



Comprehensive Annual
Financial Report
Fiscal Year Ended December 31, 2004



City of Grand Junction, Colorado
Serving the Community Together

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Administrative Services Department

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June 15, 2005

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, 2004, 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, 2004, 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, 2004, 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, 2004, 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.

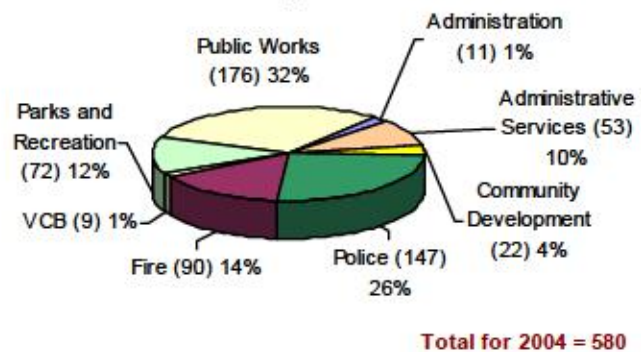
Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Ridges Metropolitan District, Grand Junction West Water and Sanitation District, and Grand Junction Public Finance 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 34 square miles and serves an estimated population of 50,300. 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

2004 Fulltime Personnel Complement By Department



authority to reallocate the distribution of budget amounts within the major category of operating expenditures within their department. Budget reallocations between major expenditure categories or within the major categories of personnel and capital require City Manager approval. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are not an actual use of appropriations. Therefore, open encumbrances at year-end for which the expenditure has not yet occurred either become expenditures against the new year's appropriation or are canceled.

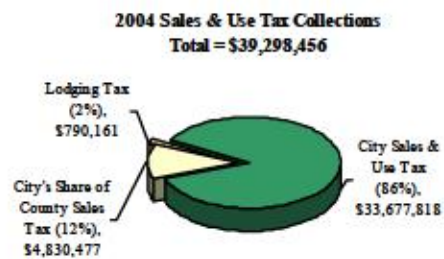
Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 36 as part of the basic financial statements for the governmental funds. For other major governmental funds (and non-major) this comparison is presented in the governmental fund subsection of this report, which starts on page 71.

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 64% of its revenues (excluding capital transfers). These tax revenues increased by 5.0% from 2003 to 2004. 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 1995.



Historical Sales & Use Tax Collections
1995 - 2004



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 over 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, 2004,

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 on a two-year update of the City's Strategic Plan. This Plan outlines strategic directions and goals for the City in six major areas and includes specific objectives which will be accomplished during the next two years.
- The Redlands area of the community dedicated the opening of Fire Station #5 in June of 2004. The station is an important addition to improve response times in the Redlands area, as well as improving the overall safety for all residents of Grand Junction.
- The design phase began on the \$100 million Riverside Parkway project. This project, which is the most significant transportation project in the history of the City, entails building a beltway around the City making transportation more efficient while also relieving traffic congestion within the City.
- A Youth Council was formed with a group of fifteen youth volunteers to serve as an advisory board to the City Council. The Youth Council representatives were selected from local middle and high schools.
- A Council/staff team met with various neighborhoods to seek their input on what is needed in their area. From this information, the City will be developing and proposing specific neighborhood programs that will allow greater input into City services and start allowing neighborhoods to assist themselves better.
- The major project of eliminating all combined sewers and water line replacements totaling approximately \$18 million was completed.

FUTURE OUTLOOK

The City remains committed to the maintenance and improvement of the quality of life in the valley. According to the results of a 2004 telephone survey of Grand Junction residents, elements of sound economic expansion including improvements to infrastructure, park and recreation enhancements, community development planning and policies remain 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 Farmers Market which drew hundreds of people to the downtown area proved to be a very popular attraction during the summer growing season. The City also has plans for future capital improvements in the downtown area funded in part by an additional \$3 million in Tax Increment Bonds obtained in 2003.

The City Council worked extensively in 2004 implementing the recently developed Strategic Plan, a plan aimed at identifying both the long term direction and nearer-term goals, objectives and action steps for the organization.

One of the major priorities in the Strategic Plan is maintaining the quality of life including 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 extends from 24 Road/Redlands Parkway to the intersection of 29 Road and D Road. The lower section of the Parkway extends from 4th Avenue to the intersection of 27 ½ and D Road. The final connection 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 completed 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 2004, the City did not exceed the overall revenue limitation, but will have to refund \$451,463 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.

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 increased in 2004 due to higher yields. The net average yield on investments was 3.0% up from 2.4% in 2003.

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.

PENSION BENEFITS PROVIDED

During 2004, 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 650. 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, 2003. This was the twentieth 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, 2004 and January 1, 2005. This was the eighth time that the City has received this coveted award, covering sixteen 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.

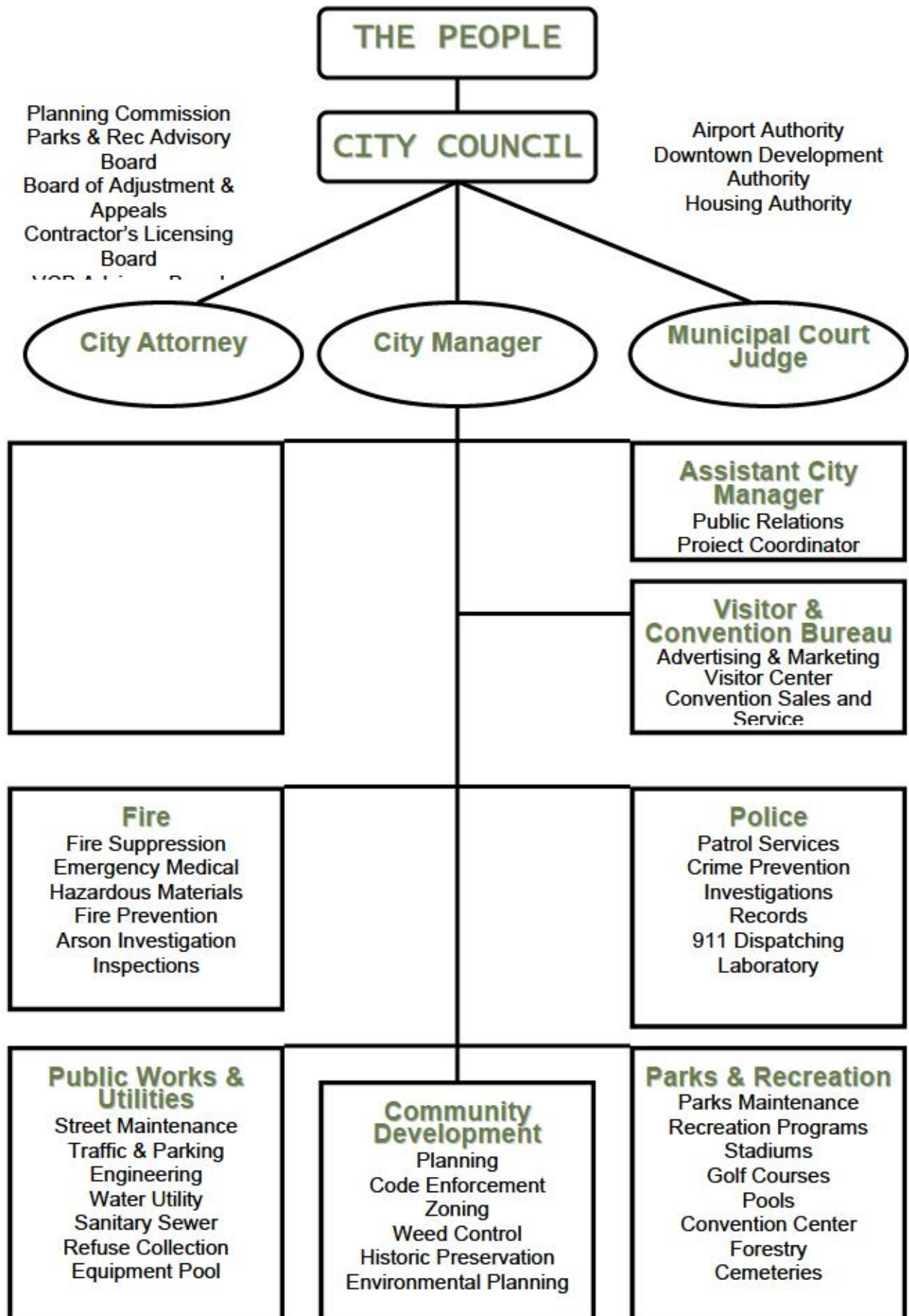
ACKNOWLEDGEMENTS

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.

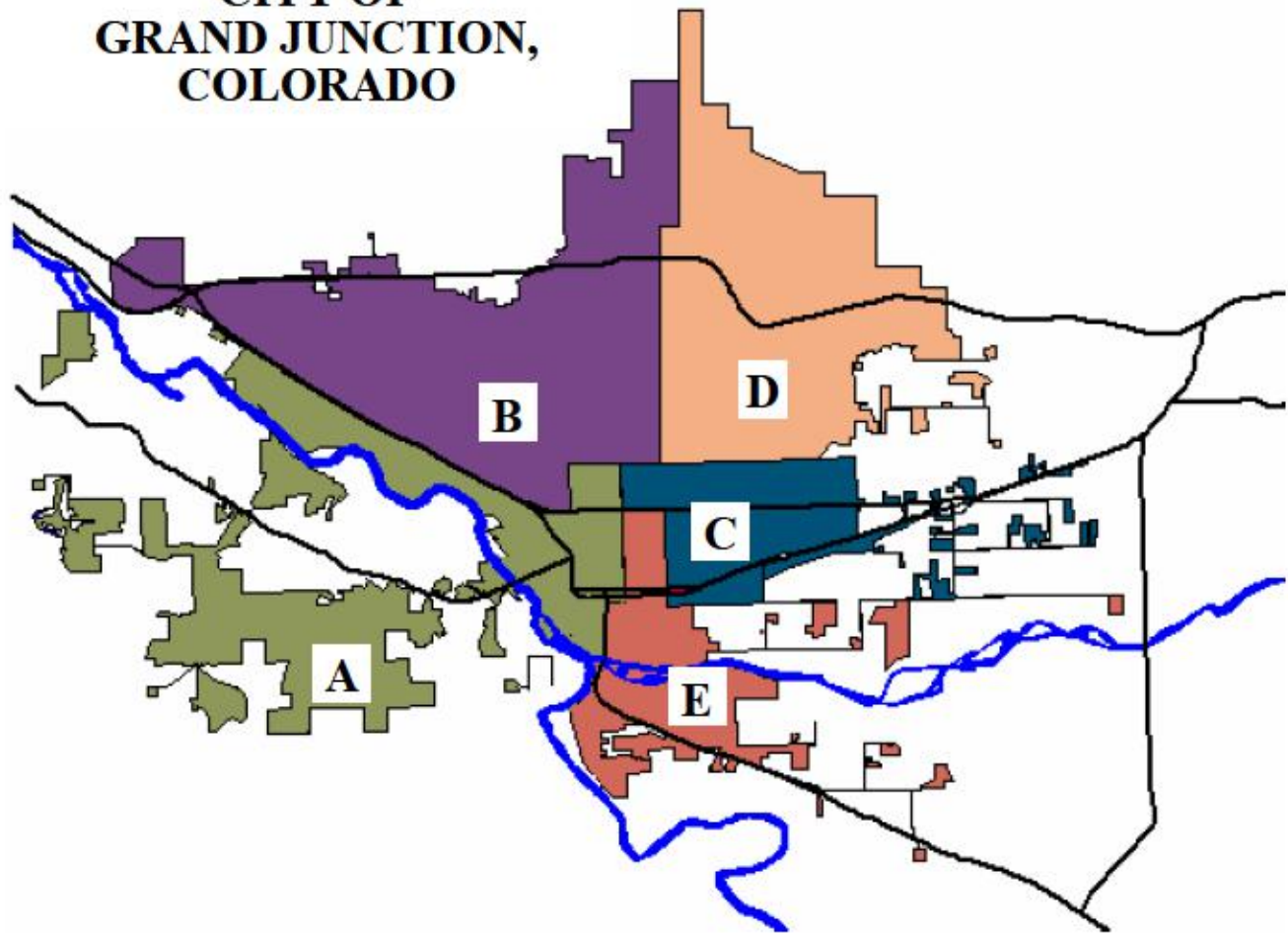
The City's external auditors, Chadwick, Steinkirchner, Davis & Co., P.C., are also commended for their comprehensive and efficient examination of the various funds of the City for the fiscal year ended December 31, 2004.

Respectfully submitted,

Ronald M. Lappi
Director of Finance and Administrative Services



CITY OF GRAND JUNCTION, COLORADO



ELECTED OFFICIALS

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

ELECTION DISTRICT BOUNDARIES

APPOINTED OFFICIALS

Kelly E. Arnold	City Manager
David A. Varely	Assistant City Manager
John P. Shaver	City Attorney
Jamie Krieling	Assistant City Attorney
David Palmer	Municipal Judge

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

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying basic financial statements of the City of Grand Junction/Mesa County, Colorado Joint Sewer System as of and for the years ended December 31, 2004 and 2003, as listed in the table of contents. These financial statements are the responsibility of the Joint Sewer System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of Grand Junction/Mesa County, Colorado Joint Sewer System at December 31, 2004 and 2003, and the results of its operations and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

The management discussion and analysis on pages 3-6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial

statements taken as a whole. The supplemental summary of revenues, expenditures and changes in fund net assets – budget (non-gaap budgetary basis) and actual, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

COSTELLO AND COMPANY, PC

Costello and Company, PC

April 25, 2005

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, 2004. Please read it in conjunction with the transmittal letter on page 3 and the City's financial statements, which begin on page 29.

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 2004 by \$307 million (net assets). Of this amount \$43.6 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- Sales and use tax revenues increased by 5% over 2003, primarily due to a relatively healthy economy and some new retail activity.
- At the end of 2004, the unreserved and undesignated fund balance for the General Fund was \$12.1 million, or 29.7% of the total General Fund expenditures. This is up \$3.9 million from 2003 which was 21.8% of General Fund expenditures.
- The Sales Tax Capital Improvement Fund ended the year with a fund balance of \$7.5 million to assist next year's capital plan after spending a record high \$13.4 million in major capital in 2004.
- The City's long-term debt increased a net \$60.2 million due to \$60.7 million of revenue bonds issued in 2004 to begin construction of the Riverside Parkway project.
- General Fund revenues grew by 11% in 2004 mostly due to combined tax collection, which increased 11.3% (including a large increase of \$1.9 million in severance taxes). In total, General Fund revenues of \$45.5 million, were highest ever collected.

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 development and housing. The *Business-type Activities* of the City of Grand Junction include Water, Convention Center, Solid Waste, Pools, Golf Courses, Parking, and Irrigation.

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

The government-wide financial statements can be found on pages 29 through 31 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 seventeen 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 Parkway Project Capital Fund. The balances of the other fourteen governmental funds are determined to be non-major and are included in the combining statements within this report.

The City of Grand Junction adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget. The General Fund budgetary comparison is presented as part of the basic governmental fund financial statements which can be found on page 32 through 36 of this report. All other required budgetary comparisons including the Sales Tax Capital Improvement Fund and Parkway Project Capital Fund are with the combining statements which can be found on pages 78 through 93 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, 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 37 through 39.

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 40 through 41.

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 43 through 69 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 157 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 74 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 \$307.0 million at the close of fiscal year 2004.

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	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Current and other assets	\$110,958	\$52,895	\$ 6,266	\$ 7,512	\$117,225	\$ 60,406
Capital assets	235,879	203,261	36,622	35,323	272,500	238,585
Total assets	<u>346,837</u>	<u>256,156</u>	<u>42,888</u>	<u>42,835</u>	<u>389,725</u>	<u>298,991</u>
Long-term debt outstanding	68,880	8,600	4,022	4,129	72,903	12,730
Other liabilities	9,312	7,272	538	379	9,850	7,650
Total liabilities	<u>78,192</u>	<u>15,872</u>	<u>4,560</u>	<u>4,508</u>	<u>82,753</u>	<u>20,380</u>
Net assets:						
Invested in capital assets, net of related debt	224,544	201,219	34,071	33,495	258,615	234,714
Restricted	3,837	5,304	905	1,787	4,742	7,091
Unrestricted	40,264	33,761	3,352	3,045	43,615	36,806
Total net assets	<u>\$ 268,645</u>	<u>\$240,284</u>	<u>\$38,328</u>	<u>\$38,327</u>	<u>\$306,972</u>	<u>\$278,611</u>

An additional portion of the City of Grand Junction's net assets 1.5% represents resources that are subject to external restrictions on how they may be used.

