 2,142,756 |
| Interest | 66,016 | 312,863 | 378,879 |
| Net investment income | <u>440,279</u> | <u>2,081,356</u> | <u>2,521,635</u> |
| Total additions | <u>867,078</u> | <u>2,134,615</u> | <u>3,001,693</u> |
| DEDUCTIONS | | | |
| Benefits | 594,346 | 998,203 | 1,592,549 |
| Administrative expense | 9,171 | 43,469 | 52,640 |
| Total deductions | <u>603,517</u> | <u>1,041,672</u> | <u>1,645,189</u> |
| Change in net assets | 263,561 | 1,092,943 | 1,356,504 |
| Net assets - beginning | <u>2,163,482</u> | <u>10,135,764</u> | <u>12,299,246</u> |
| Net assets - ending | <u>\$ 2,427,043</u> | <u>\$ 11,228,707</u> | <u>\$ 13,655,750</u> |

City of Grand Junction, Colorado
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
December 31, 2003

| | Private Purpose Trust Funds | | | | Total |
|---------------------------------------|--|------------------|---|--|----------------|
| | Mesa County Valley School District 51 SLD Fee | General Trust | Employee Retirement Health Benefit | | |
| ASSETS | | | | | |
| Cash and investments | \$ 143,808 | \$ 145,719 | \$ 634,194 | | \$ 923,721 |
| Accounts receivable, net of allowance | 2,336 | - | 3,850 | | 6,186 |
| Total assets | <u>146,144</u> | <u>145,719</u> | <u>638,044</u> | | <u>929,907</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ - | \$ 100,000 | \$ - | | \$ 100,000 |
| Total liabilities | <u>-</u> | <u>100,000</u> | <u>-</u> | | <u>100,000</u> |
| NET ASSETS HELD IN TRUST FOR | | | | | |
| Individuals, organizations and others | \$ 146,144 | \$ 45,719 | \$ 638,044 | | \$ 829,907 |

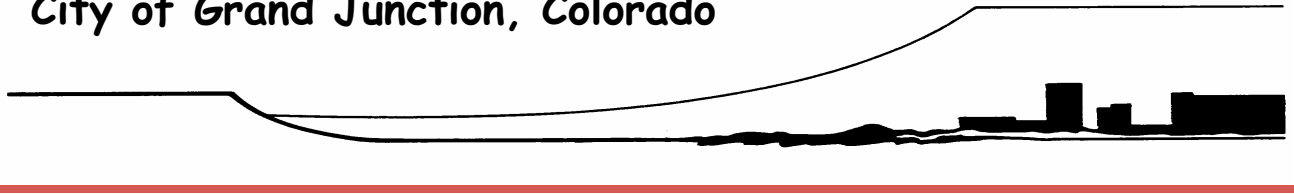
City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
For the year ended December 31, 2003

| | Mesa County Valley School District 51 SLD Fee | General Trust | Employee Retirement Health Benefit | Total |
|--------------------------------|--|------------------|---|-------------------|
| ADDITIONS | | | | |
| Additions by participants | \$ 236,991 | \$ - | \$ 175,773 | \$ 412,764 |
| Investment income | 1,950 | 2,721 | 11,634 | 16,305 |
| Total additions | 238,941 | 2,721 | 187,407 | 429,069 |
| DEDUCTIONS | | | | |
| Distributions to participants | 203,000 | - | - | 203,000 |
| Health insurance premiums paid | - | - | 88,616 | 88,616 |
| Administrative expense | 1,786 | - | - | 1,786 |
| Total deductions | 204,786 | - | 88,616 | 293,402 |
| Change in net assets | 34,155 | 2,721 | 98,791 | 135,667 |
| Net assets - beginning | 111,989 | 42,998 | 539,253 | 694,240 |
| Net assets - ending | \$ 146,144 | \$ 45,719 | \$ 638,044 | \$ 829,907 |

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the year ended December 31, 2003

| | Balance Beginning | Additions | Deletions | Balance Ending |
|--|----------------------|----------------------|----------------------|-------------------|
| <u>PARK IMPROVEMENT ADVISORY BOARD</u> | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 6,405 | \$ 116,882 | \$ 29,205 | \$ 94,082 |
| Accounts receivable, net of allowance | 12,205 | 94,550 | 106,255 | 500 |
| Total assets | <u>\$ 18,610</u> | <u>\$ 211,432</u> | <u>\$ 135,460</u> | <u>\$ 94,582</u> |
| LIABILITIES | | | | |
| Due to other governments | <u>\$ 18,610</u> | <u>\$ 182,569</u> | <u>\$ 106,597</u> | <u>\$ 94,582</u> |
| <u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u> | | | | |
| ASSETS | | | | |
| Cash and investments | \$ - | \$ 11,687,347 | \$ 11,654,319 | \$ 33,028 |
| LIABILITIES | | | | |
| Due to other governments | <u>\$ -</u> | <u>\$ 7,508,727</u> | <u>\$ 7,475,699</u> | <u>\$ 33,028</u> |
| <u>SEWER AND WATER DISTRICTS CLEARING</u> | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 60,801 | \$ 684,586 | \$ 698,294 | \$ 47,093 |
| LIABILITIES | | | | |
| Due to other governments | <u>\$ 60,801</u> | <u>\$ 684,586</u> | <u>\$ 698,294</u> | <u>\$ 47,093</u> |
| <u>TOTAL - ALL AGENCY FUNDS</u> | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 67,206 | \$ 12,488,815 | \$ 12,381,818 | \$ 174,203 |
| Accounts receivable, net of allowance | 12,205 | 94,550 | 106,255 | 500 |
| Total assets | <u>\$ 79,411</u> | <u>\$ 12,583,365</u> | <u>\$ 12,488,073</u> | <u>\$ 174,703</u> |
| LIABILITIES | | | | |
| Due to other governments | 79,411 | 8,375,882 | 8,280,590 | 174,703 |
| Total liabilities | <u>\$ 79,411</u> | <u>\$ 8,375,882</u> | <u>\$ 8,280,590</u> | <u>\$ 174,703</u> |

City of Grand Junction, Colorado



Capital Assets Used in the Operation of Governmental Funds

City of Grand Junction
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE¹
December 31, 2003 and 2002

| | <u>2003</u> | <u>2002</u> |
|---|-----------------------|-----------------------|
| Governmental funds capital assets: | | |
| Land | \$ 112,575,777 | \$ 106,364,113 |
| Buildings | 19,093,163 | 18,660,424 |
| Improvements other than buildings | 21,297,389 | 18,875,359 |
| Equipment | 2,860,280 | 2,597,756 |
| Infrastructure | 103,415,464 | 89,543,887 |
| Construction in progress | 859,736 | - |
| Total governmental funds capital assets | <u>\$ 260,101,809</u> | <u>\$ 236,041,539</u> |
| Investments in governmental funds capital assets by source: | | |
| General fund | \$ 161,914,265 | \$ 161,643,323 |
| Special revenue fund | 820,121 | 820,121 |
| Capital projects funds | 97,367,423 | 73,578,095 |
| Total governmental funds capital assets | <u>\$ 260,101,809</u> | <u>\$ 236,041,539</u> |

¹ This schedule presents only the capital asset balances related to governmental fund financing; the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Grand Junction
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY¹
December 31, 2003

| Function and Activity | Land | Buildings | Improvements Other Than Buildings | Equipment | Infrastructure | Construction in Progress | Total |
|--|-----------------------|----------------------|---|---------------------|-----------------------|-----------------------------|-----------------------|
| General government: | | | | | | | |
| City council/manager | \$ 53,902 | \$ 2,249,641 | \$ 35,899 | \$ 96,640 | \$ - | \$ - | \$ 2,436,082 |
| City clerk | 8,984 | 374,940 | 1,048 | 5,824 | - | - | 390,796 |
| Community development | 17,968 | 927,955 | 2,096 | 71,213 | - | - | 1,019,232 |
| Finance/accounting | 44,919 | 3,017,192 | 5,241 | 47,104 | - | - | 3,114,456 |
| Human resources | 26,951 | 1,135,987 | 3,145 | - | - | - | 1,166,083 |
| Visitor and convention bureau | 231,645 | 487,027 | 34,459 | 66,990 | - | - | 820,121 |
| Total general government | <u>384,369</u> | <u>8,192,742</u> | <u>81,888</u> | <u>287,771</u> | <u>-</u> | <u>-</u> | <u>8,946,770</u> |
| Public safety: | | | | | | | |
| Fire | 388,206 | 2,442,553 | 126,915 | 361,186 | - | 449,493 | 3,768,353 |
| Police | 276,675 | 2,224,178 | 131,669 | 1,189,917 | - | - | 3,822,439 |
| Total public safety | <u>664,881</u> | <u>4,666,731</u> | <u>258,584</u> | <u>1,551,103</u> | <u>-</u> | <u>449,493</u> | <u>7,590,792</u> |
| Public works | <u>102,986,367</u> | <u>2,784,903</u> | <u>1,906,746</u> | <u>710,619</u> | <u>103,415,464</u> | <u>410,243</u> | <u>212,214,342</u> |
| Parks & recreation | 8,540,160 | 3,448,787 | 19,050,171 | 310,787 | - | - | 31,349,905 |
| Total governmental funds capital assets | <u>\$ 112,575,777</u> | <u>\$ 19,093,163</u> | <u>\$ 21,297,389</u> | <u>\$ 2,860,280</u> | <u>\$ 103,415,464</u> | <u>\$ 859,736</u> | <u>\$ 260,101,809</u> |