Changes in Net Assets

The City's total revenues of \$93.3 million exceeded program expenses of \$64.9 million for an increase in net assets of \$28.4 million.

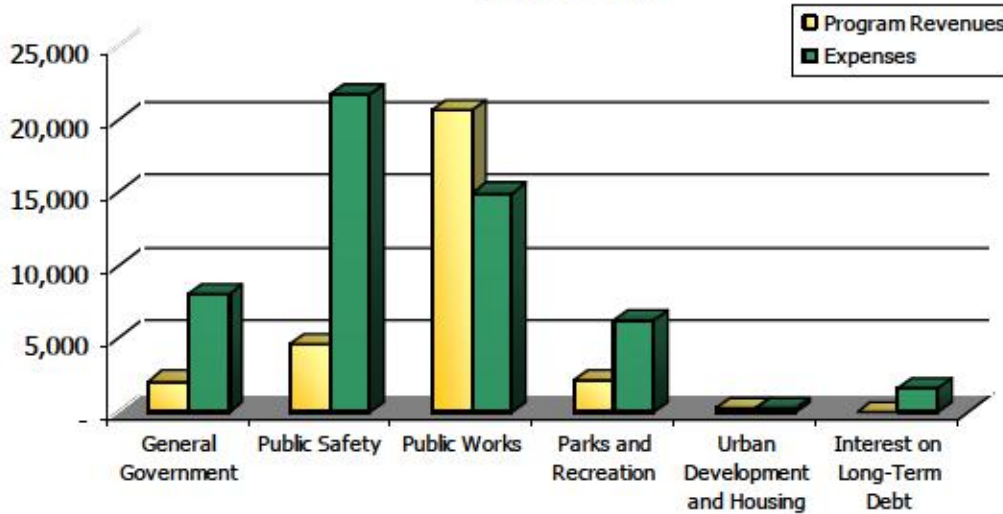
CHANGES IN NET ASSETS
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program revenues:						
Charges for services	8,668	7,370	10,832	11,098	19,500	18,468
Operating grants	492	733	159	109	651	842
Capital grants	20,629	16,359	110	202	20,739	16,561
General revenues:						
Property taxes	4,620	4,352	-	-	4,620	4,352
Sales and use taxes	39,298	37,423	-	-	39,298	37,423
Other taxes	6,273	3,987	-	-	6,273	3,987
Other general revenues	2,055	825	137	81	2,192	906
Total revenues	82,035	71,049	11,238	11,490	93,273	82,539
Expenses:						
General government	9,549	8,277	-	-	9,549	8,277
Public safety	23,823	19,871	-	-	23,823	19,871
Public works	10,223	12,780	-	-	10,223	12,780
Parks and recreation	6,684	5,319	-	-	6,684	5,319
Urban development and housing	347	623	-	-	347	623
Interest on long-term debt	2,302	234	-	-	2,302	234
Water	-	-	4,159	4,010	4,159	4,010
Convention Center	-	-	2,130	1,988	2,130	1,988
Solid Waste Removal	-	-	2,302	2,190	2,302	2,190
Swimming pools	-	-	827	816	827	816
Golf	-	-	2,041	1,919	2,041	1,919
Cemetery	-	-	-	339	-	339
Parking	-	-	245	273	245	273
Irrigation systems	-	-	279	250	279	250
Total expenses	52,928	47,104	11,983	11,785	64,911	58,889
Excess before transfers	29,107	23,945	-745	-295	28,362	23,650
Transfers	-746	-832	746	832	-	-
Increase in net assets	28,361	23,113	1	537	28,362	23,650
Net assets 1/1/04	240,284	217,171	38,327	37,788	278,610	254,959
Net assets 12/31/04	268,645	240,284	38,328	38,327	306,972	278,610

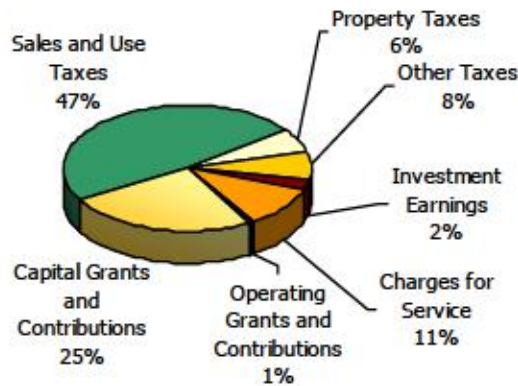
Governmental Activities

Governmental Activities increased the City of Grand Junction's net assets by \$28.4 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 5.0% during the year. The majority of growth is attributed to a healthy economy and impacts of new retail outlets.

Property tax revenue increased by \$268 thousand, or 6.2%, 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

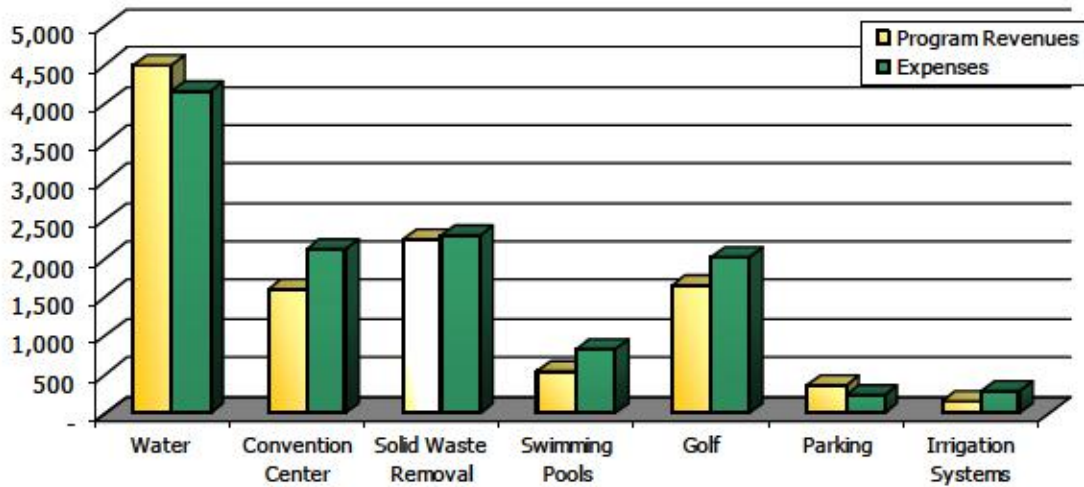
Net assets in Business-type activities increased by \$643. Business-type activities include Water, Convention Center, Solid Waste, Pools, Golf Courses, Parking, and Irrigation.

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

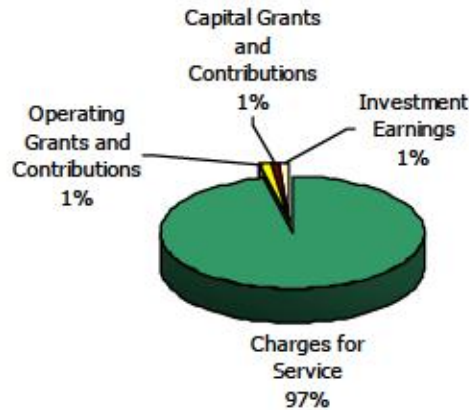
The Two Rivers Convention Center, and the Pools Funds all received transfers from the General Fund to subsidize operations. The net assets of the Cemetery operations were transferred to the General Fund and are now included in governmental activities.

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

EXPENSE AND PROGRAM REVENUES – BUSINESS TYPE ACTIVITIES



REVENUES BY SOURCE – BUSINESS TYPE ACTIVITIES



FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

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

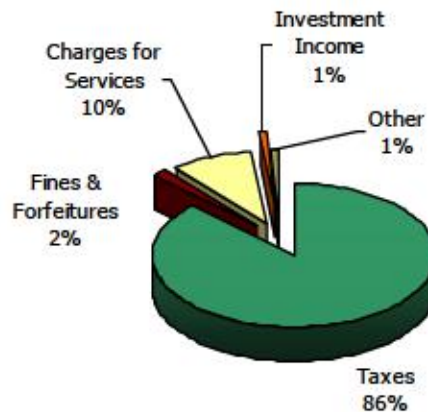
The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

As of the December 31, 2004, the City's governmental funds (general, special revenue, debt service, capital projects, and permanent) reported combined fund balances of \$86.2 million. This represents an increase of \$58.6 million over last year's ending balances, mainly attributed to \$60.7 million of revenue bonds issued in the Parkway Project capital fund and \$2.6 million transferred into the Facilities Capital Fund from the Equipment replacement internal service fund. Excluding these two new funds, the City's remaining governmental funds increased fund balance by \$3.6 million (12.9%) over last year's ending balances.

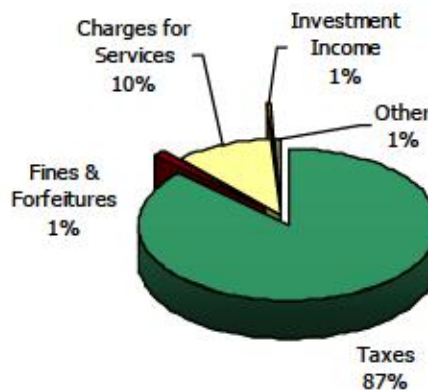
The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund. Revenues exceeded expenditures in the General Fund by \$4.6 million during the year. The General Fund's total fund balance increased \$2.3 million over last year. An analysis for this fund balance shows that it represents over 34% of projected revenues for the new fiscal year which ends December 31, 2005.

Taxes continue to be the largest source of revenue in the General Fund and represent 86% of total general fund revenues. The largest element of taxes is sales taxes, as it has been for many years. It represents 73% of total tax revenues and represents 64% 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) 2004

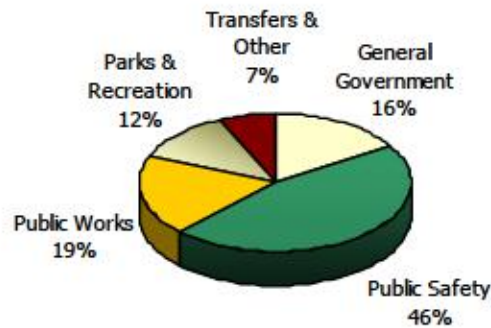


GENERAL FUND REVENUE (GAAP BASIS) 2003

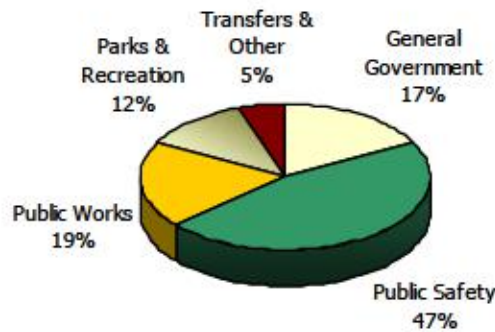


The following graphs display the expenditures in the General Fund by function for the past two fiscal years. As can be seen by reviewing these graphs, most of the expenditures are close to maintaining the same percentage of expenditures over the two years.

GENERAL FUND EXPENSE (GAAP BASIS) 2004



GENERAL FUND EXPENSE (GAAP BASIS) 2003



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 \$3.4 million. Total growth in net assets for these funds was very minimal at \$644. 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 \$46.5 million to a final budget of \$47.4 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 \$41.7 million while the final budgeted amount was \$44.7 million, reflecting an increase in the projection for tax revenue, interest earnings, and fines and forfeitures.

Actual General Fund expenditures (including transfers) totaled \$43.3 million. The year-end fund balance of \$15.5 million was \$5.0 million above the final budgeted amount.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2004, 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, 2004.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Land	\$122,743	\$112,576	\$ 4,523	\$ 4,527	\$127,266	\$117,103
Buildings and systems Improvements other than buildings	15,642	13,109	31,519	30,095	47,161	43,204
Vehicles, machinery & equipment	17,440	16,005	90	90	17,530	16,095
Infrastructure	10,693	9,463	490	611	11,183	10,074
Construction in progress	60,273	51,249	-	-	60,273	51,249
Total	9,088	860	-	-	9,088	860
	<u>\$235,879</u>	<u>\$203,262</u>	<u>\$36,622</u>	<u>\$35,323</u>	<u>\$272,501</u>	<u>\$238,585</u>

Major capital additions during 2004 include:

	<u>2004</u>
Riverside Parkway	\$ 9,131,994
Water System Improvements	\$ 2,528,352
Street and Sidewalk Improvements	\$ 2,480,742
25 ½ Road; Independent to F Road	\$ 1,941,318
Equipment Replacement Program	\$ 1,851,686
29 Road; Interstate 70-B to F Road	\$ 1,498,000
Fire Station #5 Construction	\$ 1,313,143
E-911 Communications Center Equip	\$ 947,241
Storm Drainage Improvements	\$ 711,822

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 54 through 55.

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. To take advantage of favorable rates and to shorten construction time however, the City did issue \$60.7 million in General Fund Revenue bonds in 2004 to begin construction on the Riverside Parkway project. Standard and Poor's gave the City the rating of AA- on this bond issue while the City's general obligation bond ratings are A+ from Standard and Poor's and A2 from Moody's.

As of December 31, 2004 the City of Grand Junction has \$67.4 million in outstanding debt. Of this amount \$63.9 million represents General Government debt. The largest portion, \$60.5 million is the liability from the Riverside Parkway revenue bonds issued this year. Special taxing districts have a combined total of \$1.9 million in debt. The remaining \$4.7 million of outstanding debt is bonds, notes and loans to be repaid by fee revenue and appropriated funds. Total debt service payments of approximately \$2.1 million in 2005 represents 3.2% of total operating expenditures. Additional information on the City's long-term debt can be found in note 7 on pages 57 through 60.

The table below provides a summary of total debt at December 31, 2004.

OUTSTANDING DEBT, AT YEAR-END
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
General obligation (backed by by special tax revenue)	\$ 1,927	\$2,171	\$ -	\$ -	\$ 1,927	\$2,171
Revenue bonds and notes (backed by tax and fee revenue)	60,738	159	107	115	60,845	274
Capital leases (payable from appropriated funds)	1,283	1,883	-	-	1,283	1,883
Loans (backed by fee revenue)	-	-	3,348	3,490	3,348	3,490
Total	\$63,948	\$4,213	\$3,455	\$3,605	\$67,403	\$7,818

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 local economy continues to improve as evidenced by retail activity. Sales and Use Taxes are up 6.2% for the 1st Quarter of 2005, well above the projected rate of 5.1%. The energy, construction and health service industries continue to grow and will more than offset the anticipated loss of one of the areas largest manufacturing firms. Grand Junction continues to be the retail and medical center for most of Western Colorado and Eastern Utah. Those factors coupled with; tourism and the abundance of outdoor recreational opportunities, the continued growth of Mesa State College, our ability to attract new businesses and retirees, all contribute to the current and future economic vitality of this community.

General Fund balances are well above the minimum working capital recommended in the City's budget policy. The City's investment in infrastructure is at an all time high as we begin work on the Riverside Parkway Project. In the spring of 2004 voters approved a bond issue to fund approximately 80% of this \$100 million project. A couple of the other major capital improvement projects for 2005 include spending over \$39 million on road construction and maintenance projects, and \$5.4 million on storm drainage improvements.

Rates in the Utility Funds were set at rates to cover operating and capital costs. Water rate changes are expected to generate a 1.88% increase in water revenues while a 4% rate increase was implemented for Solid Waste services in 2005. The 2005 Budget includes funding for the subsidy of the Two Rivers Convention Center and Swimming Pools funds.

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
STATEMENT OF NET ASSETS
December 31, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 97,566,466	\$ 5,107,478	\$ 102,673,944	\$ 2,816,207
Cash & investments - restricted	-	905,137	905,137	-
Other receivables, net of allowance for uncollectibles	11,971,289	806,446	12,777,735	1,133,747
Internal balances	615,862	(615,862)	-	-
Inventories	90,982	63,098	154,080	-
Bond issue costs	713,627	-	713,627	-
Capital assets (net of accumulated depreciation):				
Land	122,743,212	4,522,826	127,266,038	497,498
Buildings and systems	15,641,522	31,518,961	47,160,483	1,644,830
Improvements other than buildings	17,440,039	89,683	17,529,722	72,900
Equipment	10,692,974	490,020	11,182,994	11,582
Infrastructure	60,272,858	-	60,272,858	-
Construction in progress	9,088,306	-	9,088,306	956,026
Total assets	<u>346,837,137</u>	<u>42,887,787</u>	<u>389,724,924</u>	<u>7,132,790</u>
LIABILITIES				
Accounts payable and other current liabilities	4,167,154	485,320	4,652,474	8,620
Accrued interest payable	926,360	52,834	979,194	1,306
Unearned revenue	4,219,004	-	4,219,004	1,133,747
Noncurrent liabilities:				
Due within one year	3,991,412	198,217	4,189,629	730,547
Due in more than one year	64,888,305	3,823,934	68,712,239	1,581,785
Total liabilities	<u>78,192,235</u>	<u>4,560,305</u>	<u>82,752,540</u>	<u>3,456,005</u>
NET ASSETS				
Invested in capital assets, net of related debt	224,544,344	34,071,610	258,615,954	877,836
Restricted for :				
Perpetual care	1,120,381	-	1,120,381	-
Debt service	898,714	-	898,714	170,000
Water systems	-	905,137	905,137	-
Emergency reserves	1,818,000	-	1,818,000	-
Unrestricted	40,263,463	3,350,735	43,614,198	2,628,949
Total net assets	<u>\$ 268,644,902</u>	<u>\$ 38,327,482</u>	<u>\$ 306,972,384</u>	<u>\$ 3,676,785</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, 2004

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 9,548,713	\$ 2,072,365	\$ 32,099	\$ 2,000
Public safety	23,823,248	4,270,121	148,018	270,000
Public works	10,223,079	1,137,608	-	19,445,845
Parks and recreation	6,684,183	1,187,450	34,939	910,974
Urban development and housing	347,218	-	277,408	-
Interest on long-term debt	2,301,710	-	-	-
Total governmental activities	<u>52,928,151</u>	<u>8,667,544</u>	<u>492,464</u>	<u>20,628,819</u>
Business-type Activities:				
Water	4,158,777	4,397,730	-	103,484
Convention Center	2,130,427	1,603,083	-	5,000
Solid Waste Removal	2,302,588	2,260,492	-	-
Swimming Pools	826,992	394,625	159,346	-
Golf	2,040,033	1,648,009	-	-
Parking	244,869	355,546	-	-
Irrigation Systems	279,556	172,016	-	1,560
Total business-type activities	<u>11,983,242</u>	<u>10,831,501</u>	<u>159,346</u>	<u>110,044</u>
Total primary government	<u>\$ 64,911,393</u>	<u>\$ 19,499,045</u>	<u>\$ 651,810</u>	<u>\$ 20,738,863</u>
Component unit:				
Downtown Development Authority	\$ 464,709	\$ 118,771	\$ 12,619	\$ 167,389

General revenues:
Sales & use taxes
Property taxes
Franchise taxes
Highway users tax
Other shared taxes
Investment earnings
Gain on sale of capital assets

Transfers
Total general revenues
Change in net assets

Net assets - beginning
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
\$ (7,442,249)	\$ -	\$ (7,442,249)	\$ -
(19,135,109)	-	(19,135,109)	-
10,360,374	-	10,360,374	-
(4,550,820)	-	(4,550,820)	-
(69,810)	-	(69,810)	-
(2,301,710)	-	(2,301,710)	-
<u>(23,139,324)</u>	<u>-</u>	<u>(23,139,324)</u>	<u>-</u>
-	342,437	342,437	-
-	(522,344)	(522,344)	-
-	(42,096)	(42,096)	-
-	(273,021)	(273,021)	-
-	(392,024)	(392,024)	-
-	110,677	110,677	-
-	(105,980)	(105,980)	-
<u>-</u>	<u>(882,351)</u>	<u>(882,351)</u>	<u>-</u>
\$ <u>(23,139,324)</u>	\$ <u>(882,351)</u>	\$ <u>(24,021,675)</u>	\$ <u>-</u>
-	-	-	(165,930)
39,298,456	-	39,298,456	-
4,619,651	-	4,619,651	1,167,670
1,804,821	-	1,804,821	-
1,537,963	-	1,537,963	-
2,930,290	-	2,930,290	-
2,000,765	142,378	2,143,143	99,749
54,451	(5,095)	49,356	-
(745,711)	745,711	-	-
<u>51,500,686</u>	<u>882,994</u>	<u>52,383,680</u>	<u>1,267,419</u>
28,361,362	643	28,362,005	1,101,489
240,283,540	38,326,839	278,610,379	2,575,296
\$ <u>268,644,902</u>	\$ <u>38,327,482</u>	\$ <u>306,972,384</u>	\$ <u>3,676,785</u>

City of Grand Junction
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2004

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Parkway Project Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 11,804,161	\$ 5,865,896	\$ 52,948,731	\$ 11,092,557	\$ 81,711,345
Interest receivable	264,283	-	255,883	-	520,166
Accounts receivable, net of allowances for uncollectibles	279,772	6,810	-	264,750	551,332
Taxes receivable	6,900,077	1,126,219	-	318,691	8,344,987
Special assessments receivable	-	107,828	-	-	107,828
Due from other funds	310,262	-	-	-	310,262
Advances to other funds	328,185	-	-	-	328,185
Intergovernmental receivables	1,448,667	965,277	-	25,700	2,439,644
Total assets	\$ 21,335,407	\$ 8,072,030	\$ 53,204,614	\$ 11,701,698	\$ 94,313,749
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 684,785	\$ 400,136	\$ 781,712	\$ 696,591	\$ 2,563,224
Accrued liabilities	1,235,844	21,205	16,621	26,260	1,299,930
Due to other funds	-	-	-	22,585	22,585
Deferred revenue	3,896,825	107,828	-	214,351	4,219,004
Total liabilities	5,817,454	529,169	798,333	959,787	8,104,743
Fund balances:					
Reserved for:					
Advances	328,185	-	-	-	328,185
Perpetual care	-	-	-	1,120,381	1,120,381
Debt service	-	-	-	898,714	898,714
Parkway project	-	-	52,406,281	-	52,406,281
Emergency	1,818,000	-	-	-	1,818,000
Unreserved:					
Designated for subsequent year's expenditures-					
General fund	944,813	-	-	-	944,813
Special revenue funds	-	-	-	889,724	889,724
Capital projects funds	-	6,802,840	-	686,000	7,488,840
Undesignated, reported in:					
General fund	12,426,955	-	-	-	12,426,955
Special revenue funds	-	-	-	2,557,518	2,557,518
Capital projects funds	-	740,021	-	4,589,574	5,329,595
Total fund balances	15,517,953	7,542,861	52,406,281	10,741,911	86,209,006
Total liabilities and fund balances	\$ 21,335,407	\$ 8,072,030	\$ 53,204,614	\$ 11,701,698	\$ 94,313,749

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, 2004

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)	\$	86,209,006
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		226,132,837
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 \$25,699,509 and liabilities (\$2,340,599) of the internal service funds are included in governmental activities in the statement of net assets.		23,358,910
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.		
General obligation bonds	\$	(1,927,348)
Revenue bonds		(57,075,000)
Bond premium (to be amortized over life of debt)		(3,529,780)
Deferred charge for issue costs (to be amortized over life of debt)		713,627
Promissory notes		(133,134)
Capital leases		(1,283,063)
Net pension obligation		(580,765)
Accrued interest payable		(926,360)
Compensated absences		(2,314,028)
		(67,055,851)
 Total net assets - governmental activities	 \$	 <u>268,644,902</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, 2004

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Parkway Project Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 4,379,146	\$ -	\$ -	\$ 240,505	\$ 4,619,651
Sales and use	29,035,482	8,948,759	-	1,314,215	39,298,456
Franchise	1,804,821	-	-	-	1,804,821
Severance	2,148,016	-	-	-	2,148,016
Other	2,320,238	-	-	-	2,320,238
Licenses and permits	111,452	-	-	-	111,452
Intergovernmental revenues	192,544	2,168,274	-	704,919	3,065,737
Charges for services	4,318,953	273,012	-	1,292,289	5,884,254
Fines and forfeitures	701,941	-	-	-	701,941
Special assessments	-	148,289	-	-	148,289
Investment earnings	366,502	147,009	731,853	302,105	1,547,469
Other income	52,187	35,751	78,740	1,070,644	1,237,322
Other contributions	31,283	161,000	-	-	192,283
Total revenues	45,462,565	11,882,094	810,593	4,924,677	63,079,929
EXPENDITURES					
Current:					
General government	7,023,570	-	-	1,693,111	8,716,681
Public safety	19,977,861	-	-	-	19,977,861
Public works	8,049,960	-	-	-	8,049,960
Parks and recreation	5,378,915	-	-	-	5,378,915
Urban development and housing	85,374	-	-	261,844	347,218
Debt service:					
Principal retirement	359,674	-	-	510,113	869,787
Interest and fiscal charges	34,434	-	-	1,503,933	1,538,367
Bond issuance costs	-	-	723,626	-	723,626
Capital outlay:					
Construction	-	11,237,366	8,408,369	337,953	19,983,688
Total expenditures	40,909,788	11,237,366	9,131,995	4,306,954	65,586,103
Excess (deficiency) of revenues over	4,552,777	644,728	(8,321,402)	617,723	(2,506,174)
OTHER FINANCING SOURCES (USES)					
Transfers in	77,080	3,187,000	-	5,014,887	8,278,967
Transfers out	(2,351,717)	(2,161,050)	-	(3,437,074)	(7,949,841)
Revenue bonds issued	-	-	57,075,000	-	57,075,000
Bond Premium	-	-	3,652,683	-	3,652,683
Total other financing sources	(2,274,637)	1,025,950	60,727,683	1,577,813	61,056,809
Net change in fund balances	2,278,140	1,670,678	52,406,281	2,195,536	58,550,635
Fund balances – beginning	13,239,813	5,872,183	-	8,546,375	27,658,371
Fund balances – ending	\$ 15,517,953	\$ 7,542,861	\$ 52,406,281	\$ 10,741,911	\$ 86,209,006

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, 2004

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)	\$	58,550,635
<p>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 \$20,182,649 exceeded depreciation (\$5,187,758) in the current period.</p>		
		14,994,891
<p>The net effect of the donated of capital assets is to increase net assets.</p>		
		16,692,914
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(18,387)
<p>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.</p>		
Revenue bonds issued	\$	(57,075,000)
Bond premium (net of current amortization)		(3,529,780)
Debt principal payments		869,787
Bond issuance costs (net of current amortization)		713,627
Increase in accrued interest		(886,246)
Decrease in net pension obligation		34,708
Increase in compensated absences		(145,514)
		(60,018,418)
<p>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.</p>		
Revenues from external customers	\$	1,773,023
Expenses due to external customers		(1,760,090)
Gain on disposition of property		54,451
Investment income		453,297
Operating loss from operations		(2,360,954)
		(1,840,273)
Change in net assets of governmental activities (page 3-5)	\$	28,361,362

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, 2004

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	\$ 4,397,727	\$ 4,405,027	\$ 4,379,146	\$ -	\$ 4,379,146	\$ (25,881)
Sales and use	27,916,223	28,602,546	29,035,482	(186,939)	28,848,543	245,997
Franchise	1,435,000	1,435,000	1,804,821	-	1,804,821	369,821
Severance	150,000	1,921,059	2,148,016	-	2,148,016	226,957
Other	2,252,000	2,252,000	2,320,238	-	2,320,238	68,238
Licenses and permits	98,100	113,100	111,452	-	111,452	(1,648)
Intergovernmental revenues	120,850	284,493	192,544	-	192,544	(91,949)
Charges for services	4,456,445	4,483,801	4,318,953	-	4,318,953	(164,848)
Fines and forfeitures	577,835	753,640	701,941	-	701,941	(51,699)
Special assessments	5,000	5,000	-	-	-	(5,000)
Investment earnings	254,000	362,000	366,502	28,671	395,173	33,173
Other income	14,500	24,565	52,187	-	52,187	27,622
Other contributions	54,976	34,471	31,283	-	31,283	(3,188)
Total revenues	41,732,656	44,676,702	45,462,565	(158,268)	45,304,297	627,595
EXPENDITURES						
Current:						
General government:						
Administration	4,212,107	4,378,834	1,803,175	-	1,803,175	2,575,659
Administrative services	3,346,374	3,284,647	3,219,298	-	3,219,298	65,349
Community development	2,009,313	2,200,896	2,001,097	-	2,001,097	199,799
Total general government	9,567,794	9,864,377	7,023,570	-	7,023,570	2,840,807
Public safety:						
Police protection	12,033,885	12,294,193	11,843,168	-	11,843,168	451,025
Fire protection	8,330,054	8,504,177	8,134,693	-	8,134,693	369,484
Total public safety	20,363,939	20,798,370	19,977,861	-	19,977,861	820,509
Public works						
Parks and recreation	8,246,938	8,423,898	8,049,960	-	8,049,960	373,938
Urban development and housing	5,494,586	5,485,332	5,378,915	-	5,378,915	106,417
Total current expenditures	43,776,257	44,674,977	40,515,680	-	40,515,680	4,159,297
Debt service:						
Principal retirement	359,674	359,674	359,674	-	359,674	-
Interest and fiscal charges	34,434	34,434	34,434	-	34,434	-
Total debt service	394,108	394,108	394,108	-	394,108	-
Total expenditures	44,170,365	45,069,085	40,909,788	-	40,909,788	4,159,297
Excess (deficiency) of revenues over (under) expenditures	(2,437,709)	(392,383)	4,552,777	(158,268)	4,394,509	4,786,892
OTHER FINANCING SOURCES (USES)						
Transfers in	68,000	78,532	77,080	-	77,080	(1,452)
Transfers out	(2,335,455)	(2,380,205)	(2,351,717)	-	(2,351,717)	28,488
Total other financing sources and uses	(2,267,455)	(2,301,673)	(2,274,637)	-	(2,274,637)	27,036
Net change in fund balances	(4,705,164)	(2,694,056)	2,278,140	(158,268)	2,119,872	4,813,928
Fund balances – beginning	13,239,813	13,239,813	13,239,813	-	13,239,813	-
Fund balances – ending	\$ 8,534,649	\$ 10,545,757	\$ 15,517,953	\$ (158,268)	\$ 15,359,685	\$ 4,813,928