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Grand Junction
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY¹
For the fiscal year ended December 31, 2003

| Function and Activity | Governmental Funds Capital Assets January 1, 2003 | Additions | Deductions | Governmental Funds Capital Assets December 31, 2003 |
|--|--|----------------------|-------------|--|
| General government: | | | | |
| City council/manager | \$ 2,422,375 | \$ 13,707 | \$ - | \$ 2,436,082 |
| City clerk | 390,796 | - | - | 390,796 |
| Community development | 1,019,232 | - | - | 1,019,232 |
| Finance/accounting | 3,085,944 | 28,512 | - | 3,114,456 |
| Human resources | 1,166,083 | - | - | 1,166,083 |
| Visitor and convention bureau | 820,121 | - | - | 820,121 |
| Total general government | 8,904,551 | 42,219 | - | 8,946,770 |
| Public safety: | | | | |
| Fire | 2,941,847 | 826,507 | - | 3,768,354 |
| Police | 3,600,366 | 222,094 | - | 3,822,460 |
| Total public safety | 6,542,213 | 1,048,601 | - | 7,590,814 |
| Public works | 191,214,516 | 20,999,803 | - | 212,214,319 |
| Parks & recreation | 29,380,259 | 1,969,647 | - | 31,349,906 |
| Total governmental funds capital assets | \$ 236,041,539 | \$ 24,060,270 | \$ - | \$ 260,101,809 |

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Grand Junction, Colorado



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 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 to expenditures for specified purposes.

DDA Operations Special Revenue Fund - to account for the 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 or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

DDA TIF Capital Improvements Fund - to account for capital improvement 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, 2003

| | DDA Tax Increment | DDA Operations Special Revenue Fund | DDA Debt Service Fund | TIF Capital Improvements Capital Projects Fund | Total Governmental Funds |
|--|----------------------|--|-----------------------------|---|--------------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 220,297 | \$ 55,236 | \$ - | \$ 2,998,281 | \$ 3,273,814 |
| Property taxes receivable | 869,031 | 128,337 | - | - | 997,368 |
| Accounts receivable | - | 300 | - | - | 300 |
| Total assets | <u>1,089,328</u> | <u>183,873</u> | <u>-</u> | <u>2,998,281</u> | <u>4,271,482</u> |
| LIABILITIES | | | | | |
| Accounts payable | - | 211 | - | 345 | 556 |
| Accrued liabilities | - | 3,935 | - | - | 3,935 |
| Deferred revenue | 869,031 | 128,337 | - | - | 997,368 |
| Compensated absences payable | - | 777 | - | - | 777 |
| Total liabilities | <u>869,031</u> | <u>133,260</u> | <u>-</u> | <u>345</u> | <u>1,002,636</u> |
| FUND BALANCES | | | | | |
| Unreserved: | | | | | |
| Designated for subsequent year's expenditures | 20,500 | - | - | 1,726,000 | 1,746,500 |
| Unreserved, undesignated | 199,797 | 50,613 | - | 1,271,936 | 1,522,346 |
| Total fund balances | <u>220,297</u> | <u>50,613</u> | <u>-</u> | <u>2,997,936</u> | <u>3,268,846</u> |
| Total liabilities and fund balances | <u>\$ 1,089,328</u> | <u>\$ 183,873</u> | <u>\$ -</u> | <u>\$ 2,998,281</u> | |

Amounts reported for the Component Unit - Downtown Development Authority on the statement of net assets (page 3-3) are different because:

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

2,312,416

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

| | | |
|----------------------|----------------|-------------|
| payable | \$ (2,995,000) | |
| Compensated absences | (9,444) | |
| Accrued interest | <u>(1,522)</u> | (3,005,966) |

Total net assets -Component Unit - Downtown Development Authority. (page 3-3)

\$ 2,575,296

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, 2003

| | DDA Tax Increment | DDA Operations Special Revenue Fund | DDA Debt Service Fund | TIF Capital Improvements Capital Project Fund | Total Governmental Funds |
|--|----------------------|--|-----------------------------|--|--------------------------------|
| REVENUES | | | | | |
| Taxes | \$ 1,016,106 | \$ 156,132 | \$ - | \$ - | \$ 1,172,238 |
| Intergovernmental | 129,970 | - | - | 90,193 | 220,163 |
| Charges for services | - | 76,100 | - | - | 76,100 |
| Miscellaneous | - | 23,190 | - | - | 23,190 |
| Investment income | 35,502 | 1,001 | - | 6,137 | 42,640 |
| Total revenues | <u>1,181,578</u> | <u>256,423</u> | <u>-</u> | <u>96,330</u> | <u>1,534,331</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 17,388 | - | 800 | - | 18,188 |
| Urban development and housing | - | 245,365 | - | 386,923 | 632,288 |
| Debt service: | | | | | |
| Principal retirement | - | - | 2,120,000 | - | 2,120,000 |
| Interest and fiscal charges | - | - | 132,160 | 10,837 | 142,997 |
| Capital outlay | - | - | - | 446,797 | 446,797 |
| Total expenditures | <u>17,388</u> | <u>245,365</u> | <u>2,252,960</u> | <u>844,557</u> | <u>3,360,270</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,164,190</u> | <u>11,058</u> | <u>(2,252,960)</u> | <u>(748,227)</u> | <u>(1,825,939)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers in | - | 40,950 | 2,109,989 | - | 2,150,939 |
| Transfers out | (2,150,939) | - | - | - | (2,150,939) |
| Revenue bond proceeds | - | - | - | 2,995,000 | 2,995,000 |
| Sale of capital assets | - | - | - | 827,269 | 827,269 |
| Total other financing sources (uses) | <u>(2,150,939)</u> | <u>40,950</u> | <u>2,109,989</u> | <u>3,822,269</u> | <u>3,822,269</u> |
| Net change in fund balances | (986,749) | 52,008 | (142,971) | 3,074,042 | 1,996,330 |
| Fund balances - beginning | 1,207,046 | (1,395) | 142,971 | (76,106) | 1,272,516 |
| Fund balances - ending | <u>\$ 220,297</u> | <u>\$ 50,613</u> | <u>\$ -</u> | <u>\$ 2,997,936</u> | <u>\$ 3,268,846</u> |

Amounts reported for Component Unit - Downtown Development Authority in the statement of activities (page 3-5) are different because:

Net change in fund balances - total governmental funds (above) \$ 1,996,330

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 \$446,797 exceeded depreciation (\$105,256) and loss on disposal (\$1,147,862) in the current period. (806,321)

The issuance of long-term debt (\$2,995,000) provides current financial resources to governmental funds, while repayment of the principal of long-term debt \$2,120,000 and the payment of accrued interest \$10,313 consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. (864,687)

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. (4,299)

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, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 859,000 | \$ 965,933 | \$ 1,016,106 | \$ 50,173 |
| Intergovernmental | 206,000 | 135,000 | 129,970 | (5,030) |
| Investment income | 50,000 | 35,500 | 35,502 | 2 |
| Total revenues | <u>1,115,000</u> | <u>1,136,433</u> | <u>1,181,578</u> | <u>45,145</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | - | 22,500 | 17,388 | 5,112 |
| Excess of revenues over expenditures | <u>1,115,000</u> | <u>1,113,933</u> | <u>1,164,190</u> | <u>50,257</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers out | (595,178) | (2,290,207) | (2,150,939) | 139,268 |
| Net change in fund balance | 519,822 | (1,176,274) | (986,749) | 189,525 |
| Fund balances - beginning | 1,207,046 | 1,207,046 | 1,207,046 | - |
| Fund balances - ending | <u>\$ 1,726,868</u> | <u>\$ 30,772</u> | <u>\$ 220,297</u> | <u>\$ 189,525</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, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 152,500 | \$ 152,650 | \$ 156,132 | \$ 3,482 |
| Intergovernmental | 800 | - | - | - |
| Charges for services | 32,500 | 76,100 | 76,100 | - |
| Miscellaneous | 11,000 | 23,800 | 23,190 | (610) |
| Investment income | - | 100 | 1,001 | 901 |
| Total revenues | <u>196,800</u> | <u>252,650</u> | <u>256,423</u> | <u>3,773</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Urban development and housing | 231,334 | 252,044 | 245,365 | 6,679 |
| Total expenditures | <u>231,334</u> | <u>252,044</u> | <u>245,365</u> | <u>6,679</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(34,534)</u> | <u>606</u> | <u>11,058</u> | <u>10,452</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 50,000 | 32,500 | 40,950 | 8,450 |
| Total other financing sources (uses) | <u>50,000</u> | <u>32,500</u> | <u>40,950</u> | <u>8,450</u> |
| Net change in fund balance | 15,466 | 33,106 | 52,008 | 18,902 |
| Fund balances - beginning | (1,395) | (1,395) | (1,395) | - |
| Fund balances - ending | <u>\$ 14,071</u> | <u>\$ 31,711</u> | <u>\$ 50,613</u> | <u>\$ 18,902</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, 2003