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, 2004

	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	\$ 3,674,997	\$ -	\$ 1,432,481	\$ 5,107,478	\$ 15,855,122
Restricted cash held by trustee	905,137	-	-	905,137	-
Accounts receivable, net of allowance	259,226	274,396	258,773	792,395	3,793
Intergovernmental receivable	14,050	-	-	14,050	3,537
Inventory	-	-	63,099	63,099	90,982
Total current assets	<u>4,853,410</u>	<u>274,396</u>	<u>1,754,353</u>	<u>6,882,159</u>	<u>15,953,434</u>
Noncurrent assets:					
Capital assets:					
Land	2,494,086	153,001	1,875,739	4,522,826	-
Buildings, improvements, plant and system	32,594,212	7,241,135	11,127,860	50,963,207	347,689
Equipment	370,729	470,368	937,136	1,778,233	20,312,428
Less accumulated depreciation	<u>(11,595,238)</u>	<u>(1,558,310)</u>	<u>(7,489,228)</u>	<u>(20,642,776)</u>	<u>(10,914,042)</u>
Total capital assets (net of accumulated depreciation)	<u>23,863,789</u>	<u>6,306,194</u>	<u>6,451,507</u>	<u>36,621,490</u>	<u>9,746,075</u>
Total noncurrent assets	<u>23,863,789</u>	<u>6,306,194</u>	<u>6,451,507</u>	<u>36,621,490</u>	<u>9,746,075</u>
Total assets	<u>28,717,199</u>	<u>6,580,590</u>	<u>8,205,860</u>	<u>43,503,649</u>	<u>25,699,509</u>
LIABILITIES					
Current liabilities:					
Accounts payable	137,013	74,528	77,694	289,235	351,476
Accrued liabilities	83,537	32,008	80,538	196,083	139,148
Accrued interest payable	52,834	-	-	52,834	-
Compensated absences payable	18,805	4,513	19,009	42,327	16,513
Claims payable	-	-	-	-	1,628,715
Current portion of promissory notes payable	155,890	-	-	155,890	-
Due to other funds	-	167,859	119,818	287,677	-
Total current liabilities	<u>448,079</u>	<u>278,908</u>	<u>297,059</u>	<u>1,024,046</u>	<u>2,135,852</u>
Noncurrent liabilities:					
Compensated absences payable	233,169	55,954	235,686	524,809	204,747
Advances from other funds - general fund	-	-	328,185	328,185	-
Promissory notes payable	<u>3,299,127</u>	<u>-</u>	<u>-</u>	<u>3,299,127</u>	<u>-</u>
Total noncurrent liabilities	<u>3,532,296</u>	<u>55,954</u>	<u>563,871</u>	<u>4,152,121</u>	<u>204,747</u>
Total liabilities	<u>3,980,375</u>	<u>334,862</u>	<u>860,930</u>	<u>5,176,167</u>	<u>2,340,599</u>
NET ASSETS					
Invested in capital assets, net of related debt	21,313,909	6,306,194	6,451,507	34,071,610	9,746,075
Restricted for water systems	905,137	-	-	905,137	-
Unrestricted	2,517,778	(60,466)	893,423	3,350,735	13,612,835
Total net assets	<u>\$ 24,736,824</u>	<u>\$ 6,245,728</u>	<u>\$ 7,344,930</u>	<u>\$ 38,327,482</u>	<u>\$ 23,358,910</u>

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

City of Grand Junction, Colorado
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the year ended December 31, 2004

	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	\$ 4,346,924	\$ 1,603,083	\$ 4,798,533	\$ 10,748,540	\$ 8,152,783
Other income	-	-	-	-	149,268
Total operating revenues	<u>4,346,924</u>	<u>1,603,083</u>	<u>4,798,533</u>	<u>10,748,540</u>	<u>8,302,051</u>
Operating expenses:					
Personnel services	2,095,694	968,152	2,393,038	5,456,884	3,624,769
Costs of sales and services	1,241,507	966,388	2,767,051	4,974,946	4,108,743
Depreciation and amortization	697,561	195,887	501,238	1,394,686	1,841,724
Total operating expenses	<u>4,034,762</u>	<u>2,130,427</u>	<u>5,661,327</u>	<u>11,826,516</u>	<u>9,575,236</u>
Operating income (loss)	<u>312,162</u>	<u>(527,344)</u>	<u>(862,794)</u>	<u>(1,077,976)</u>	<u>(1,273,185)</u>
Nonoperating revenues (expenses):					
Intergovernmental	-	5,000	159,346	164,346	-
Miscellaneous	50,806	-	32,157	82,963	-
Investment income	101,999	-	40,379	142,378	453,297
Gain (loss) on disposition of property and equipment	-	(5,095)	-	(5,095)	54,451
Interest expense	(124,016)	-	(32,711)	(156,727)	-
Total nonoperating revenues (expenses)	<u>28,789</u>	<u>(95)</u>	<u>199,171</u>	<u>227,865</u>	<u>507,748</u>
Income (loss) before contributions and transfers	<u>340,951</u>	<u>(527,439)</u>	<u>(663,623)</u>	<u>(850,111)</u>	<u>(765,437)</u>
Capital contributions - tap fees	103,484	-	1,560	105,044	-
Transfers in	-	301,850	461,648	763,498	1,435,696
Transfers out	-	-	(17,787)	(17,787)	(2,510,532)
Change in net assets	444,435	(225,589)	(218,202)	644	(1,840,273)
Total net assets - beginning	24,292,389	6,471,317	7,563,132	38,326,838	25,199,183
Total net assets - ending	<u>\$ 24,736,824</u>	<u>\$ 6,245,728</u>	<u>\$ 7,344,930</u>	<u>\$ 38,327,482</u>	<u>\$ 23,358,910</u>

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

City of Grand Junction, Colorado
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2004

	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	\$ 4,374,011	\$ 1,482,880	\$ 4,793,682	\$ 10,650,573	\$ 8,307,947
Cash paid to suppliers	(1,138,623)	(959,820)	(2,784,735)	(4,883,178)	(3,533,108)
Cash paid to employees	(2,050,441)	(923,501)	(2,359,265)	(5,333,207)	(3,608,485)
Miscellaneous nonoperating receipts	50,806	-	32,157	82,963	-
Net cash provided (used) by operating activities	<u>1,235,753</u>	<u>(400,441)</u>	<u>(318,161)</u>	<u>517,151</u>	<u>1,166,354</u>
Cash flows from noncapital financing activities:					
Transfers from another fund	-	301,850	443,861	745,711	1,435,696
Increase in amount due other funds	-	111,022	11,253	122,275	(2,510,532)
Intergovernmental receipts	-	5,000	199,296	204,296	-
Contributions	-	-	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>417,872</u>	<u>654,410</u>	<u>1,072,282</u>	<u>(1,074,836)</u>
Cash flows from capital and related financing activities:					
Capital contributions	103,484	-	1,560	105,044	-
Principal payments:					
Promissory notes	(153,590)	-	-	(153,590)	-
Proceeds of interfund capital loans	-	-	-	-	-
Repayment of interfund capital loans	-	-	(145,543)	(145,543)	-
Interest paid	(106,636)	-	(32,711)	(139,347)	-
Proceeds from disposition of capital assets	-	(5,095)	-	(5,095)	84,107
Purchase of capital assets	(2,528,353)	(12,336)	(186,363)	(2,727,052)	(2,801,093)
Net cash used in capital and related financing activities	<u>(2,685,095)</u>	<u>(17,431)</u>	<u>(363,057)</u>	<u>(3,065,583)</u>	<u>(2,716,986)</u>
Cash flows from investing activities:					
Investment income received	101,999	-	40,378	142,377	453,297
Net cash provided by investing activities	<u>101,999</u>	<u>-</u>	<u>40,378</u>	<u>142,377</u>	<u>453,297</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,347,343)</u>	<u>-</u>	<u>13,570</u>	<u>(1,333,773)</u>	<u>(2,172,171)</u>
Cash and cash equivalents, January 1	5,927,477	-	1,418,911	7,346,388	18,027,293
Cash and cash equivalents, December 31	<u>\$ 4,580,134</u>	<u>\$ -</u>	<u>\$ 1,432,481</u>	<u>\$ 6,012,615</u>	<u>\$ 15,855,122</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 312,162	\$ (527,344)	\$ (862,794)	\$ (1,077,976)	\$ (1,273,185)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	697,561	195,887	501,237	1,394,685	1,841,724
(Increase) decrease in accounts receivable	27,087	(120,203)	(4,849)	(97,965)	5,896
(Increase) decrease in inventory	-	-	2,389	2,389	10,025
(Increase) decrease in prepaid items	-	-	-	-	-
Increase (decrease) in accounts payable	102,884	6,568	(20,072)	89,380	125,023
Increase (decrease) in claims payable	-	-	-	-	440,587
Increase (decrease) in accrued liabilities and compensated absences payable	45,252	44,651	33,771	123,674	16,284
(Increase) decrease in accounts payable due to the purchase of capital assets on account	-	-	-	-	-
Miscellaneous nonoperating receipts included in operating activities	50,806	-	32,157	82,963	-
Total adjustments	<u>923,590</u>	<u>126,903</u>	<u>544,633</u>	<u>1,595,126</u>	<u>2,439,539</u>
Net cash provided (used) by operating activities	<u>\$ 1,235,752</u>	<u>\$ (400,441)</u>	<u>\$ (318,161)</u>	<u>\$ 517,150</u>	<u>\$ 1,166,354</u>
Noncash Investing, Capital and Financing Activities					
Net book value of capital assets traded in	\$ -	\$ -	\$ -	\$ -	233,011

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, 2004

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund	Agency Funds
ASSETS				
Cash and cash equivalents	\$ 10,956	\$ 867,839	\$ 6,048,298	\$ 216,501
Cash held by trustee - restricted	-	-	2,988,393	-
Investments				
Short term investments	1,503,606	-	-	-
U.S. Government securities	1,266,329	-	-	-
Corporate bonds	1,637,268	-	-	-
Domestic equity securities	5,017,777	-	-	-
International securities	2,237,992	-	-	-
Venture capital	671,259	-	-	-
Real estate	439,201	-	-	-
Securities lending investment pool	1,244,010	-	-	-
Accounts receivable, net of allowance	-	5,333	-	37,500
Total assets	<u>14,028,398</u>	<u>873,172</u>	<u>9,036,691</u>	<u>254,001</u>
LIABILITIES				
Accounts payable	-	-	-	-
Due to other governments	-	-	-	254,001
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 254,001</u>
NET ASSETS				
Held in trust for:				
External investment pool participants	-	-	9,036,691	
Pension benefits	14,028,398	-	-	
Individuals, organizations and others	-	873,172	-	
Total net assets	<u>\$ 14,028,398</u>	<u>\$ 873,172</u>	<u>\$ 9,036,691</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, 2004

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund
ADDITIONS			
Additions by participants	\$ -	\$ 397,348	\$ 8,611,397
Employer contributions	438,552	-	-
Plan members contributions	45,732	-	-
Total contributions	<u>484,284</u>	<u>397,348</u>	<u>8,611,397</u>
Investment earnings:			
Interest	378,423	8,052	238,700
Net increase (decrease) in fair value of investments	<u>1,188,666</u>	<u>-</u>	<u>-</u>
Net investment earnings	<u>1,567,089</u>	<u>8,052</u>	<u>238,700</u>
Total additions	<u>2,051,373</u>	<u>405,400</u>	<u>8,850,097</u>
DEDUCTIONS			
Distributions to participants	-	247,306	12,394,903
Health insurance premiums paid	-	108,631	-
Benefits and refunds	1,627,061	-	-
Administrative expenses	51,664	6,198	-
Total deductions	<u>1,678,725</u>	<u>362,135</u>	<u>12,394,903</u>
Change in net assets	372,648	43,265	(3,544,806)
Net assets available - beginning	13,655,750	829,907	12,581,497
Net assets available - ending	<u>\$ 14,028,398</u>	<u>\$ 873,172</u>	<u>\$ 9,036,691</u>

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

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 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:

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 *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 ¾ percent portion of the City's 2¾ percent sales and use tax. The ¾ percent portion is currently dedicated to general capital improvements and economic development.

The *Parkway Project Capital Fund* is a capital projects fund used to account for the financing and construction of the Riverside Parkway. This project consists of constructing a beltway around the City designed to make transportation more efficient, while also alleviating traffic congestion. The Parkway project is being financed by an \$80 million bond issue approved by voters in 2003.

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:

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.

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 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 2004 taxes collectible in 2005 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.

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.

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 has been presented in the accompanying Managements Discussion and Analysis to in order to provide an understanding of the changes in the City's financial position and operations. However, complete comparative data has not been reported since their inclusion would make the financial statements unduly complex and difficult to read.

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 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 2004 resulted in budget amendments as follows:

Fund	Original Amount	Amended Amount
<i>Primary Government - City of Grand Junction:</i>		
<i>Governmental Activities</i>		
General Fund	\$46,505,820	\$47,449,289
Special Revenue Funds:		
Enhanced 911	946,844	1,584,858
CDBG Special Revenue	400,000	692,757
Parkland Expansion	1,172,468	1,187,468
Economic Development	681,191	806,191
Capital Projects Funds:		
Sales Tax Capital Improvement	16,834,610	19,498,870
Storm Drainage Improvement	3,997,000	5,502,014
Parkway Project Capital	-	11,400,000
<i>Business-Type Activities</i>		
Enterprise Funds:		
Water	6,922,873	7,323,050
Solid Waste	2,400,468	2,454,133
Two Rivers Convention Center	1,860,301	2,084,053
Parking	238,027	257,317
Internal Service Funds:		

Data Processing	2,076,093	2,162,960
Equipment	5,968,790	6,203,414
Self Insurance	1,069,780	3,074,678
Communications Center	3,062,394	3,700,408

Component Unit - Downtown Development Authority:

Special Revenue Funds:		
DDA Operations	\$251,050	\$266,989

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. The City did not have any funds with actual expenditures and transfers in excess of budget appropriations as of December 31, 2004.

C. DEFICIT FUND EQUITY

No individual funds of the Primary Government or its Component Unit had a deficit fund equity as of December 31, 2004.

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, 2004, had a weighted average yield of 3.00%. 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, 2004, is as follows:

Cash on hand	\$	6,375
Cash in banks		4,146,025
Certificates of deposit		400,000
Corporate stock		47,046
U.S. Agency notes		77,411,479

Other federal securities	27,210,213
State investment pools	3,184,805
Cash held by trustees	3,893,530
Fire & Police Association of Colorado	14,028,398
Mutual funds	216,847
Total cash and investments – cash pool	<u>\$130,544,718</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, 2004 appear in the Statement of Net Assets as summarized below:

Cash and investments – Net assets	\$102,673,945
Cash and investments – Net assets – component unit	2,816,207
Cash held by trustee – Net assets	905,137
Cash and investments – Fiduciary net assets-pension trust	14,028,398
Cash and investments – Fiduciary net assets-private purpose	867,839
Cash and investments – Fiduciary net assets-investment trust	6,048,298
Cash held by trustee – investment trust	2,988,393
Cash and investments – Fiduciary net assets-Agency	216,501
	<u>\$130,544,718</u>

At December 31, 2004, the carrying amount of the City's deposits with financial institutions was \$4,546,075 and the bank balance was \$4,992,753. 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 \$4,792,753 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, 2004, 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		

<i>Primary government, including component units and external participants</i>					
Corporate stock	\$ 47,046	\$ -	\$ -	\$ 47,046	\$ 4,829
U.S. Agency notes	77,411,429	-	-	77,411,429	77,607,312
Other federal securities	27,210,213	-	-	27,210,213	27,180,263
	<u>\$104,668,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$104,668,688</u>	<u>\$104,792,404</u>

Investments not subject to categorization:

State investment pools		3,184,805	3,184,805
Mutual funds		216,847	216,847
Trustee holdings – mutual		3,893,530	3,893,530
Fire & Police Pension Association of Colorado		14,028,398	14,028,398
		<u>\$125,992,268</u>	<u>\$126,115,984</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, 2004, and changes in net assets for the year then ended for the City cash pool are as follows:

<u>Statement of Net Assets</u>	
Investments at fair value	\$125,992,268
Cash	<u>4,552,450</u>
Net assets	<u>\$130,544,718</u>
Net assets consist of:	
Internal participants units outstanding (\$1.00 par)	\$121,508,027
External participant units outstanding (\$1.00 par)	<u>9,036,691</u>
Net assets	<u>\$130,544,718</u>
Participant net asset value, offering price and redemption price per share	<u>\$1.00</u>

<u>Statement of Changes in Net Assets</u>	
Revenues:	
Interest income	\$ 2,728,076
Fair value increases and decrease, net	<u>1,058,289</u>
Total revenues	3,786,365

Expenses:	-
Net increase in net assets resulting from operations	<u>3,786,365</u>
Allocated to participants	
Share transactions at net asset value of \$1.00 per share:	
Purchase of units	154,350,414
Redemption of units	<u>107,268,871</u>
Net decrease in net assets and shares resulting from share transactions	<u>47,081,543</u>
Total increase in net assets	50,867,908
Net assets at January 1, 2004	<u>79,676,810</u>
Net assets at December 31, 2004	<u>\$130,544,718</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, 2004, 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>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004 was as follows:

Primary Government - City of Grand Junction:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital assets, not being depreciated:</i>				

Land	\$112,575,777	\$ 10,167,435	\$ -	\$122,743,212
Construction in progress	859,736	9,088,306	859,736	9,088,306
Total capital assets, not being depreciated	<u>113,435,513</u>	<u>19,255,741</u>	<u>859,736</u>	<u>131,831,518</u>
<i>Capital assets, being depreciated:</i>				
Buildings	19,184,172	3,008,051	-	22,192,223
Improvements other than buildings	21,554,070	2,340,674	-	23,894,744
Equipment	21,870,789	3,665,516	1,791,361	23,744,944
Infrastructure	103,415,465	12,533,279	-	115,948,744
Total capital assets, being depreciated	<u>166,024,496</u>	<u>21,547,520</u>	<u>1,791,361</u>	<u>185,780,655</u>
<i>Less accumulated depreciation for:</i>				
Buildings	6,075,384	475,317	-	6,550,701
Improvements other than buildings	5,548,818	905,887	-	6,454,705
Equipment	12,407,918	2,138,887	1,494,835	13,051,970
Infrastructure	52,166,495	3,509,390	-	55,675,885
Total accumulated depreciation	<u>76,198,615</u>	<u>7,029,481</u>	<u>1,494,835</u>	<u>81,733,261</u>
Total capital assets, being depreciated, net	<u>89,825,881</u>	<u>14,518,039</u>	<u>296,526</u>	<u>104,047,394</u>
Governmental activities capital assets, net	<u>\$203,261,394</u>	<u>\$33,773,780</u>	<u>\$ 1,156,262</u>	<u>\$235,878,912</u>
Business-type activities				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,527,325	\$ -	\$ 4,500	\$ 4,522,825
Total capital assets, not being depreciated	<u>4,527,325</u>	<u>-</u>	<u>4,500</u>	<u>4,522,825</u>
<i>Capital assets, being depreciated:</i>				
Buildings and systems	44,875,994	2,574,850	10,543	47,440,301
Improvements other than buildings	3,665,937	98,570	241,600	3,522,907
Equipment	1,743,803	53,629	19,200	1,778,232
Total capital assets, being depreciated	<u>50,285,734</u>	<u>2,727,049</u>	<u>271,343</u>	<u>52,741,440</u>
<i>Less accumulated depreciation for:</i>				
Buildings and systems	16,720,325	1,089,539	9,665	17,800,199
Improvements other than buildings	1,636,661	127,646	209,945	1,554,362
Equipment	1,132,687	174,402	18,876	1,288,213
Total accumulated depreciation	<u>19,489,673</u>	<u>1,391,587</u>	<u>238,486</u>	<u>20,642,774</u>
Total capital assets, being depreciated, net	<u>30,796,061</u>	<u>1,335,462</u>	<u>32,857</u>	<u>32,098,666</u>
Business-type activities capital assets, net	<u>\$ 35,323,386</u>	<u>\$1,335,462</u>	<u>\$ 37,357</u>	<u>\$36,621,491</u>

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

Governmental Activities	
General government	\$ 200,108
Public safety	235,229
Public works	3,856,490
Parks and recreation	895,931
Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets	1,841,723

Total depreciation expense – governmental activities	<u>\$7,029,481</u>
Business-Type Activities	
Water	\$ 694,460
Solid waste	66,747
Meeting and convention center	195,886
Golf courses	121,858
Swimming pools	176,389
Parking	48,348
Irrigation	87,899
Total depreciation expense – business-type activities	<u>\$1,391,587</u>

Discretely Presented Component Unit

Activity for the *Downtown Development Authority* for the year ended December 31, 2004, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 497,498	\$ -	\$ -	\$ 497,498
Construction in progress	-	956,026	-	956,026
Total capital assets, not being depreciated	<u>497,498</u>	<u>956,026</u>	<u>-</u>	<u>1,453,524</u>
<i>Capital assets, being depreciated:</i>				
Buildings	2,163,367	-	-	2,163,367
Improvements other than buildings	108,000	-	-	108,000
Equipment	171,750	-	-	171,750
Total capital assets, being depreciated	<u>2,443,117</u>	<u>-</u>	<u>-</u>	<u>2,443,117</u>
<i>Less accumulated depreciation for:</i>				
Buildings	447,632	70,905	-	518,537
Improvements other than buildings	29,700	5,400	-	35,100
Equipment	150,867	9,301	-	160,168
Total accumulated depreciation	<u>628,199</u>	<u>85,606</u>	<u>-</u>	<u>713,805</u>
Total capital assets, being depreciated, net	<u>1,814,918</u>	<u>(85,606)</u>	<u>-</u>	<u>1,729,312</u>
DDA capital assets, net	<u>\$ 2,312,416</u>	<u>\$ 870,420</u>	<u>\$ -</u>	<u>\$ 3,182,836</u>

Construction Commitments

The City and its component unit has several ongoing construction projects as of December 31st, 2004 composed of the following:

	<u>Spent to 12/31/2004</u>	<u>Projected cost of completion</u>
Primary Government		
Riverside Parkway	\$ 8,406,216	\$ 83,088,784
Other street projects	92,334	777,000
Drainage projects	255,133	6,622,663
Park development	20,892	68,000
Facilities/other	313,731	477,000
Component Unit		

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term liability activity of the City for the year ended December 31, 2004:

Primary Government - City of Grand Junction:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds:					
<i>Ridges</i>	\$1,635,000	\$ -	\$ 125,000	\$1,510,000	\$ 130,000
<i>GJWWSD</i>	536,383	-	119,034	417,349	128,557
Revenue bonds:					
<i>Parkway</i>	-	57,075,000	-	57,075,000	1,000,000
<i>Premium</i>	-	3,652,683	122,903	3,529,780	244,888
Promissory notes:					
<i>Sales Tax Capital Improvement Fund</i>	159,213	-	26,079	133,134	28,687
Capital leases:					
<i>Certificates of Participation</i>	765,000	-	240,000	525,000	255,000
<i>Lease Purchase Agreement</i>	1,117,737	-	359,674	758,063	372,428
Net pension obligation:					
<i>Police Defined Benefit Plan</i>	311,162	-	28,988	282,174	-
<i>Fire Defined Benefit Plan</i>	304,311	-	5,720	298,591	-
Claims payable	1,188,128	841,163	400,576	1,628,715	1,628,715
Compensated absences	2,583,759	2,102,626	1,964,475	2,721,910	203,136
Governmental activity long-term liabilities	<u>\$8,600,693</u>	<u>\$63,671,472</u>	<u>\$3,392,449</u>	<u>\$68,879,716</u>	<u>\$3,991,411</u>
Business-Type Activities					
Promissory notes:					
<i>Water Systems</i>	\$115,474	\$ -	\$ 8,128	\$ 107,346	\$ 8,534
Loan payable					
<i>Water Systems</i>	3,555,747	-	145,462	3,410,285	145,462
Less deferred amounts:					
For loan discount	(65,713)	3,100	-	(62,613)	(3,494)
Compensated absences	523,744	432,472	389,082	567,134	42,199
Business-type activity long-term liabilities	<u>\$4,129,252</u>	<u>\$435,572</u>	<u>\$542,672</u>	<u>\$4,022,152</u>	<u>\$192,701</u>

Component Unit - Downtown Development Authority:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Tax increment bonds	\$ 2,995,000	\$ -	\$ 690,000	\$2,305,000	\$ 730,000
Compensated absences	10,221	5,676	8,564	7,333	547
Total	<u>\$ 3,005,221</u>	<u>\$ 5,676</u>	<u>\$ 698,564</u>	<u>\$2,312,333</u>	<u>\$ 730,547</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 \$221,259 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, 2004, are comprised of the following:

Primary Government - City of Grand Junction:

GENERAL OBLIGATION BONDS:

\$2,590,000 Ridges Metropolitan District General Obligation Refunding Bonds Series 1992 consisting of \$995,000 serial bonds bearing interest at 3.5% to 5.75% payable April 15 and October 15 annually through October 15, 2013, term bond of \$545,000 bearing interest of 6% payable on April 15 and October 15 through October 15, 2007, and term bond of \$1,090,000 bearing interest of 6.1% payable on April 15 and October 15 through October 15, 2013. Bonds maturing on or after October 15, 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 \$1,510,000 unpaid principal at December 31, 2004, payable over the following term:

Year	Principal	Interest	Total
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
2010-2013	770,000	121,085	891,085
	<u>\$1,510,000</u>	<u>\$495,680</u>	<u>\$2,005,680</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 \$254,609 unpaid principal at December 31, 2004, payable over the following term:

Year	Principal	Interest	Total
2005	\$ 78,428	\$15,022	\$ 93,450
2006	84,702	10,395	95,097
2007	91,479	5,397	96,876
	<u>\$254,609</u>	<u>\$30,814</u>	<u>\$285,423</u>

Series 1987B \$162,740 unpaid principal at December 31, 2004, payable over the following term:

Year	Principal	Interest	Total
2005	\$ 50,129	\$ 9,602	\$ 59,731
2006	54,139	6,644	60,783
2007	58,472	3,450	61,922
	<u>\$162,740</u>	<u>\$19,696</u>	<u>\$182,436</u>

REVENUE BONDS:

\$57,075,000 of the approved \$80,000,000 General Fund Revenue Bonds Series 2004 bearing interest at 2% to 5% payable March 1 and September 1 annually through March 1, 2024 were issued to finance the construction of the Riverside Parkway project. No amounts outstanding at the end of the current fiscal year

related to bonds issued in prior years. The total bond issue amount of \$57,075,000 was unpaid at December 31, 2004, payable over the following term:

Year	Principal	Interest	Total
2005	\$ 1,000,000	\$ 2,666,388	\$ 3,666,388
2006	1,250,000	2,643,887	3,893,887
2007	1,750,000	2,596,388	4,346,388
2008	-	2,561,387	2,561,387
2009	-	2,561,387	2,561,387
2010-2014	3,735,000	12,713,562	16,448,562
2015-2019	21,730,000	9,286,744	31,016,744
2020-2024	27,610,000	3,403,138	31,013,138
	<u>\$57,075,000</u>	<u>\$38,432,881</u>	<u>\$95,507,881</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 \$133,134 unpaid principal at December 31, 2004, payable over the following term:

Year	Principal	Interest	Total
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>\$133,134</u>	<u>\$34,866</u>	<u>\$168,000</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 \$107,346 unpaid principal at December 31, 2004, payable over the following term:

Year	Principal	Interest	Total
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
2010-2014	60,187	9,323	69,510
	<u>\$107,346</u>	<u>\$31,674</u>	<u>\$139,020</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, 2004 was \$3,410,284 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
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
2009	161,625	112,954	274,579
2010-2014	888,937	496,748	1,385,685
2015-2019	1,023,624	359,001	1,382,625
2020-2022	721,924	109,032	830,956
	<u>\$3,410,284</u>	<u>\$1,565,479</u>	<u>\$4,975,763</u>

Component Unit – Downtown Development Authority:

TAX INCREMENT BONDS

In 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 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 \$2,305,000 unpaid principal at December 31, 2004, payable over the following term:

Year	Principal	Interest	Total
2005	730,000	52,237	782,237
2006	770,000	39,463	809,463
2007	805,000	22,137	827,137
	<u>\$2,305,000</u>	<u>\$113,837</u>	<u>\$2,418,837</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, 2004, is as follows:

	Balance Outstanding at December 31, 2004
<i>Primary Government - City of Grand Junction:</i>	
Sewer Refunding Revenue Bonds, Series 1978A	\$ 770,000
General Obligation Water Refunding Bonds, Series 1978B	1,245,000
General Obligation Water Bonds, Series 1978C	<u>1,865,000</u>

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				
<i>Enterprise Funds:</i>						
Water	\$6,922,873	\$7,323,050	\$4,158,777	\$2,068,687	\$6,227,464	\$1,095,586
Solid Waste Removal Two Rivers	2,400,468	2,454,133	2,302,588	111,398	2,413,986	40,147
Convention Center	1,860,301	2,084,053	2,130,427	(214,423)	1,916,004	168,049
Swimming Pools	921,655	921,655	826,991	(65,407)	761,584	160,071
Lincoln Park Golf	731,244	731,244	720,987	(45,723)	675,264	55,980
Tiara Rado Golf	1,305,578	1,305,578	1,319,046	(22,776)	1,296,270	9,308
Parking Authority	238,027	257,317	244,869	(21,380)	223,489	33,828
Irrigation	191,682	191,682	279,557	(89,129)	190,428	1,254
<i>Internal Service Funds:</i>						
Data Processing	2,076,093	2,162,960	2,028,053	(15,525)	2,012,528	150,432
Equipment	5,968,790	6,203,414	5,470,676	328,665	5,799,341	404,073
Stores	229,416	229,416	216,278	(2,548)	213,730	15,686
Self-Insurance	1,069,780	3,074,678	1,519,020	(5,596)	1,513,424	1,561,254
Communications Center	3,062,394	3,700,408	2,851,740	669,903	3,521,643	178,765

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2004, is as follows:

Due to/from other funds:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 272,336	\$ -
Community Development Special Revenue Fund to cover the cost of operations	-	22,585
Two River Convention Center Enterprise Fund to cover the cost of operations	-	167,859
Swimming Pools Enterprise Fund to cover the cost of operations	-	20,482
Lincoln Park Golf Course Enterprise Fund to cover the cost of operations	-	8,952

Tiara Rado Golf Course Enterprise Fund to cover the cost of operations	-	52,458
Total	<u>\$ 272,336</u>	<u>\$272,336</u>

Advances to/from other funds:

	Advance to Other Funds	Advance from Other Funds
General Fund	\$ 366,060	\$ -
Lincoln Park Golf Enterprise Fund to cover the cost of new pump house	-	76,000
Tiara Rado Golf Enterprise Fund to cover the cost of new driving range	-	290,060
Total	<u>\$ 366,060</u>	<u>\$ 366,060</u>

Interfund Transfers:

Transfers out:	Transfers In:						Total
	General Fund	Sales Tax CIP	Two Rivers Convention Center	Nonmajor Governmental	Internal Service	Nonmajor Proprietary	
General Fund	-	\$1,762,000	\$284,764	\$ 550,000	\$ -	\$154,953	\$2,751,717
Sales Tax CIP	-	-	17,086	1,680,269	-	63,695	1,761,050
Nonmajor governmental funds	66,548	1,586,000	-	284,618	1,435,696	243,000	3,615,862
Internal Service	10,532	-	-	2,500,000	-	-	2,510,532
Total transfers out	<u>\$77,080</u>	<u>\$3,348,000</u>	<u>\$301,850</u>	<u>\$5,014,887</u>	<u>\$1,435,696</u>	<u>\$461,648</u>	<u>\$10,639,161</u>

Transfers into the General Fund were to assist with cemetery operations (\$50,984), purchase equipment (\$10,532), and to reimburse administrative costs of the Community Development Block Grant (\$15,564).

Transfers into the Sales Tax CIP fund were for various capital construction projects. The CIP fund also transferred \$1,380,269 to the Debt Service Fund to cover the costs of current principal and interest payments.

The transfer from the General Fund to the Two Rivers Convention Center fund was to subsidize operations and the transfer from the Sales Tax CIP Fund was for the purchase of equipment.

The Equipment Fund transferred \$2,500,000 to the Facilities Capital Fund for future facility projects. In addition, a \$1,435,696 transfer from the E-911 Special Revenue Fund was made to the Communications Center Internal Service fund for equipment replacement. The remaining transfers were made to finance various programs in accordance with authorized budget appropriations.