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|--|-------------------|--------------------|--------------------|---|
| | Original | Final | | |
| REVENUES | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 500 | 186,000 | 800 | 185,200 |
| Debt service: | | | | |
| Principal retirement | 450,000 | 2,120,000 | 2,120,000 | - |
| Interest and fiscal charges | 94,678 | 94,678 | 132,160 | (37,482) |
| Total expenditures | <u>545,178</u> | <u>2,400,678</u> | <u>2,252,960</u> | <u>147,718</u> |
| Deficiency of revenues under expenditures | <u>(545,178)</u> | <u>(2,400,678)</u> | <u>(2,252,960)</u> | <u>147,718</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>545,178</u> | <u>2,257,707</u> | <u>2,109,989</u> | <u>(147,718)</u> |
| Net change in fund balance | - | (142,971) | (142,971) | - |
| Fund balances - beginning | 143,471 | 142,971 | 142,971 | - |
| Fund balances - ending | <u>\$ 143,471</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
DDA TIF CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
For the year ended December 31, 2003

| | Budgeted Amounts | | Actual GAAP Basis Amounts | Adjustment to Budgetary Basis | Actual on Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|---|------------------|--------------|------------------------------------|--|------------------------------------|---|
| | Original | Final | | | | |
| REVENUES | | | | | | |
| Intergovernmental | \$ - | \$ 90,000 | \$ 90,193 | \$ - | \$ 90,193 | \$ 193 |
| Investment income | - | 4,000 | 6,137 | - | 6,137 | 2,137 |
| Total revenues | - | 94,000 | 96,330 | - | 96,330 | 2,330 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Urban development and housing | - | - | 386,923 | - | 386,923 | (386,923) |
| Debt service: | | | | | | |
| Principal retirement | - | 519,200 | - | 519,200 | 519,200 | - |
| Interest and fiscal charges | - | 8,000 | 10,837 | - | 10,837 | (2,837) |
| Capital projects | 25,000 | 1,008,000 | 446,797 | - | 446,797 | 561,203 |
| Total expenditures | 25,000 | 1,535,200 | 844,557 | 519,200 | 1,363,757 | 171,443 |
| Excess (deficiency) of revenues over (under) expenditures | (25,000) | ##### | (748,227) | (519,200) | (1,267,427) | 173,773 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Revenue bonds issued | - | 3,000,000 | 2,995,000 | - | 2,995,000 | (5,000) |
| Note proceeds | - | 439,000 | - | 439,000 | 439,000 | - |
| Sale of capital assets | - | 827,000 | 827,269 | - | 827,269 | 269 |
| Total other financing sources (uses) | - | 4,266,000 | 3,822,269 | 439,000 | 4,261,269 | (4,731) |
| Net change in fund balance | (25,000) | 2,824,800 | 3,074,042 | (80,200) | 2,993,842 | 169,042 |
| Fund balances - beginning | (76,106) | (76,106) | (76,106) | - | (76,106) | - |
| Fund balances - ending | \$ (101,106) | \$ 2,748,694 | \$ 2,997,936 | \$ (80,200) | \$ 2,917,736 | \$ 169,042 |

DOWNTOWN DEVELOPMENT AUTHORITY
 A Component Unit of the
 City of Grand Junction, Colorado
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE¹
 December 31, 2003 and 2002

| | <u>2003</u> | <u>2002</u> |
|---|---------------------|---------------------|
| Governmental funds capital assets: | | |
| Land | \$ 497,498 | \$ 497,498 |
| Buildings | 2,163,367 | 2,997,110 |
| Improvements other than buildings | 108,000 | 108,000 |
| Equipment | 171,750 | 171,750 |
| Total governmental funds capital assets | <u>\$ 2,940,615</u> | <u>\$ 3,774,358</u> |
| Investment in governmental funds capital assets by source: | | |
| Local revenues | \$ 2,840,735 | \$ 3,674,478 |
| State Grants | 99,880 | 99,880 |
| Total governmental funds capital assets | <u>\$ 2,940,615</u> | <u>\$ 3,774,358</u> |

¹This schedule presents only the capital asset balances related to governmental funds in the component unit.

DOWNTOWN DEVELOPMENT AUTHORITY
 A Component Unit of the
 City of Grand Junction, Colorado
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY¹
 December 31, 2003

| <u>Function and Activity</u> | <u>Land</u> | <u>Buildings</u> | <u>Improvements Other Than Buildings</u> | <u>Equipment</u> | <u>Total</u> |
|-------------------------------|-------------|------------------|--|------------------|--------------|
| Urban development and housing | \$ 497,498 | \$ 2,163,367 | \$ 108,000 | \$ 171,750 | \$ 2,940,615 |

¹This schedule presents only the capital asset balances related to governmental funds in the component unit.

DOWNTOWN DEVELOPMENT AUTHORITY
 A Component Unit of the
 City of Grand Junction, Colorado
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY¹
 For the year ended December 31, 2003

| <u>Function and Activity</u> | Governmental Funds Capital Assets January 01, 2003 | <u>Additions</u> | <u>Deductions</u> | Governmental Funds Capital Assets December 31, 2003 |
|-------------------------------|---|------------------|-------------------|--|
| Urban development and housing | \$ 3,774,359 | \$ 446,797 | \$ 1,280,541 | \$ 2,940,615 |

¹This schedule presents only the capital asset balances related to governmental funds in the component unit.



Statistical Section

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Table 16 - Demographic Statistics

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TABLE 1

City of Grand Junction, Colorado
GOVERNMENT-WIDE EXPENSES BY FUNCTION
 Last Two Fiscal Years

| Fiscal Year | General Government | Public Safety | Public Works | Parks and Recreation | Urban Development and Housing | Interest on Long-Term Debt | Water | Two Rivers Convention Center | Other Business-type Activities | Total |
|-------------|--------------------|---------------|---------------|----------------------|-------------------------------|----------------------------|--------------|------------------------------|--------------------------------|---------------|
| 2002 | \$ 10,397,825 | \$ 17,966,339 | \$ 12,220,256 | \$ 4,740,433 | \$ 720,043 | \$ 295,421 | \$ 3,826,901 | \$ 1,828,188 | \$ 5,688,830 | \$ 57,684,236 |
| 2003 | 8,377,950 | 19,871,284 | 12,780,174 | 5,318,756 | 622,802 | 234,037 | 4,009,507 | 1,988,176 | 5,786,822 | 58,989,508 |

TABLE 2

City of Grand Junction, Colorado
GOVERNMENT-WIDE REVENUES
 Last Two Fiscal Years

| PROGRAM REVENUES | | | | GENERAL REVENUES | | | |
|------------------|---------------------|------------------------------------|----------------------------------|------------------|----------------------------------|---------------|---------------|
| Fiscal Year | Charges for Service | Operating Grants and Contributions | Capital Grants and Contributions | Taxes | Unrestricted Investment Earnings | Miscellaneous | Total |
| 2002 | \$ 18,718,184 | \$ 922,186 | \$ 24,433,768 | \$ 44,027,961 | \$ 1,801,549 | \$ 16,181 | \$ 89,919,829 |
| 2003 | 18,468,440 | 843,051 | 16,560,855 | 45,761,262 | 906,081 | - | 82,539,689 |

TABLE 3

City of Grand Junction, Colorado
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION⁽¹⁾
 Last Ten Fiscal Years

| Fiscal Year | General Government | Public Safety | Public Works | Parks and Recreation | Urban Development and Housing | Debt Service | Total |
|-------------|--------------------|---------------|--------------|----------------------|-------------------------------|--------------|---------------|
| 1994 | \$ 4,258,236 | \$ 10,044,990 | \$ 4,174,025 | \$ 2,264,534 | \$ 803,300 | \$ 1,024,058 | \$ 22,569,143 |
| 1995 | 5,057,365 | 10,879,296 | 4,471,004 | 2,406,094 | 1,017,783 | 1,004,862 | 24,836,404 |
| 1996 | 7,488,120 | 11,656,155 | 4,975,346 | 2,605,005 | 730,410 | 891,936 | 28,346,972 |
| 1997 | 5,716,822 | 13,590,154 | 5,200,854 | 2,971,392 | 418,761 | 1,318,567 | 29,216,550 |
| 1998 | 5,719,880 | 14,167,933 | 5,425,763 | 3,515,662 | 1,036,727 | 1,178,271 | 31,044,236 |
| 1999 | 6,916,889 | 15,006,031 | 6,331,219 | 3,868,626 | 631,979 | 1,238,530 | 33,993,274 |
| 2000 | 7,574,160 | 15,571,919 | 7,000,979 | 4,193,113 | 644,237 | 1,460,701 | 36,445,109 |
| 2001 | 7,373,852 | 16,264,238 | 7,044,165 | 4,231,226 | 566,959 | 1,209,975 | 36,690,415 |
| 2002 | 8,049,315 | 17,744,498 | 7,333,201 | 4,385,230 | 934,321 | 1,227,203 | 39,673,768 |
| 2003 | 8,306,840 | 18,553,410 | 7,564,156 | 4,731,828 | 832,721 | 3,317,559 | 43,306,514 |

Notes:

(1) Includes General, Special Revenue and Debt Service Funds for the City of Grand Junction Reporting Entity and the Special Revenue and Debt Service Funds for the Downtown Development Authority.

Source: City Administrative Services Department

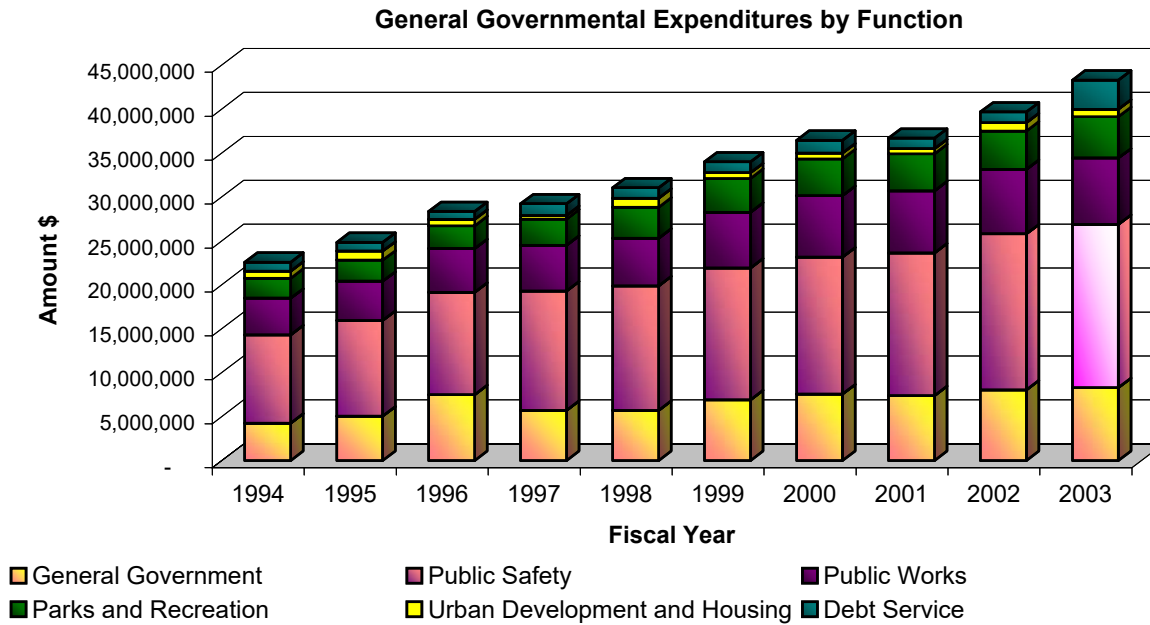


TABLE 4

City of Grand Junction, Colorado
GENERAL REVENUES BY SOURCE ⁽¹⁾
 Last Ten Fiscal Years

| Fiscal Year | Taxes | Licenses and Permits | Inter-Governmental | Charges for Services | Fines and Forfeitures | Miscellaneous | Investment Income | Total |
|-------------|---------------|----------------------|--------------------|----------------------|-----------------------|---------------|-------------------|---------------|
| 1994 | \$ 19,800,245 | \$ 168,757 | \$ 606,174 | \$ 2,686,908 | \$ 220,047 | \$ 959,395 | \$ 438,674 | \$ 24,880,200 |
| 1995 | 21,489,505 | 93,593 | 637,951 | 2,894,192 | 237,819 | 849,067 | 840,060 | 27,042,187 |
| 1996 | 23,378,127 | 95,612 | 478,899 | 3,052,322 | 244,231 | 890,848 | 766,812 | 28,906,851 |
| 1997 | 24,873,848 | 105,951 | 1,784,756 | 3,078,979 | 358,202 | 307,622 | 833,794 | 31,343,152 |
| 1998 | 27,481,321 | 108,558 | 1,818,514 | 3,714,805 | 562,245 | 287,127 | 841,863 | 34,814,433 |
| 1999 | 29,635,068 | 99,864 | 1,561,218 | 3,787,978 | 767,860 | 263,513 | 699,952 | 36,815,453 |
| 2000 | 31,862,215 | 110,457 | 1,430,701 | 4,279,477 | 660,617 | 265,533 | 1,030,168 | 39,639,168 |
| 2001 | 33,491,034 | 114,067 | 913,721 | 4,604,422 | 604,439 | 418,718 | 961,016 | 41,107,417 |
| 2002 | 36,342,430 | 111,935 | 1,504,685 | 4,842,642 | 486,548 | 651,325 | 749,131 | 44,688,696 |
| 2003 | 38,323,053 | 118,616 | 1,279,487 | 5,536,698 | 564,294 | 501,839 | 345,863 | 46,669,850 |

Notes:

(1) Includes General, Special Revenue and Debt Service Funds for the City of Grand Junction Reporting Entity and the Special Revenue and Debt Service Funds for the Downtown Development Authority.

Source: City Administrative Services Department

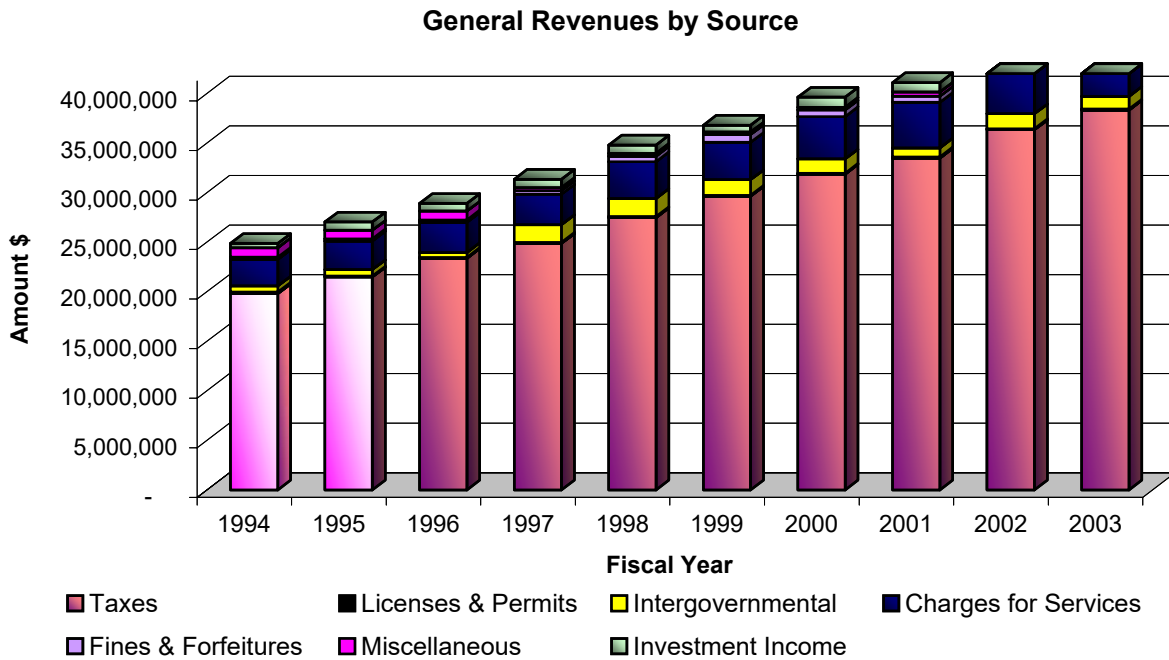


TABLE 5

City of Grand Junction, Colorado
PROPERTY TAX LEVIES AND COLLECTIONS⁽¹⁾
 Last Ten Fiscal Years

| Fiscal Year of Collections | Total Tax Levy | Current Tax Collections | Percent of Levy Collected | Delinquent Tax Collections | Total Tax Collections | Percent of Total Collections to Tax Levy | Outstanding Delinquent Taxes ⁽²⁾ | Percent of Delinquent Taxes to Tax Levy |
|----------------------------|----------------|-------------------------|---------------------------|----------------------------|-----------------------|--|---|---|
| 1994 | \$ 2,174,133 | \$ 2,146,821 | 98.74% | \$ 1,148 | \$ 2,147,969 | 98.80% | \$ 705 | 0.03% |
| 1995 | 2,238,130 | 2,206,842 | 98.60% | 705 | 2,207,547 | 98.63% | 3,148 | 0.14% |
| 1996 | 2,550,502 | 2,475,153 | 97.05% | 2,077 | 2,477,230 | 97.13% | 11,040 | 0.43% |
| 1997 | 2,791,222 | 2,736,427 | 98.04% | 3,927 | 2,740,354 | 98.18% | 6,082 | 0.22% |
| 1998 | 3,156,366 | 3,109,040 | 98.50% | 1,489 | 3,110,529 | 98.55% | 8,704 | 0.28% |
| 1999 | 3,270,359 | 3,231,362 | 98.81% | 7,214 | 3,238,576 | 99.03% | 1,641 | 0.05% |
| 2000 | 3,564,287 | 3,543,583 | 99.42% | 1,205 | 3,544,788 | 99.45% | 9,386 | 0.26% |
| 2001 | 3,258,283 | 3,230,268 | 99.14% | 4,472 | 3,234,740 | 99.28% | 8,979 | 0.28% |
| 2002 | 4,154,644 | 4,131,251 | 99.44% | 3,579 | 4,134,830 | 99.52% | 9,539 | 0.23% |
| 2003 | 4,791,953 | 4,715,475 | 98.40% | (22,937) | 4,692,538 | 97.93% | 20,053 | 0.42% |