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, 2004, was \$32,685,908. Covered wages and contributions in 2004 were as follows:

<u>General Employee Plan</u>	
Covered wages	\$18,089,072
City contribution	1,085,346
Employee contribution	1,085,346

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 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 2004 were as follows:

<u>New Hire – Police & Fire</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Covered wages	\$4,795,948	\$4,284,744
City contribution	510,724	456,312
Employee contribution	510,724	456,312

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 2004, there were no police officers participating in the defined benefit plans. Covered wages of fire fighters in 2004 were as follows:

<u>Old Hire Rank Escalation</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Covered wages	\$ -	\$117,532
City contribution	-	7,376
Employee contribution	-	721

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. 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 2004, there were no active policemen covered by the Police Old Hire Plan and 24 retirees and beneficiaries receiving benefits. The City's payroll for firefighters covered by the system was \$117,532 out of a total payroll of \$32,685,908 for the year ended December 31, 2004. 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, 2004, were as follows:

	Police Old Hire Plan	Fire Old Hire Plan	Total
City contribution	\$426,799	\$45,732	\$472,531
Employee contributions	-	11,753	11,753
State contribution	-	-	-
Total	<u>\$426,799</u>	<u>\$57,485</u>	<u>\$484,284</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 2004, 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	\$ 57,485
Interest on net pension obligation (NPO)	24,893	24,345
Adjustment to ARC	<u>(53,880)</u>	<u>(30,065)</u>
Annual pension cost	397,811	51,765
Contributions made	<u>426,799</u>	<u>57,485</u>
Decrease in NPO	(28,988)	(5,720)

NPO – January 1, 2004	<u>311,162</u>	<u>304,311</u>
NPO – December 31, 2004	<u>\$282,174</u>	<u>\$298,591</u>
Actuarial valuation date	1/1/04	1/1/04
Actuarial cost method	Entry age	Entry age
	Level percent of	Level percent of
	pay, closed	pay, closed
Amortization method	6 years	6 years
Remaining amortization period	3-Year Smoothed	3-Year Smoothed
Asset valuation method		
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%

Three-year trend information is as follows:

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contribute d	Net Pension Obligation
Police Old Hire Plan	12/31/02	\$ 684,076	104.60%	\$321,413
	12/31/03	416,548	102.46%	311,162
	12/31/04	397,811	107.29%	282,174
Fire Old Hire Plan	12/31/02	\$ -	N/A	\$ 22,513
	12/31/03	324,168	13.07%	304,311
	12/31/04	51,765	111.05%	298,591

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)
<i>Police Old Hire Plan</i>				
1/1/04	\$ 2,373,408	\$ 6,870,885	\$ 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%
<i>Fire Old Hire Plan</i>				
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, 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, 2004, and for the year then ended, are as follows:

<u>Statement of Net Assets</u>	
Assets:	
Current assets	\$ 9,971,494
Noncurrent assets	1,684,135
Net property, plant, and equipment	<u>51,173,917</u>
Total assets	<u>\$ 62,829,546</u>
Liabilities:	
Current liabilities	\$ 1,206,350
Long-term debt	<u>12,143,719</u>
Total liabilities	<u>13,350,069</u>
Net Assets	
Invested in capital assets, net of related debt	41,492,448
Restricted for debt service	2,988,393
Unrestricted	<u>4,998,636</u>
Total net assets	<u>\$ 49,479,477</u>
<u>Statement of Revenue and Expenses</u>	
Operating revenue	\$ 6,079,561
Operating expenses	<u>6,263,221</u>
Operating income	(183,660)
Net nonoperating revenue and expenses	(204,001)
Capital contributions	<u>3,191,115</u>
Change in net assets	2,803,454
Total net assets - beginning	<u>46,676,023</u>
Total net assets - ending	<u>\$ 49,479,477</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 \$9,036,691 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 \$1,644,539 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, 2004 was \$12,155,000 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
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	775,000	397,525	1,172,525
2010-2014	3,760,000	1,596,108	5,356,108
2015-2019	2,110,000	1,152,249	3,262,249
2020-2024	2,635,000	628,888	3,263,888
	<u>\$12,155,000</u>	<u>\$5,599,757</u>	<u>\$17,754,757</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, 2004, and for the year then ended are as follows:

<u>Balance Sheet</u>	
Assets:	
Cash	\$354,339
Loans receivable	<u>35,545</u>
Total assets	<u>\$389,884</u>
Liabilities and fund equity:	
Liabilities	
Accounts payable	\$ 750
Total liabilities	<u>750</u>
Fund equity:	
Fund balance:	
Reserved for interest and loans receivable	35,545
Unreserved, undesignated	<u>353,589</u>
Total fund equity	<u>389,134</u>
Total liabilities and fund equity	<u>\$389,884</u>
<u>Statement of Revenues and Expenditures</u>	
Interest and other income	\$ 4,423
Expenditures	<u>(3,067)</u>
Excess of revenues over expenditures	<u>\$ 1,356</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.

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 \$1,628,715 in the Self-Insurance Internal Service Fund at December 31, 2004, 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 \$5,283,855 would be used in the event of a future catastrophic loss. Changes in the Self-Insurance Internal Service Fund's claims liability amount in 2003 and 2004 were:

	January 1 Claims Payable	Claims and Changes in Estimates	Claim Payments	December 31 Claims Payable
2003	\$1,141,857	540,920	\$(494,649)	\$1,188,128
2004	\$1,188,128	1,052,990	\$(612,403)	\$1,628,715

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, 2004, made from the Economic Development Special Revenue Fund, are as follows:

Year	Amount
1996 through 2003	\$2,000,000
2004	250,000
Total expense through December 31, 2004	<u>\$2,250,000</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, 2004, 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 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 2004, 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.



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City of Grand Junction
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2004

	Special Revenue							General
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Golf Course Expansion	Economic Development	Community Development	Total	
ASSETS								
Cash and investments	\$ 577,288	\$ 1,296,806	\$ 611,406	\$ 10,823	\$ 749,155	\$ -	\$ 3,245,458	\$ -
Accounts receivable	3,176	191,280	4,524	-	-	26,355	225,335	-
Taxes receivable	116,529	-	-	-	-	-	116,529	-
Intergovernmental receivable	-	-	-	-	-	25,700	25,700	-
Total assets	\$ 696,973	\$ 1,488,086	\$ 615,930	\$ 10,823	\$ 749,155	\$ 52,055	\$ 3,613,022	\$ -
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ 81,535	\$ 9,900	\$ 45	\$ -	\$ -	\$ 27,271	\$ 118,751	\$ -
Accrued liabilities	22,969	-	-	-	1,475	-	24,444	-
Due to other funds	-	-	-	-	-	22,585	22,585	-
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	104,504	9,900	45	-	1,475	49,856	165,780	-
Fund balances:								
Reserved for perpetual care	-	-	-	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-	-	-
Unreserved:								
Designated for subsequent year's expenditures	5,292	162,540	156,598	-	337,944	227,350	889,724	-
Undesignated	587,177	1,315,646	459,287	10,823	409,736	(225,151)	2,557,518	-
Total fund balances	592,469	1,478,186	615,885	10,823	747,680	2,199	3,447,242	-
Total liabilities and fund balances	\$ 696,973	\$ 1,488,086	\$ 615,930	\$ 10,823	\$ 749,155	\$ 52,055	\$ 3,613,022	\$ -

I	Debt Service			Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds	
	Ridges	GJWWSD	GJ Public Finance	Total	Storm Drainage Development	Street Assessment Projects	Facilities Capital Projects	Total		Cemetery Perpetual Care
	\$ 381,769	\$ 296,422	\$ 220,542	\$ 898,733	\$ 1,935,774	\$ 1,326,294	\$ 2,574,702	\$ 5,836,770	\$ 1,111,598	\$ 11,092,557
	8,746	3,424	-	12,170	-	18,460	-	18,460	8,785	264,750
	123,983	78,179	-	202,162	-	-	-	-	-	318,891
	-	-	-	-	-	-	-	-	-	25,700
	<u>\$ 514,498</u>	<u>\$ 378,025</u>	<u>\$ 220,542</u>	<u>\$ 1,113,065</u>	<u>\$ 1,935,774</u>	<u>\$ 1,344,754</u>	<u>\$ 2,574,702</u>	<u>\$ 5,855,230</u>	<u>\$ 1,120,381</u>	<u>\$ 11,701,698</u>
	\$ -	\$ -	\$ -	\$ -	\$ 12,349	\$ 585,491	-	577,840	\$ -	\$ 696,591
	-	-	-	-	1,816	-	-	1,816	-	26,260
	-	-	-	-	-	-	-	-	-	22,585
	132,728	81,623	-	214,351	-	-	-	-	-	214,351
	<u>132,728</u>	<u>81,623</u>	<u>-</u>	<u>214,351</u>	<u>14,165</u>	<u>585,491</u>	<u>-</u>	<u>579,656</u>	<u>-</u>	<u>959,787</u>
	-	-	-	-	-	-	-	-	1,120,381	1,120,381
	381,770	296,402	220,542	898,714	-	-	-	-	-	898,714
	-	-	-	-	-	-	686,000	686,000	-	1,575,724
	-	-	-	-	1,921,609	779,263	1,888,702	4,589,574	-	7,147,092
	<u>381,770</u>	<u>296,402</u>	<u>220,542</u>	<u>898,714</u>	<u>1,921,609</u>	<u>779,263</u>	<u>2,574,702</u>	<u>5,275,574</u>	<u>1,120,381</u>	<u>10,741,911</u>
	<u>\$ 514,498</u>	<u>\$ 378,025</u>	<u>\$ 220,542</u>	<u>\$ 1,113,065</u>	<u>\$ 1,935,774</u>	<u>\$ 1,344,754</u>	<u>\$ 2,574,702</u>	<u>\$ 5,855,230</u>	<u>\$ 1,120,381</u>	<u>\$ 11,701,698</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, 2004

	Special Revenue							General
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Golf Course Expansion	Economic Development	Community Development	Total	
REVENUES								
Taxes	\$ 1,314,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,314,215	\$ -
Intergovernmental	-	-	410,840	-	-	277,408	688,248	-
Charges for services	11,989	1,101,129	-	155,683	-	-	1,268,781	-
Miscellaneous	200	-	358,278	-	-	-	358,478	-
Investment income	13,283	32,206	32,375	4,403	-	-	82,267	-
Total revenues	<u>1,339,667</u>	<u>1,133,335</u>	<u>801,493</u>	<u>160,086</u>	<u>-</u>	<u>277,408</u>	<u>3,711,989</u>	<u>-</u>
EXPENDITURES								
Current:								
General government	1,277,170	287	11,062	-	399,714	-	1,688,233	-
Urban development and housing	-	-	-	-	-	261,844	261,844	-
Debt service:								
Principal	-	-	-	-	-	-	-	26,079
Interest	-	-	-	-	-	-	-	1,354,190
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,277,170</u>	<u>287</u>	<u>11,062</u>	<u>-</u>	<u>399,714</u>	<u>261,844</u>	<u>1,950,077</u>	<u>1,380,269</u>
Excess (deficiency) of revenues over (under) expenditures	<u>62,497</u>	<u>1,133,048</u>	<u>790,431</u>	<u>160,086</u>	<u>(399,714)</u>	<u>15,564</u>	<u>1,761,912</u>	<u>(1,380,269)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	450,000	-	450,000	1,380,269
Transfers out	-	(1,435,696)	(1,159,618)	(243,000)	-	(15,564)	(2,853,878)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,435,696)</u>	<u>(1,159,618)</u>	<u>(243,000)</u>	<u>450,000</u>	<u>(15,564)</u>	<u>(2,403,878)</u>	<u>1,380,269</u>
Net change in fund balance	62,497	(302,648)	(369,187)	(82,914)	50,286	-	(641,966)	-
Fund balances - beginning	529,972	1,780,834	985,072	93,737	697,394	2,199	4,089,208	-
Fund balances - ending	<u>\$ 592,469</u>	<u>\$ 1,478,186</u>	<u>\$ 615,885</u>	<u>\$ 10,823</u>	<u>\$ 747,680</u>	<u>\$ 2,199</u>	<u>\$ 3,447,242</u>	<u>\$ -</u>

Debt Service				Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJWWSD	GJ Public Finance	Total	Storm Drainage Development	Street Assessment Projects	Facilities Capital Projects	Total	Cemetery Perpetual Care	
\$ 148,579	\$ 91,928	\$ -	\$ 240,505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,554,720
-	-	-	-	16,671	-	-	16,671	-	704,919
-	-	-	-	-	-	-	-	23,508	1,292,289
-	32,083	-	32,083	43,660	636,423	-	680,083	-	1,070,644
14,901	10,050	-	24,951	47,741	39,409	74,702	161,852	33,035	302,105
<u>163,480</u>	<u>134,059</u>	<u>-</u>	<u>297,539</u>	<u>108,072</u>	<u>675,832</u>	<u>74,702</u>	<u>858,606</u>	<u>56,543</u>	<u>4,924,677</u>
2,835	1,568	475	4,878	-	-	-	-	-	1,683,111
-	-	-	-	-	-	-	-	-	261,844
125,000	119,034	240,000	510,113	-	-	-	-	-	510,113
99,190	8,636	41,917	1,503,933	-	-	-	-	-	1,503,933
-	-	-	-	337,953	-	-	337,953	-	337,953
<u>227,025</u>	<u>129,238</u>	<u>282,392</u>	<u>2,018,924</u>	<u>337,953</u>	<u>-</u>	<u>-</u>	<u>337,953</u>	<u>-</u>	<u>4,306,954</u>
(63,545)	4,821	(282,392)	(1,721,385)	(229,881)	675,832	74,702	520,653	56,543	617,723
-	-	284,618	1,664,887	400,000	-	2,500,000	2,900,000	-	5,014,887
-	-	-	-	-	(550,000)	-	(550,000)	(33,196)	(3,437,074)
-	-	284,618	1,664,887	400,000	(550,000)	2,500,000	2,350,000	(33,196)	1,577,813
(63,545)	4,821	2,226	(56,498)	170,119	125,832	2,574,702	2,870,653	23,347	2,195,536
445,315	291,581	218,316	955,212	1,751,490	653,431	-	2,404,921	1,097,034	8,546,375
<u>\$ 381,770</u>	<u>\$ 296,402</u>	<u>\$ 220,542</u>	<u>\$ 898,714</u>	<u>\$ 1,921,609</u>	<u>\$ 779,263</u>	<u>\$ 2,574,702</u>	<u>\$ 5,275,574</u>	<u>\$ 1,120,381</u>	<u>\$ 10,741,911</u>

City of Grand Junction, Colorado
VISITORS AND CONVENTION BUREAU SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET TO ACTUAL
For the year ended December 31, 2004

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for services	\$ 1,302,018	\$ 1,326,384	\$ 24,366
Investment income	13,000	13,283	283
Total revenues	<u>1,315,018</u>	<u>1,339,667</u>	<u>24,649</u>
EXPENDITURES			
Current:			
General government:	<u>1,374,794</u>	<u>1,277,170</u>	<u>97,624</u>
Excess of revenues over expenditures	<u>(59,776)</u>	<u>62,497</u>	<u>122,273</u>
Fund balances - beginning	529,972	529,972	-
Fund balances - ending	<u>\$ 470,196</u>	<u>\$ 592,469</u>	<u>\$ 122,273</u>

City of Grand Junction, Colorado
ENHANCED 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 980,446	\$ 980,446	\$ 1,101,129	\$ 120,683
Investment income	23,000	32,000	32,206	206
Total revenues	<u>1,003,446</u>	<u>1,012,446</u>	<u>1,133,335</u>	<u>120,889</u>
EXPENDITURES				
Current:				
General government:	-	-	287	(287)
Excess of revenues over expenditures	<u>1,003,446</u>	<u>1,012,446</u>	<u>1,133,048</u>	<u>120,602</u>
OTHER FINANCING USES				
Transfers out	<u>(946,844)</u>	<u>(1,584,858)</u>	<u>(1,435,696)</u>	<u>149,162</u>
Net change in fund balance	56,602	(572,412)	(302,648)	269,764
Fund balances - beginning	1,780,834	1,780,834	1,780,834	-
Fund balances - ending	<u>\$ 1,837,436</u>	<u>\$ 1,208,422</u>	<u>\$ 1,478,186</u>	<u>\$ 269,764</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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 405,000	\$ 405,000	\$ 410,840	\$ 5,840
Miscellaneous	168,300	288,300	358,278	69,978
Investment income	25,000	32,000	32,375	375
Total revenues	<u>598,300</u>	<u>725,300</u>	<u>801,493</u>	<u>76,193</u>
EXPENDITURES				
Current:				
General government:				
Operating expenditures	12,850	27,850	11,062	16,788
Total expenditures	<u>12,850</u>	<u>27,850</u>	<u>11,062</u>	<u>16,788</u>
Excess of revenues over expenditures	585,450	697,450	790,431	92,981
OTHER FINANCING USES				
Transfers out	<u>(1,159,618)</u>	<u>(1,159,618)</u>	<u>(1,159,618)</u>	<u>-</u>
Net change in fund balance	(574,168)	(462,168)	(369,187)	92,981
Fund balances - beginning	985,072	985,072	985,072	-
Fund balances - ending	<u>\$ 410,904</u>	<u>\$ 522,904</u>	<u>\$ 615,885</u>	<u>\$ 92,981</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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 168,860	\$ 148,828	\$ 155,683	\$ 6,855
Investment income	1,600	4,500	4,403	(97)
Total revenues	<u>170,460</u>	<u>153,328</u>	<u>160,086</u>	<u>6,758</u>
EXPENDITURES				
Excess of revenues over expenditures	170,460	153,328	160,086	6,758
OTHER FINANCING USES				
Transfers out	<u>(243,000)</u>	<u>(243,000)</u>	<u>(243,000)</u>	<u>-</u>
Net change in fund balance	(72,540)	(89,672)	(82,914)	6,758
Fund balances - beginning	93,737	93,737	93,737	-
Fund balances - ending	<u>\$ 21,197</u>	<u>\$ 4,065</u>	<u>\$ 10,823</u>	<u>\$ 6,758</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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
General government:				
Special projects	681,191	806,191	399,714	406,477
Deficiency of revenues under expenditures	(681,191)	(806,191)	(399,714)	406,477
OTHER FINANCING SOURCES				
Transfers in	450,000	450,000	450,000	-
Net change in fund balance	(231,191)	(356,191)	50,286	406,477
Fund balances - beginning	697,394	697,394	697,394	-
Fund balances - ending	\$ 466,203	\$ 341,203	\$ 747,680	\$ 406,477

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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 400,000	\$ 492,757	\$ 277,408	\$ (215,349)
EXPENDITURES				
Current:				
Urban development and housing	365,000	457,757	261,844	195,913
Excess of revenues over expenditures	35,000	35,000	15,564	(19,436)
OTHER FINANCING SOURCES				
Transfers out	(35,000)	(35,000)	(15,564)	19,436
Net change in fund balance	-	-	-	-
Fund balances - beginning	2,199	2,199	2,199	-
Fund balances - ending	\$ 2,199	\$ 2,199	\$ 2,199	-

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, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Principal retirement	23,708	26,079	26,079	-
Interest and fiscal charges	18,292	1,354,190	1,354,190	-
Total expenditures	<u>42,000</u>	<u>1,380,269</u>	<u>1,380,269</u>	<u>-</u>
Deficiency of revenues under expenditures	(42,000)	(1,380,269)	(1,380,269)	-
OTHER FINANCING SOURCES				
Transfers in	<u>42,000</u>	<u>1,380,269</u>	<u>1,380,269</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 153,000	\$ 153,000	\$ 148,579	\$ (4,421)
Miscellaneous	-	-	-	-
Investment income	12,000	15,000	14,901	(99)
Total revenues	<u>165,000</u>	<u>168,000</u>	<u>163,480</u>	<u>(4,520)</u>
EXPENDITURES				
Current:				
General government	4,000	4,000	2,835	1,165
Debt service:				
Principal retirement	125,000	125,000	125,000	-
Interest and fiscal charges	99,190	99,190	99,190	-
Total expenditures	<u>228,190</u>	<u>228,190</u>	<u>227,025</u>	<u>1,165</u>
Excess (deficiency) of revenues over (under) expenditures	(63,190)	(60,190)	(63,545)	(3,355)
Fund balances - beginning	445,315	445,315	445,315	-
Fund balances - ending	<u>\$ 382,125</u>	<u>\$ 385,125</u>	<u>\$ 381,770</u>	<u>\$ (3,355)</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, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 85,000	\$ 85,000	\$ 91,926	\$ 6,926
Miscellaneous	28,000	28,000	32,083	4,083
Investment income	7,000	10,000	10,050	50
Total revenues	<u>120,000</u>	<u>123,000</u>	<u>134,059</u>	<u>11,059</u>
EXPENDITURES				
Current:				
General government	2,000	2,000	1,568	432
Debt service:				
Principal retirement	119,034	119,034	119,034	-
Interest and fiscal charges	31,647	31,647	8,636	23,011
Total expenditures	<u>152,681</u>	<u>152,681</u>	<u>129,238</u>	<u>23,443</u>
Deficiency of revenues under expenditures	(32,681)	(29,681)	4,821	34,502
Fund balances - beginning	291,581	291,581	291,581	-
Fund balances - ending	<u>\$ 258,900</u>	<u>\$ 261,900</u>	<u>\$ 296,402</u>	<u>\$ 34,502</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, 2004

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment income	\$ -	\$ -	\$ -
EXPENDITURES			
Current:			
General government	1,500	475	1,025
Debt service:			
Principal retirement	240,000	240,000	-
Interest and fiscal charges	43,118	41,917	1,201
Total expenditures	<u>284,618</u>	<u>282,392</u>	<u>2,226</u>
Deficiency of revenues under expenditures	(284,618)	(282,392)	2,226
OTHER FINANCING SOURCES			
Transfers in	<u>284,618</u>	<u>284,618</u>	-
Net change in fund balance	-	2,226	2,226
Fund balances - beginning	218,316	218,316	-
Fund balances - ending	<u>\$ 218,316</u>	<u>\$ 220,542</u>	<u>\$ 2,226</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
For the year ended December 31, 2004

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes	\$ 8,727,833	\$ 8,927,454	\$ 8,948,759	\$ (66,769)	\$ 8,881,990	\$ (45,464)
Intergovernmental	1,981,344	3,564,640	2,168,274	-	2,168,274	(1,396,366)
Special assessments	149,000	161,400	148,289	-	148,289	(13,111)
Investment income	97,000	145,200	147,009	4,718	151,727	6,527
Miscellaneous	224,900	454,488	469,763	-	469,763	15,275
Total revenues	<u>11,180,077</u>	<u>13,253,182</u>	<u>11,882,094</u>	<u>(62,051)</u>	<u>11,820,043</u>	<u>(1,433,139)</u>
EXPENDITURES						
Capital outlay:						
Construction	12,394,810	13,732,876	11,237,366	-	11,237,366	2,495,510
Total expenditures	<u>12,394,810</u>	<u>13,732,876</u>	<u>11,237,366</u>	<u>-</u>	<u>11,237,366</u>	<u>2,495,510</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,214,733)</u>	<u>(479,694)</u>	<u>644,728</u>	<u>(62,051)</u>	<u>582,677</u>	<u>1,062,371</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	3,322,000	3,348,000	3,187,000	-	3,187,000	(161,000)
Transfers out	(4,439,800)	(5,765,994)	(2,161,050)	-	(2,161,050)	3,604,944
Total other financing sources (uses)	<u>(1,117,800)</u>	<u>(2,417,994)</u>	<u>1,025,950</u>	<u>-</u>	<u>1,025,950</u>	<u>3,443,944</u>
Net change in fund balances	(2,332,533)	(2,897,688)	1,670,678	(62,051)	1,608,627	4,506,315
Fund balances - beginning	5,872,183	5,872,183	5,872,183	-	5,872,183	-
Fund balances - ending	<u>\$ 3,539,650</u>	<u>\$ 2,974,495</u>	<u>\$ 7,542,861</u>	<u>\$ (62,051)</u>	<u>\$ 7,480,810</u>	<u>\$ 4,506,315</u>

City of Grand Junction, Colorado
PARKWAY PROJECT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the year ended December 31, 2004

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Investment income	\$ -	\$ 784,434	\$ 731,853	\$ 3,717	\$ 735,570	\$ (48,864)
Miscellaneous	-	130,000	78,740	-	78,740	(51,260)
Total revenues	-	914,434	810,593	3,717	814,310	(100,124)
EXPENDITURES						
Debt Service:						
Bond issue costs		723,626	723,626	-	723,626	-
Capital outlay:						
Construction	-	10,676,374	8,408,369	-	8,408,369	2,268,005
Total expenditures	-	11,400,000	9,131,995	-	9,131,995	2,268,005
Excess (deficiency) of revenues over (under) expenditures	-	(10,485,566)	(8,321,402)	3,717	(8,317,685)	2,167,881
OTHER FINANCING SOURCES (USES)						
Revenue bond proceeds	-	57,075,000	57,075,000	-	57,075,000	-
Bond premium	-	3,652,683	3,652,683	-	3,652,683	-
Total other financing sources (uses)	-	60,727,683	60,727,683	-	60,727,683	-
Net change in fund balances	-	50,242,117	52,406,281	3,717	52,409,998	2,167,881
Fund balances - beginning	-	-	-	-	-	-
Fund balances - ending	\$ -	\$ 50,242,117	\$ 52,406,281	\$ 3,717	\$ 52,409,998	\$ 2,167,881

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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 16,671	\$ 16,671
Miscellaneous:				
Development fees	100,000	100,000	43,660	(56,340)
Investment income	7,500	47,500	47,741	241
Total revenues	<u>107,500</u>	<u>147,500</u>	<u>108,072</u>	<u>(39,428)</u>
EXPENDITURES				
Capital outlay:				
Construction	<u>3,997,000</u>	<u>5,502,014</u>	<u>337,953</u>	<u>5,164,061</u>
Deficiency of revenues under expenditures	(3,889,500)	(5,354,514)	(229,881)	5,124,633
OTHER FINANCING SOURCES				
Transfers in	<u>3,800,000</u>	<u>3,800,000</u>	<u>400,000</u>	<u>(3,400,000)</u>
Net change in fund balance	(89,500)	(1,554,514)	170,119	1,724,633
Fund balances - beginning	1,751,490	1,751,490	1,751,490	-
Fund balances - ending	<u>\$ 1,661,990</u>	<u>\$ 196,976</u>	<u>\$ 1,921,609</u>	<u>\$ 1,724,633</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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Development fees	\$ 395,500	\$ 450,000	\$ 636,423	\$ 186,423
Investment income	31,000	39,000	39,409	409
Total revenues	<u>426,500</u>	<u>489,000</u>	<u>675,832</u>	<u>186,832</u>
EXPENDITURES				
-	-	-	-	-
Excess of revenues over expenditures	426,500	489,000	675,832	186,832
OTHER FINANCING USES				
Transfers out	<u>(550,000)</u>	<u>(550,000)</u>	<u>(550,000)</u>	-
Net change in fund balance	(123,500)	(61,000)	125,832	186,832
Fund balances - beginning	653,431	653,431	653,431	-
Fund balances - ending	<u>\$ 529,931</u>	<u>\$ 592,431</u>	<u>\$ 779,263</u>	<u>\$ 186,832</u>

City of Grand Junction, Colorado
FACILITIES CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET TO ACTUAL
For the year ended December 31, 2004

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment income	\$ -	\$ 74,702	\$ 74,702
Total revenues	<u>-</u>	<u>74,702</u>	<u>74,702</u>
EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	74,702	74,702
OTHER FINANCING USES			
Transfers in	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
Net change in fund balance	2,500,000	2,574,702	74,702
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ 2,500,000</u>	<u>\$ 2,574,702</u>	<u>\$ 74,702</u>

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, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Amounts		
REVENUES				
Perpetual care revenue	\$ 21,000	\$ 21,000	\$ 23,508	\$ 2,508
Investment income	33,000	33,000	33,035	35
Total revenues	<u>54,000</u>	<u>54,000</u>	<u>56,543</u>	<u>2,543</u>
EXPENDITURES				
	-	-	-	-
Excess revenues over expenditures	54,000	54,000	56,543	2,543
OTHER FINANCING USES				
Transfers out	(33,000)	(43,000)	(33,196)	9,804
Net change in fund balance	21,000	11,000	23,347	12,347
Fund balances - beginning	1,097,034	1,097,034	1,097,034	-
Fund balances - ending	<u>\$ 1,118,034</u>	<u>\$ 1,108,034</u>	<u>\$ 1,120,381</u>	<u>\$ 12,347</u>



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City of Grand Junction, Colorado
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
December 31, 2004

	Business-Type Activities - Enterprise Funds			
	Solid Waste Removal	Swimming Pools	Lincoln Park Golf Course	Tiara Rado Golf Course
ASSETS				
Current assets:				
Cash and investments	\$ 646,390	\$ -	\$ -	\$ -
Accounts receivable, net of allowance	195,469	47,838	-	1,430
Intergovernmental receivable	-	-	-	-
Inventory	-	-	22,180	40,919
Total current assets	841,859	47,838	22,180	42,349
Noncurrent assets:				
Capital assets:				
Land	-	-	19,370	871,986
Buildings, improvements, plant and system	36,299	4,053,438	889,890	2,096,625
Equipment	649,249	100,754	51,871	115,711
Less accumulated depreciation	(576,587)	(2,707,521)	(693,094)	(1,355,550)
Total capital assets (net of accumulated depreciation)	108,961	1,446,671	268,037	1,728,772
Total noncurrent assets	108,961	1,446,671	268,037	1,728,772
Total assets	950,820	1,494,509	290,217	1,771,121
LIABILITIES				
Current liabilities:				
Accounts payable	45,447	16,641	6,313	8,230
Accrued liabilities	34,019	10,714	11,386	18,439
Compensated absences payable	9,613	740	2,703	5,209
Due to other funds	-	20,482	26,375	72,961
Total current liabilities	89,079	48,577	46,777	104,839
Noncurrent liabilities:				
Compensated absences payable	119,191	9,170	33,509	64,590
Advances from other funds - general fund	-	-	58,627	269,557
Total noncurrent liabilities	119,191	9,170	92,136	334,147
Total liabilities	208,270	57,747	138,913	438,986
NET ASSETS				
Invested in capital assets, net of related debt	108,961	1,446,671	268,037	1,728,772
Unrestricted	633,589	(9,909)	(116,733)	(396,637)
Total net assets	\$ 742,550	\$ 1,436,762	\$ 151,304	\$ 1,332,135

Business-Type Activities - Enterprise Funds

<u>Parking</u>	<u>Irrigation</u>	<u>Total</u>
\$ 595,656	\$ 190,435	\$ 1,432,481
-	14,036	258,773
-	-	-
-	-	63,099
<u>595,656</u>	<u>204,471</u>	<u>1,754,353</u>
984,383	-	1,875,739
685,348	3,366,260	11,127,860
19,551	-	937,136
<u>(322,532)</u>	<u>(1,833,944)</u>	<u>(7,489,228)</u>
<u>1,366,750</u>	<u>1,532,316</u>	<u>6,451,507</u>
<u>1,366,750</u>	<u>1,532,316</u>	<u>6,451,507</u>
<u>1,962,406</u>	<u>1,736,787</u>	<u>8,205,860</u>
789	275	77,695
4,092	1,888	80,538
30	714	19,009
-	-	119,818
<u>4,911</u>	<u>2,877</u>	<u>297,060</u>
371	8,855	235,686
-	-	328,184
<u>371</u>	<u>8,855</u>	<u>563,870</u>
<u>5,282</u>	<u>11,732</u>	<u>860,930</u>
1,366,750	1,532,316	6,451,507
590,374	192,739	893,423
<u>\$ 1,957,124</u>	<u>\$ 1,725,055</u>	<u>\$ 7,344,930</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, 2004