Notes:

(1) Includes General, Special Revenue and Debt Service Funds of the City of Grand Junction Reporting Entity (includes the Downtown Development Authority).

(2) After property taxes are levied by the City Council, the Mesa County Assessor adjusts the valuations of various properties within the City of Grand Junction. The tax levy, as reported, is the levy as approved by the City Council. Outstanding delinquent taxes have been reduced to reflect the change in property taxes for these properties.

Source: City Administrative Services Department

TABLE 6

City of Grand Junction, Colorado
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

| Fiscal Year of Collection | Assessed Valuation | Estimated Actual Value | Ratio of Assessed to Estimated Actual Value | Actual Value Level |
|---------------------------|--------------------|------------------------|---|--------------------|
| 1994 ⁽⁷⁾ | \$ 212,440,064 | \$ 1,162,544,324 | 12.86-29% ⁽²⁾ | 1991-92 |
| 1995 | 222,892,895 | 1,121,416,976 | 12.86-29% ⁽²⁾ | 1992 |
| 1996 | 255,908,816 | 1,452,886,406 | 10.36-29% ⁽³⁾ | 1994 |
| 1997 | 275,665,936 | 1,575,284,726 | 10.36-29% ⁽³⁾ | 1995 |
| 1998 | 312,372,027 | 1,871,921,590 | 9.74-29% ⁽⁴⁾ | 1996 |
| 1999 | 322,868,688 | 1,947,483,682 | 9.74-29% ⁽⁴⁾ | 1997 |
| 2000 | 368,283,061 | 2,213,425,971 | 9.74-29% ⁽⁴⁾ | 1998 |
| 2001 | 382,132,990 | 2,302,625,180 | 9.74-29% ⁽⁴⁾ | 1999 |
| 2002 | 440,947,146 | 2,752,245,467 | 9.15-29% ⁽⁵⁾ | 2000 |
| 2003 | 468,909,060 | 2,954,303,087 | 9.15-29% ⁽⁵⁾ | 2001 |
| 2004 | 507,715,470 | 3,453,472,259 | 7.96-29% ⁽⁶⁾ | 2002 |

Notes:

- (1) Residential property is assessed at 14.34% while other property is assessed at 29%.
- (2) Residential property is assessed at 12.86% while other property is assessed at 29%.
- (3) Residential property is assessed at 10.36% while other property is assessed at 29%.
- (4) Residential property is assessed at 9.74% while other property is assessed at 29%.
- (5) Residential property is assessed at 9.15% while other property is assessed at 29%.
- (6) Residential property is assessed at 7.96% while other property is assessed at 29%.
- (7) Assessed valuation and estimated actual value for 1994 do not include any amounts for the Grand Junction West Water and Sanitation District. This area was annexed by the City on January 1, 1993, and as a result it is not included in the City's assessed valuation until 1995 collections.

Source: Mesa County Assessor

TABLE 7

City of Grand Junction, Colorado
PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION (MILL LEVY)
DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years

| Levy Year | Collection Year | City of ⁽¹⁾ Grand Junction | School District #51 | Mesa County | All Other Taxing Entities | Total Tax Rate |
|-----------|-----------------|--|------------------------|-------------|------------------------------|-------------------|
| 1994 | 1995 | 8.07 | 47.01 | 25.72 | 6.47 | 87.27 |
| 1995 | 1996 | 8.07 | 45.66 | 24.50 | 6.27 | 84.50 |
| 1996 | 1997 | 8.00 | 46.11 | 25.74 | 6.23 | 86.08 |
| 1997 | 1998 | 8.00 | 47.09 | 23.44 | 6.19 | 84.72 |
| 1998 | 1999 | 8.00 | 46.69 | 23.28 | 6.20 | 84.17 |
| 1999 | 2000 | 7.62 | 42.96 | 22.78 | 5.94 | 79.30 |
| 2000 | 2001 | 6.43 | 42.64 | 21.82 | 5.94 | 76.83 |
| 2001 | 2002 | 7.44 | 34.66 | 21.89 | 5.79 | 69.78 |
| 2002 | 2003 | 7.67 | 38.25 | 21.81 | 5.79 | 73.52 |
| 2003 | 2004 | 7.37 | 36.61 | 21.72 | 5.79 | 71.49 |

PROPERTY TAX REVENUE LEVY

| | | | | | |
|------|------|--------------|---------------|---------------|--------------|
| 1994 | 1995 | \$ 1,798,969 | \$ 22,965,718 | \$ 13,292,834 | \$ 2,622,544 |
| 1995 | 1996 | 2,065,440.00 | 24,448,839.00 | 13,826,761.00 | 2,776,506 |
| 1996 | 1997 | 2,205,327.00 | 25,491,641.00 | 14,926,925.00 | 2,822,073 |
| 1997 | 1998 | 2,498,976.00 | 29,339,378.00 | 15,272,491.00 | 3,251,894 |
| 1998 | 1999 | 2,582,950 | 30,012,891 | 15,674,364 | 3,358,057 |
| 1999 | 2000 | 2,807,422.00 | 31,279,580.00 | 17,323,750.00 | 3,684,565 |
| 2000 | 2001 | 2,457,115 | 32,484,708 | 17,433,884 | 3,862,059 |
| 2001 | 2002 | 3,282,411.00 | 29,593,101.00 | 19,354,439.00 | 4,230,013 |
| 2002 | 2003 | 3,596,064 | 34,214,512 | 20,528,679 | 4,430,299 |
| 2003 | 2004 | 3,741,355 | 34,843,408 | 21,675,723 | 4,704,569 |

Notes:

- ⁽¹⁾ Amounts for the City of Grand Junction do not include levies for City districts that are not city wide.

Source: Mesa County Assessor

TABLE 8

City of Grand Junction, Colorado
SPECIAL ASSESSMENT COLLECTIONS
 Last Ten Fiscal Years

| Fiscal Year | Current Assessments Due | Current Assessments Collected | Ratio of Collections to Amount Due | Total Outstanding Assessments |
|----------------|-------------------------------|-------------------------------------|---|-------------------------------------|
| 1994 | \$ 54,198 | \$ 54,198 | 100.00% | \$ 333,969 |
| 1995 | 28,294 | 28,294 | 100.00% | 229,418 |
| 1996 | 22,736 | 22,736 | 100.00% | 377,372 |
| 1997 | 39,326 | 39,326 | 100.00% | 246,882 |
| 1998 | 27,795 | 27,795 | 100.00% | 221,201 |
| 1999 | 26,090 | 26,090 | 100.00% | 223,181 |
| 2000 | 28,210 | 28,210 | 100.00% | 145,857 |
| 2001 | 26,658 | 26,658 | 100.00% | 130,282 |
| 2002 | 24,567 | 24,567 | 100.00% | 124,100 |
| 2003 | 21,479 | 21,479 | 100.00% | 89,847 |

Source: City Administrative Services Department

TABLE 9

City of Grand Junction, Colorado
**RATIO OF NET GENERAL BONDED DEBT
 TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA⁽¹⁾**
 Last Ten Fiscal Years

| Fiscal Year | Population ^(A) | Assessed Value in Thousands | Gross Bonded Debt ⁽¹⁾ | Debt Service Monies Available | Debt Payable From Enterprise Revenues | Net Bonded Debt | Ratio of Net Bonded Debt to Assessed Value | Bonded Debt Per Capita |
|-------------|---------------------------|-----------------------------|----------------------------------|-------------------------------|---------------------------------------|-----------------|--|------------------------|
| 1994 | 36,887 | \$ 222,893 | \$ 2,425,000 | - | \$ 2,425,000 | \$ - | 0.00% | \$ - |
| 1995 | 40,380 | 255,909 | 1,605,000 | - | 1,605,000 | - | 0.00% | - |
| 1996 | 40,851 | 275,666 | 770,000 | - | 770,000 | - | 0.00% | - |
| 1997 | 42,033 | 312,372 | 595,000 | - | 595,000 | - | 0.00% | - |
| 1998 | 42,901 | 322,869 | - | - | - | - | 0.00% | - |
| 1999 | 44,390 | 368,283 | - | - | - | - | 0.00% | - |
| 2000 | 41,986 | 382,133 | - | - | - | - | 0.00% | - |
| 2001 | 42,758 | 440,947 | - | - | - | - | 0.00% | - |
| 2002 | 47,100 | 468,909 | - | - | - | - | 0.00% | - |
| 2003 | 49,555 | 507,715 | - | - | - | - | 0.00% | - |

Notes:

⁽¹⁾ The Ridges Metropolitan District debt and the Grand Junction West Water and Sanitation District debt are excluded because they are to be paid with special property tax levys on property within these Districts only.

Source:

^(A) City Community Development Department - All other City Administrative Services Department

TABLE 10

City of Grand Junction, Colorado
COMPUTATION OF LEGAL DEBT MARGIN
 December 31, 2003

| | | |
|--|------------------|--------------------------------|
| Estimated actual value as determined by Assessor ^(A) | | \$ <u><u>3,453,472,259</u></u> |
| Debt limit - 3% of actual value | | \$ 103,604,168 |
| Total General Obligation Debt ^(B) | \$ 2,171,383 | |
| Less: Ridges Metropolitan District bonds supported by a special tax levy paid only within the District ^(B) | (1,635,000) | |
| Grand Junction West Water and Sanitation District bonds supported by a special tax levy paid only within the District ^(B) | <u>(536,383)</u> | |
| Total amount of debt applicable to debt limit | | <u>-</u> |
| Legal debt margin | | \$ <u><u>103,604,168</u></u> |
| Source: | | |
| ^(A) Mesa County Assessor | | |
| ^(B) City Administrative Services Department | | |

TABLE 11

City of Grand Junction, Colorado
COMPUTATION OF DIRECT AND OVERLAPPING DEBT ⁽¹⁾
 December 31, 2003

| <u>Jurisdiction</u> | <u>Net Debt Outstanding</u> | <u>Percentage Applicable to City of Grand Junction</u> | <u>Amount Applicable to City of Grand Junction</u> |
|---|---------------------------------|--|--|
| Direct: | | | |
| City of Grand Junction ^(A) | \$ - | 100.00% | \$ - |
| Overlapping: | | | |
| Mesa County Valley School District No. 51 ^(B) | 35,525,000 | | - |
| Mesa County ^{(2) (C)} | - | | - |
| Total | | | \$ - |

Notes:

- (1) Computation of overlapping debt includes only the three major governmental units and excludes several special districts that partially overlap the City.
- (2) Mesa County has outstanding sales tax revenue bonds which are payable from sales tax revenues and are not a general obligation of the property taxpayers of the County. The County also has outstanding jail lease purchase certificates which are not general obligations.

Source:

- (A) City Administrative Services Department
 (B) Mesa County Valley School District No. 51 Finance Department
 (C) Mesa County Finance Department

TABLE 12

City of Grand Junction, Colorado
REVENUE BOND COVERAGE
WATER BONDS
 Last Ten Fiscal Years

| Fiscal Year | Gross Revenue | Direct Operating Expense | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|-------------|---------------|--------------------------|--|---------------------------|------------|------------|----------|
| | | | | Principal | Interest | Total | |
| 1994 | \$ 4,460,065 | \$ 3,045,790 | \$ 1,414,275 | \$ 790,000 | \$ 188,920 | \$ 978,920 | 1.44 |
| 1995 | 4,426,996 | 2,907,497 | 1,519,499 | 820,000 | 132,444 | 952,444 | 1.60 |
| 1996 | 4,674,183 | 3,117,912 | 1,556,271 | 835,000 | 84,604 | 919,604 | 1.69 |
| 1997 | 4,581,913 | 3,058,132 | 1,523,781 | 175,000 | 48,185 | 223,185 | 6.83 |
| 1998 | 5,216,605 | 3,040,233 | 2,176,372 | 595,000 | 24,778 | 619,778 | 3.51 |
| 1999 | 4,438,162 | 2,862,601 | 1,575,561 | - | - | - | - |
| 2000 | 4,861,061 | 2,970,243 | 1,890,818 | - | - | - | - |
| 2001 | 5,052,597 | 3,285,854 | 1,766,743 | - | - | - | - |
| 2002 | 4,833,602 | 3,252,288 | 1,581,314 | - | - | - | - |
| 2003 | 4,811,215 | 3,285,692 | 1,525,523 | - | - | - | - |

Source: City Administrative Services Department

TABLE 13

City of Grand Junction, Colorado
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
 GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**
 Last Ten Fiscal Years

| Fiscal Year | Principal | Interest | Total Debt Service | Total General Expenditures ⁽¹⁾ | Ratio of Debt Service to Total General Expenditures |
|----------------|-----------|----------|--------------------------|--|--|
| 1994 | \$ - | \$ - | \$ - | \$ 22,569,143 | 0.00% |
| 1995 | - | - | - | 24,836,404 | 0.00% |
| 1996 | - | - | - | 28,346,972 | 0.00% |
| 1997 | - | - | - | 29,216,550 | 0.00% |
| 1998 | - | - | - | 31,044,236 | 0.00% |
| 1999 | - | - | - | 33,993,274 | 0.00% |
| 2000 | - | - | - | 36,445,109 | 0.00% |
| 2001 | - | - | - | 36,690,415 | 0.00% |
| 2002 | - | - | - | 39,673,768 | 0.00% |
| 2003 | - | - | - | 43,306,514 | 0.00% |

Notes:

⁽¹⁾ Includes General, Special Revenue and Debt Service Funds for the City of Grand Junction Reporting Entity and the Special Revenue and Debt Service funds for the Downtown Development Authority.

Sources: City Administrative Services Department

TABLE 14

City of Grand Junction, Colorado
PROPERTY VALUE, CONSTRUCTION, AND NUMBER OF HOUSEHOLDS
 Last Ten Fiscal Years

| Fiscal Year | Property Values ^{(1)(A)} | | | | | | | Number of Permits ^(B) | Con-struction (in 000's) ^(B) | Number of Households ^{(1)(C)} |
|-------------|-----------------------------------|----------------|---------------|---------------|-------------------|------------------|-----------------|----------------------------------|---|--|
| | Residential | Commercial | Industrial | Agriculture | Natural Resources | Public Utilities | Exempt Property | | | |
| 1994 | \$ 284,765,020 | \$ 127,510,690 | \$ 20,245,020 | \$ 16,885,360 | \$ 12,231,390 | \$ 57,100,500 | \$ 92,276,640 | 2,596 | \$ 126,090 | 39,552 |
| 1995 | 317,914,490 | 139,928,880 | 20,182,130 | 19,310,380 | 11,593,140 | 57,914,480 | 99,010,830 | 2,724 | 119,772 | 40,691 |
| 1996 | 330,662,410 | 140,653,040 | 22,428,470 | 17,818,920 | 10,372,390 | 60,998,000 | 98,702,110 | 3,025 | 136,540 | 41,627 |
| 1997 | 376,167,290 | 161,018,290 | 28,553,110 | 18,213,570 | 9,839,010 | 61,467,400 | 100,228,670 | 3,293 | 179,782 | 42,915 |
| 1998 | 390,662,890 | 164,251,530 | 30,278,830 | 18,251,340 | 11,142,170 | 62,933,100 | 101,052,420 | 3,553 | 175,239 | 43,781 |
| 1999 | 445,248,720 | 190,868,130 | 31,896,280 | 18,311,020 | 11,269,980 | 68,356,700 | 103,530,250 | 3,840 | 205,130 | 44,717 |
| 2000 | 464,700,370 | 198,900,180 | 33,842,900 | 18,378,480 | 11,071,170 | 78,149,900 | 84,850,010 | 3,547 | 194,258 | 45,823 |
| 2001 | 519,196,630 | 227,772,240 | 39,442,030 | 17,909,410 | 14,872,160 | 87,022,300 | 121,673,080 | 3,442 | 209,506 | 47,368 |
| 2002 | 539,178,820 | 247,940,400 | 41,515,890 | 17,956,480 | 15,542,820 | 90,220,600 | 139,226,760 | 3,565 | 248,156 | 48,374 |
| 2003 | 559,254,280 | 279,631,230 | 46,794,280 | 18,351,350 | 14,312,880 | 91,070,100 | 143,313,110 | 3,778 | 290,208 | N/A |

Notes:

- ⁽¹⁾ Information only available for the County.
- N/A Information is not yet available for this year.

Source:

- ^(A) Mesa County Assessor's Office
- ^(B) Mesa County Building Department
- ^(C) Colorado Division of Local Government

TABLE 15

City of Grand Junction, Colorado
SALES AND USE TAX COLLECTIONS
 Last Ten Fiscal Years

| Fiscal Year | City Sales Tax | City Use Tax | City Share of County Sales Tax | Lodging Tax | Total |
|-------------|----------------|--------------|--------------------------------|-------------|---------------|
| 1994 | \$ 15,752,168 | \$ 639,561 | \$ 2,520,410 | \$ 547,503 | \$ 19,459,642 |
| 1995 | 19,083,541 | 690,051 | 2,897,463 | 590,555 | 23,261,610 |
| 1996 | 18,444,228 | 910,124 | 2,885,552 | 580,755 | 22,820,659 |
| 1997 | 19,756,772 | 761,677 | 3,026,837 | 605,756 | 24,151,042 |
| 1998 | 21,813,807 | 841,047 | 3,393,851 | 660,512 | 26,709,217 |
| 1999 | 24,096,240 | 839,390 | 3,611,934 | 643,697 | 29,191,261 |
| 2000 | 25,769,700 | 1,056,721 | 3,925,730 | 679,814 | 31,431,965 |
| 2001 | 27,605,624 | 1,002,862 | 4,191,997 | 716,990 | 33,517,473 |
| 2002 | 29,356,312 | 920,312 | 4,401,660 | 784,942 | 35,463,226 |
| 2003 | 30,277,002 | 1,780,922 | 4,594,439 | 770,315 | 37,422,678 |

Source: City Administrative Services Department

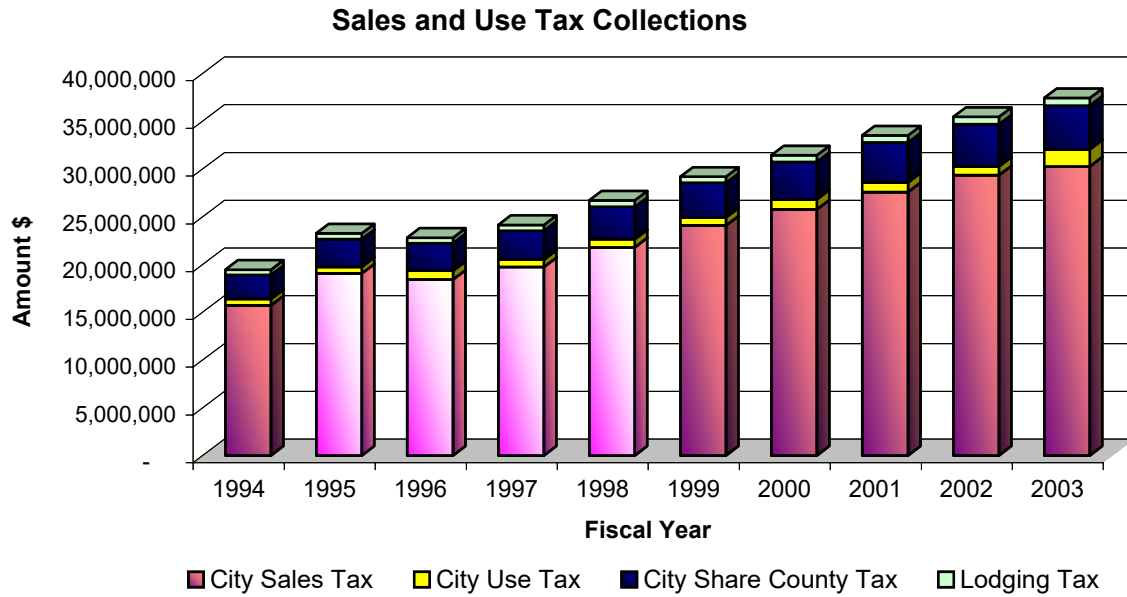


TABLE 16

City of Grand Junction, Colorado
DEMOGRAPHIC STATISTICS
 Last Ten Fiscal Years

| Fiscal Year | City ^(A) Population | County ^(B) Population | School ^(C) Enrollment | Unemployment Rate ^(D) | |
|-------------|-----------------------------------|-------------------------------------|-------------------------------------|----------------------------------|----------------------|
| | | | | Mesa County | State of Colorado |
| 1994 | 36,887 | 102,583 | 18,487 | 5.58% | 4.22% |
| 1995 | 40,380 | 105,408 | 18,685 | 5.55% | 4.19% |
| 1996 | 40,851 | 107,290 | 19,136 | 5.39% | 4.23% |
| 1997 | 42,033 | 109,465 | 19,148 | 4.36% | 3.26% |
| 1998 | 42,901 | 112,913 | 19,323 | 4.97% | 3.84% |
| 1999 | 44,390 | 113,383 | 19,567 | 3.75% | 2.91% |
| 2000 | 41,986 ^(E) | 116,255 ^(E) | 19,633 | 3.78% | 2.77% |
| 2001 | 42,758 | 117,647 | 19,768 | 3.91% | 3.72% |
| 2002 | 47,100 | 119,975 | 20,035 | 4.91% | 5.74% |
| 2003 | 49,555 | 122,463 ^(D) | 20,170 | 5.70% | 6.00% |

Note:

School enrollment is for Mesa County Valley School District No. 51 which includes the majority of Mesa County.

Source:

- (A) City Community Development Department
- (B) Colorado Department of Local Affairs, 2000 Census.
- (C) Mesa County Valley School District No. 51 - District wide enrollment
- (D) Colorado Division of Local Government/Bureau of Labor Statistics
- (E) 2000 Census

TABLE 17

City of Grand Junction, Colorado
MISCELLANEOUS STATISTICS
 Year ended December 31, 2003

| | | | |
|--|-----------------------------------|---------------------|---------------|
| Date of incorporation: | July 19, 1882 ^(A) | | |
| Date charter adopted: | September 14, 1909 ^(A) | | |
| Form of government: | Council/Manager ^(A) | | |
| Area: | 33.12 square miles ^(B) | | |
| Lane miles of streets: ^(B) | | | |
| Paved | | 916.5 | |
| Unpaved | | <u>0</u> | |
| Total | | <u><u>916.5</u></u> | |
| Miles of sewer lines (within 201 system): ^(B) | | | |
| Storm | | 88 | |
| Sanitary | | 498 | |
| Building permits: ^(C) | <u>Year</u> | <u># Issued</u> | <u>Value</u> |
| | 1994 | 772 | \$ 47,719,395 |
| | 1995 | 903 | 52,955,808 |
| | 1996 | 1,150 | 65,324,351 |
| | 1997 | 1,296 | 94,704,317 |
| | 1998 | 1,320 | 86,909,340 |
| | 1999 | 1,348 | 94,347,767 |
| | 2000 | 1,390 | 98,100,868 |
| | 2001 | 1,844 | 120,629,112 |
| | 2002 | 2,012 | 143,644,397 |
| | 2003 | 2,068 | 163,176,153 |
| Police protection: ^(D) | | | |
| Number of employees (FTE): | Sworn | 85 | |
| | Non-sworn | <u>63</u> | |
| | Total | <u><u>148</u></u> | |
| Vehicular patrol units | | 30 | |
| Canine units | | 4 | |
| Motorcycle units | | 4 | |
| Bicycle patrol units (attached to vehicular patrol units) | | 18 | |

(Continued)

TABLE 17

City of Grand Junction, Colorado
MISCELLANEOUS STATISTICS
 Year ended December 31, 2003

Fire protection: ^(E)

| | | |
|---------------------|----|--------------------|
| Number of employees | 79 | |
| Number of stations | 4 | |
| | 1 | Under construction |

Recreation: ^(F)

Parks:

| | | |
|-------------|------------------------|-------|
| Developed | 427.19 | acres |
| Undeveloped | <u>589.18</u> | acres |
| Total | <u><u>1,016.37</u></u> | acres |

| | | |
|--------------------------|---|-----------|
| Swimming pools | 1 indoor and 1 outdoor with water slide | |
| Tennis courts | 10 | |
| Shelters | 18 | |
| Baseball stadium | 1 lighted and 1 unlighted | |
| Football/track stadium | 1 | lighted |
| Softball field | 8 | lighted |
| Golf courses | 2 | 156 acres |
| Outdoor basketball court | 1 lighted and 7 unlighted | |
| Auditorium | 1 | |
| Senior Recreation Center | 1 | |
| Riverfront trail | 14.8 | miles |
| Skatepark | 2 | |

Education:

Mesa County Valley School District No. 51: ^(G)

| <u>Type</u> | <u>Number</u> | <u>Enrollment</u> |
|-------------------------|---------------|-------------------|
| Elementary | 22 | 9,232 |
| Middle | 8 | 4,664 |
| Secondary | 5 | 5,817 |
| Remote Mountain Schools | 1 | 45 |
| Alternative/Other | 3 | 412 |

| | | |
|------------------------------------|-------------------|-------|
| Mesa State College: ^(H) | <u>Enrollment</u> | 5,725 |
|------------------------------------|-------------------|-------|

| | |
|---|-----|
| Employees in the City of Grand Junction (FTE): ^(I) | 570 |
|---|-----|

(Continued)

TABLE 17

City of Grand Junction, Colorado
MISCELLANEOUS STATISTICS
Year ended December 31, 2003

Current sales tax rates: ^(J)

| | |
|------------------------|-------|
| State of Colorado | 2.90% |
| Mesa County | 2.00% |
| City of Grand Junction | 2.75% |

Elections: ^(A)

(As of the last general municipal election, April 8, 2003)

| | |
|--|--------|
| Number of registered voters | 19,890 |
| Number of registered voters voting in last general municipal election | 8,256 |
| Percentage | 41.51% |

Source:

- (A) City Clerk
 - (B) City Public Works Department
 - (C) City Community Development Department/Mesa County Building Department
 - (D) City Police Department
 - (E) City Fire Department
 - (F) City Parks and Recreation Department
 - (G) Mesa County Valley School District No. 51
 - (H) Mesa State College
 - (I) City Personnel Department
 - (J) City Administrative Services Department
-

(Concluded)

TABLE 18

City of Grand Junction, Colorado
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
 Year ended December 31, 2003

| <u>Name of Official</u> ^(A) | <u>Title</u> ^(A) | <u>Annual Salary</u> ^(B) |
|--|--|-------------------------------------|
| James Spehar | Mayor | \$ 9,000 |
| Other Councilmen in Aggregate | | 37,500 |
| Kelly Arnold | City Manager | 112,965 |
| Daniel E. Wilson | City Attorney | 100,646 |
| David A. Palmer | Municipal Court Administrator | 27,176 |
| Stephanie Tuin | City Clerk | 68,891 |
| Ronald M. Lappi | Administrative Services and Finance Director | 95,016 |
| Robert Blanchard | Community Development Director | 93,243 |
| Ricky Beaty | Fire Chief | 95,182 |
| Erik Joe Stevens | Parks and Recreation Director | 88,326 |
| Gregory Morrison | Police Chief | 98,565 |
| Mark Relph | Public Works Director | 97,212 |
| Debbie Kovalik | Visitors and Convention Bureau Director | 79,605 |

All employees including the Administrative Services and Finance Director are covered by a blanket bond in the amount of \$2,000,000 in excess of the City's retention of \$150,000. ^(B)

Source:

^(A) City Clerk

^(B) City Administrative Services Department

TABLE 19

City of Grand Junction, Colorado
TEN PRINCIPAL TAXPAYERS, PROPERTY TAXES
 Year ended December 31, 2003

| <u>Taxpayer</u> | <u>Type of Business</u> | <u>Assessed Valuation of Property ⁽¹⁾</u> | <u>Percentage of Total Assessed Value ⁽¹⁾</u> |
|---------------------------------------|-------------------------|--|--|
| Qwest Corporation | Utility | \$ 14,016,700 | 25.69% |
| SDG Macerich Properties, L.P. | Mesa Mall | 7,906,050 | 14.49% |
| Public Service Company of Colorado | Utility | 7,696,180 | 14.11% |
| Walmart / Sam's Club | Retail Stores | 5,764,630 | 10.57% |
| Coors Porcelain | Manufacturer | 4,625,430 | 8.48% |
| Sundstrand | Manufacturer | 3,528,570 | 6.47% |
| Dillon Real Estate (City Market) | Grocery Chain | 3,018,030 | 5.53% |
| Seven Seventeen HB CO (Adams Mark) | Hotel | 3,005,200 | 5.51% |
| Grand Mesa Center | Retail Shopping Center | 2,781,680 | 5.10% |
| Dayton Hudson / Mervyn's Target | Retail Stores | 2,215,130 | 4.06% |
| Totals | | <u>\$ 54,557,600</u> | <u>100.00%</u> |

Notes:

(1) 2001 valuation for taxes due in 2002

Source: Mesa County Assessor

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

| | | |
|--|------------------------|--|
| LOCAL HIGHWAY FINANCE REPORT | | City or County: GRAND JUNCTION, COLORADO |
| | | YEAR ENDING : December 2003 |
| This Information From The Records Of (example - City of _ or County of City of Grand Junction, Colorado) | Prepared By: Phone: | Sarah Lee, CPA 970-244-1536 |

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT | ITEM | AMOUNT |
|--|-----------|---|-----------|
| A. Receipts from local sources: | | A. Local highway disbursements: | |
| 1. Local highway-user taxes | | 1. Capital outlay (from page 2) | 4,293,703 |
| a. Motor Fuel (from Item I.A.5.) | | 2. Maintenance: | 1,717,879 |
| b. Motor Vehicle (from Item I.B.5.) | | 3. Road and street services: | |
| c. Total (a.+b.) | | a. Traffic control operations | 562,262 |
| 2. General fund appropriations | 3,414,684 | b. Snow and ice removal | 110,281 |
| 3. Other local imposts (from page 2) | 822,165 | c. Other | |
| 4. Miscellaneous local receipts (from page 2) | 1,231,293 | d. Total (a. through c.) | 672,543 |
| 5. Transfers from toll facilities | | 4. General administration & miscellaneous | 509,295 |
| 6. Proceeds of sale of bonds and notes: | | 5. Highway law enforcement and safety | |
| a. Bonds - Original Issues | | 6. Total (1 through 5) | 7,193,420 |
| b. Bonds - Refunding Issues | | B. Debt service on local obligations: | |
| c. Notes | | 1. Bonds: | |
| d. Total (a. + b. + c.) | 0 | a. Interest | |
| 7. Total (1 through 6) | 5,468,142 | b. Redemption | |
| B. Private Contributions | | c. Total (a. + b.) | 0 |
| C. Receipts from State government (from page 2) | 1,698,643 | 2. Notes: | |
| D. Receipts from Federal Government (from page 2) | 26,635 | a. Interest | |
| E. Total receipts (A.7 + B + C + D) | 7,193,420 | b. Redemption | |
| | | c. Total (a. + b.) | 0 |
| | | 3. Total (1.c + 2.c) | 0 |
| | | C. Payments to State for highways | |
| | | D. Payments to toll facilities | |
| | | E. Total disbursements (A.6 + B.3 + C + D) | 7,193,420 |

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

| | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|------------------------------|--------------|---------------|-------------|--------------|
| A. Bonds (Total) | | | | 0 |
| 1. Bonds (Refunding Portion) | | | | |
| B. Notes (Total) | | | | 0 |

V. LOCAL ROAD AND STREET FUND BALANCE

| A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|----------------------|-------------------|------------------------|-------------------|-------------------|
| | 7,193,420 | 7,193,420 | | 0 |

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2003

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

| ITEM | AMOUNT | ITEM | AMOUNT |
|----------------------------------|---------------------------|---|---------------------------|
| A.3. Other local imposts: | | A.4. Miscellaneous local receipts: | |
| a. Property Taxes and Assesments | 33,329 | a. Interest on investments | 145,939 |
| b. Other local imposts: | | b. Other | 786,067 |
| 1. Sales Taxes | | c. Transfers | |
| 2. Traffic Fines | | d. Capital Credits | |
| 3. Specific Ownership Tax | 617,089 | e. Sale of Assets | |
| | | f. Fees/Licenses/Permits | |
| 5. From Cities/Counties | 171,747 | g. Service Performed | 3,342 |
| 6. Total (1. through 5.) | 788,836 | h. Refunds of Expenditures | 295,945 |
| c. Total (a. + b.) | 822,165 | i. Total (a. through h.) | 1,231,293 |
| | (Carry forward to page 1) | | (Carry forward to page 1) |

| ITEM | AMOUNT | ITEM | AMOUNT |
|--|-----------|--|---------------------------|
| C. Receipts from State Government | | D. Receipts from Federal Government | |
| 1. Highway-user taxes | 1,519,438 | 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 Registration | 179,205 | d. Mineral Leasing | |
| d. (Specify) | | e. Pay Lieu of Tax | |
| e. (Specify) | | f. Other Federal | 26,635 |
| f. Total (a. through e.) | 179,205 | g. Total (a. through f.) | 26,635 |
| 4. Total (1. + 2. + 3.f) | 1,698,643 | 3. Total (1. + 2.g) | |
| | | | (Carry forward to page 1) |

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

| | ON NATIONAL HIGHWAY SYSTEM (a) | OFF NATIONAL HIGHWAY SYSTEM (b) | TOTAL (c) |
|---|---|--|---------------------------|
| A.1. Capital outlay: | | | |
| a. Right-Of-Way Costs | | 81,063 | 81,063 |
| b. Engineering Costs | | 1,185,655 | 1,185,655 |
| c. Construction: | | | |
| (1). Capacity Improvements | | 1,480,190 | 1,480,190 |
| (2). System Preservation | | 1,127,361 | 1,127,361 |
| (3). Safety And Other | | 419,434 | 419,434 |
| (4). Total Construction (1)+(2)+(3) | 0 | 3,026,985 | 3,026,985 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4) | 0 | 4,293,703 | 4,293,703 |
| | | | (Carry forward to page 1) |

Notes and Comments:



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