	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	\$ 2,260,493	\$ 394,624	\$ 546,588	\$ 1,069,265
Operating expenses:				
Personal services	807,858	407,933	389,375	612,115
Costs of sales and services	1,427,983	242,670	283,672	600,303
Depreciation and amortization	66,747	176,388	41,136	80,721
Total operating expenses	<u>2,302,588</u>	<u>826,991</u>	<u>714,183</u>	<u>1,293,139</u>
Operating income (loss)	<u>(42,095)</u>	<u>(432,367)</u>	<u>(167,595)</u>	<u>(223,874)</u>
Nonoperating revenues (expenses):				
Intergovernmental	-	159,346	-	-
Miscellaneous	-	-	3,695	28,462
Investment income	19,140	-	-	-
Interest expense	-	-	(6,804)	(25,907)
Total nonoperating revenues (expenses)	<u>19,140</u>	<u>159,346</u>	<u>(3,109)</u>	<u>2,555</u>
Income (loss) before contributions and transfers	<u>(22,955)</u>	<u>(273,021)</u>	<u>(170,704)</u>	<u>(221,319)</u>
Capital contributions - tap fees	-	-	-	-
Transfers in	-	218,648	105,000	138,000
Transfers out	-	-	-	-
Change in net assets	<u>(22,955)</u>	<u>(54,373)</u>	<u>(65,704)</u>	<u>(83,319)</u>
Total net assets - beginning	765,505	1,491,135	217,008	1,415,454
Total net assets - ending	<u>\$ 742,550</u>	<u>\$ 1,436,762</u>	<u>\$ 151,304</u>	<u>\$ 1,332,135</u>

Business-Type Activities - Enterprise Funds

<u>Cemetery</u>	<u>Parking</u>	<u>Irrigation</u>	<u>Total</u>
\$ -	\$ 355,547	\$ 172,016	\$ 4,798,533
-	79,679	96,078	2,393,038
-	116,843	95,580	2,767,051
-	48,347	87,899	501,238
-	244,869	279,557	5,661,327
-	110,678	(107,541)	(862,794)
-	-	-	159,346
-	-	-	32,157
-	15,234	6,005	40,379
-	-	-	(32,711)
-	15,234	6,005	199,171
-	125,912	(101,536)	(663,623)
-	-	1,560	1,560
-	-	-	461,648
(17,787)	-	-	(17,787)
(17,787)	125,912	(99,976)	(218,202)
17,787	1,831,212	1,825,031	7,563,132
\$ -	\$ 1,957,124	\$ 1,725,055	\$ 7,344,930

City of Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the year ended December 31, 2004

	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	\$ 2,296,806	\$ 346,785	\$ 546,688	\$ 1,067,835
Cash paid to suppliers	(1,429,191)	(253,554)	(284,993)	(602,707)
Cash paid to employees	(778,352)	(398,642)	(384,343)	(596,821)
Miscellaneous nonoperating receipts	-	-	3,695	28,462
Net cash provided (used) by operating activities	<u>89,263</u>	<u>(305,411)</u>	<u>(118,953)</u>	<u>(103,231)</u>
Cash flows from noncapital financing activities:				
Transfers (to) from other funds	-	218,648	105,000	138,000
Increase in amount due other funds	-	2,251	9,002	-
Intergovernmental receipts	-	199,296	-	-
Contributions	-	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>420,195</u>	<u>114,002</u>	<u>138,000</u>
Cash flows from capital and related financing activities:				
Tap fees	-	-	-	-
Proceeds of interfund capital loans	-	-	-	-
Repayment of interfund capital loans	(198,000)	-	-	52,457
Interest paid	-	-	(6,804)	(25,907)
Purchase of capital assets	-	(114,784)	-	(71,579)
Net cash used in capital and related financing activities	<u>(198,000)</u>	<u>(114,784)</u>	<u>(6,804)</u>	<u>(45,029)</u>
Cash flows from investing activities:				
Investment income received	19,139	-	-	-
Net cash provided by investing activities	<u>19,139</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(89,598)	-	(11,755)	(10,260)
Cash and cash equivalents, January 1	735,988	-	11,755	10,260
Cash and cash equivalents, December 31	<u>\$ 646,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (42,095)	\$ (432,367)	\$ (167,595)	\$ (223,874)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	66,747	176,388	41,135	80,721
(Increase) decrease in accounts receivable	36,313	(47,838)	100	(1,429)
(Increase) decrease in inventory	-	-	(1,252)	3,641
Increase (decrease) in accounts payable	(1,208)	(10,884)	(68)	(6,045)
Increase (decrease) in accrued liabilities and compensated absences payable	29,506	9,290	5,032	15,293
Miscellaneous nonoperating receipts included in operating activities	-	-	3,695	28,462
Total adjustments	<u>131,358</u>	<u>126,956</u>	<u>48,642</u>	<u>120,643</u>
Net cash provided (used) by operating activities	<u>\$ 89,263</u>	<u>\$ (305,411)</u>	<u>\$ (118,953)</u>	<u>\$ (103,231)</u>

Business-Type Activities - Enterprise Funds

<u>Cemetery</u>	<u>Parking</u>	<u>Irrigation</u>	<u>Total</u>
\$ -	\$ 361,440	\$ 174,128	\$ 4,793,682
-	(118,985)	(95,305)	(2,784,735)
-	(105,708)	(95,399)	(2,359,265)
-	-	-	32,157
<u>-</u>	<u>136,747</u>	<u>(16,576)</u>	<u>(318,161)</u>
(17,787)	-	-	443,861
-	-	-	11,253
-	-	-	199,296
-	-	-	-
<u>(17,787)</u>	<u>-</u>	<u>-</u>	<u>654,410</u>
-	-	1,560	1,560
-	-	-	-
-	-	-	(145,543)
-	-	-	(32,711)
-	-	-	(186,363)
<u>-</u>	<u>-</u>	<u>1,560</u>	<u>(363,057)</u>
-	15,234	6,005	40,378
<u>-</u>	<u>15,234</u>	<u>6,005</u>	<u>40,378</u>
(17,787)	151,981	(9,011)	13,570
17,787	443,675	199,446	1,418,911
<u>\$ -</u>	<u>\$ 595,656</u>	<u>\$ 190,435</u>	<u>\$ 1,432,481</u>
\$ -	\$ 110,678	\$ (107,541)	\$ (862,794)
-	48,347	87,899	501,237
-	5,893	2,112	(4,849)
-	-	-	2,389
-	(2,142)	275	(20,072)
-	(26,029)	679	33,771
-	-	-	32,157
-	26,069	90,965	544,633
<u>\$ -</u>	<u>\$ 136,747</u>	<u>\$ (16,576)</u>	<u>\$ (318,161)</u>

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2004

	Data Processing	Equipment	Stores	Self- Insurance	Communications Center	Total
ASSETS						
Current assets:						
Cash and investments	\$ 1,974,152	\$ 6,506,092	\$ 189,935	\$ 6,961,464	\$ 223,479	\$ 15,855,122
Accounts receivable, net of allowance	240	3,034	380	-	139	3,793
Intergovernmental receivable	-	-	-	-	3,537	3,537
Inventory	-	-	90,982	-	-	90,982
Total current assets	<u>1,974,392</u>	<u>6,509,126</u>	<u>281,297</u>	<u>6,961,464</u>	<u>227,155</u>	<u>15,953,434</u>
Noncurrent assets:						
Capital assets:						
Buildings and improvements	-	-	-	-	347,689	347,689
Equipment	741,818	15,664,558	22,995	-	3,883,057	20,312,428
Less accumulated depreciation	<u>(683,466)</u>	<u>(8,894,966)</u>	<u>(12,749)</u>	<u>-</u>	<u>(1,322,861)</u>	<u>(10,914,042)</u>
Total capital assets (net of accumulated depreciation)	58,352	6,769,592	10,246	-	2,907,885	9,746,075
Total assets	<u>2,032,744</u>	<u>13,278,718</u>	<u>291,543</u>	<u>6,961,464</u>	<u>3,135,040</u>	<u>25,699,509</u>
LIABILITIES						
Current liabilities:						
Accounts payable	9,549	295,787	5,161	15,191	25,788	351,476
Accrued liabilities	38,663	18,587	4,829	4,972	72,097	139,148
Compensated absences payable	6,295	2,103	1,188	2,144	4,783	16,513
Claims payable	-	-	-	1,628,715	-	1,628,715
Total current liabilities	<u>54,507</u>	<u>316,477</u>	<u>11,178</u>	<u>1,651,022</u>	<u>102,668</u>	<u>2,135,852</u>
Noncurrent liabilities						
Compensated absences payable	78,058	26,073	14,727	26,587	59,302	204,747
Total liabilities	<u>132,565</u>	<u>342,550</u>	<u>25,905</u>	<u>1,677,609</u>	<u>161,970</u>	<u>2,340,599</u>
NET ASSETS						
Invested in capital assets	58,352	6,769,592	10,246	-	2,907,885	9,746,075
Unrestricted	1,841,827	6,166,576	255,392	5,283,855	65,185	13,612,835
Total net assets	<u>\$ 1,900,179</u>	<u>\$ 12,936,168</u>	<u>\$ 265,638</u>	<u>\$ 5,283,855</u>	<u>\$ 2,973,070</u>	<u>\$ 23,358,910</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, 2004

	Data Processing	Equipment	Stores	Self- Insurance	Communications Center	Total
Operating revenues:						
Charges for sales and services:	\$ 2,173,756	\$ 2,727,958	\$ 208,114	\$ 927,405	\$ 2,115,550	\$ 8,152,783
Miscellaneous	-	18,104	-	130,794	370	149,268
Total operating revenues	<u>2,173,756</u>	<u>2,746,062</u>	<u>208,114</u>	<u>1,058,199</u>	<u>2,115,920</u>	<u>8,302,051</u>
Operating expenses:						
Personal services	1,036,935	478,783	122,765	139,675	1,846,611	3,624,769
Costs of sales and services	942,729	962,655	91,213	1,379,346	732,800	4,108,743
Depreciation and amortization	48,389	1,518,706	2,300	-	272,329	1,841,724
Total operating expenses	<u>2,028,053</u>	<u>2,960,144</u>	<u>216,278</u>	<u>1,519,021</u>	<u>2,851,740</u>	<u>9,575,236</u>
Operating income (loss)	<u>145,703</u>	<u>(214,082)</u>	<u>(8,164)</u>	<u>(460,822)</u>	<u>(735,820)</u>	<u>(1,273,185)</u>
Nonoperating revenues (expenses):						
Investment income	50,650	197,273	4,551	200,823	-	453,297
Gain (loss) on disposition of property and equipment	-	48,000	6,451	-	-	54,451
Total nonoperating revenues (expenses)	<u>50,650</u>	<u>245,273</u>	<u>11,002</u>	<u>200,823</u>	<u>-</u>	<u>507,748</u>
Income (loss) before transfers	196,353	31,191	2,838	(259,999)	(735,820)	(765,437)
Transfers in	-	-	-	-	1,435,696	1,435,696
Transfers out	-	(2,510,532)	-	-	-	(2,510,532)
Change in net assets	196,353	(2,479,341)	2,838	(259,999)	699,876	(1,840,273)
Total net assets - beginning	<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>
Total net assets - ending	<u>\$ 1,900,179</u>	<u>\$ 12,936,168</u>	<u>\$ 265,638</u>	<u>\$ 5,283,855</u>	<u>\$ 2,973,070</u>	<u>\$ 23,358,910</u>

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2004

	Data Processing	Equipment	Stores	Self Insurance	Communications Center	Total
Cash flows from operating activities:						
Cash received from customers and users	\$ 2,173,516	\$ 2,745,072	\$ 209,241	\$ 1,061,897	\$ 2,118,221	\$ 8,307,947
Cash paid to suppliers	(936,474)	(781,484)	(80,459)	(936,459)	(798,232)	(3,533,108)
Cash paid to employees	(1,060,601)	(469,663)	(121,190)	(133,074)	(1,823,957)	(3,608,485)
Net cash provided (used) by operating activities	<u>176,441</u>	<u>1,493,925</u>	<u>7,592</u>	<u>(7,636)</u>	<u>(503,968)</u>	<u>1,166,354</u>
Cash flows from noncapital financing activities:						
Transfers from other funds	-	-	-	-	1,435,696	1,435,696
Transfers to other funds	-	(2,510,532)	-	-	-	(2,510,532)
Net cash provided by noncapital financing activities	<u>-</u>	<u>(2,510,532)</u>	<u>-</u>	<u>-</u>	<u>1,435,696</u>	<u>(1,074,836)</u>
Cash flows from capital and related financing activities:						
Proceeds from disposition of capital assets	-	77,656	6,451	-	-	84,107
Purchase of capital assets	(2,166)	(1,851,686)	-	-	(947,241)	(2,801,093)
Net cash used in capital and related financing activities	<u>(2,166)</u>	<u>(1,774,030)</u>	<u>6,451</u>	<u>-</u>	<u>(947,241)</u>	<u>(2,716,986)</u>
Cash flows from investing activities:						
Investment income received	50,650	197,273	4,551	200,823	-	453,297
Net cash provided by investing activities	<u>50,650</u>	<u>197,273</u>	<u>4,551</u>	<u>200,823</u>	<u>-</u>	<u>453,297</u>
Net increase in cash and cash equivalents	224,925	(2,593,364)	18,594	193,187	(15,513)	(2,172,171)
Cash and cash equivalents, January 1	1,749,227	9,099,456	171,341	6,768,277	238,992	18,027,293
Cash and cash equivalents, December 31	<u>\$ 1,974,152</u>	<u>\$ 6,506,092</u>	<u>\$ 189,935</u>	<u>\$ 6,961,464</u>	<u>\$ 223,479</u>	<u>\$ 15,855,122</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 145,703	\$ (214,082)	\$ (8,164)	\$ (460,822)	\$ (735,820)	\$ (1,273,185)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	48,389	1,518,706	2,300	-	272,329	1,841,724
(Increase) decrease in accounts receivable	(240)	(990)	1,127	3,698	2,301	5,896
Decrease in inventory	-	-	10,025	-	-	10,025
(Increase) decrease in prepaid items	-	-	-	-	-	-
Increase (decrease) in accounts payable	6,255	181,171	729	2,300	(65,432)	125,023
Increase (decrease) in estimated claims payable	-	-	-	440,587	-	440,587
Increase (decrease) in accrued wages and compensated absences payable	(23,666)	9,120	1,575	6,601	22,654	16,284
Total adjustments	<u>30,738</u>	<u>1,708,007</u>	<u>15,756</u>	<u>453,186</u>	<u>231,852</u>	<u>2,439,539</u>
Net cash provided (used) by operating activities	<u>\$ 176,441</u>	<u>\$ 1,493,925</u>	<u>\$ 7,592</u>	<u>\$ (7,636)</u>	<u>\$ (503,968)</u>	<u>\$ 1,166,354</u>
Noncash Investing, Capital and Financing Activities						
Net book value of capital assets traded in on capital assets acquired	\$ -	\$ 233,011	\$ -	\$ -	\$ -	\$ 233,011

City of Grand Junction, Colorado
COMBINING STATEMENTS OF NET ASSETS
PENSION TRUST FUNDS
December 31, 2004

	Police Old Hire	Fire Old Hire	Total
ASSETS			
Cash and investments	\$ 2,503,294	\$ 11,525,104	\$ 14,028,398
LIABILITIES			
	-	-	-
NET ASSETS HELD IN TRUST FOR:			
Pension benefits	\$ 2,503,294	\$ 11,525,104	\$ 14,028,398

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
For the year ended December 31, 2004

	Police Old Hire	Fire Old Hire	Total
ADDITIONS			
Contributions:			
City	\$ 426,799	\$ 11,753	\$ 438,552
Plan member	-	45,732	45,732
Total contributions	<u>426,799</u>	<u>57,485</u>	<u>484,284</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	208,571	980,095	1,188,666
Interest	66,395	312,028	378,423
Net investment income	<u>274,966</u>	<u>1,292,123</u>	<u>1,567,089</u>
Total additions	<u>701,765</u>	<u>1,349,608</u>	<u>2,051,373</u>
DEDUCTIONS			
Benefits	616,459	1,010,602	1,627,061
Administrative expense	9,055	42,609	51,664
Total deductions	<u>625,514</u>	<u>1,053,211</u>	<u>1,678,725</u>
Change in net assets	76,251	296,397	372,648
Net assets - beginning	<u>2,427,043</u>	<u>11,228,707</u>	<u>13,655,750</u>
Net assets - ending	<u>\$ 2,503,294</u>	<u>\$ 11,525,104</u>	<u>\$ 14,028,398</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
December 31, 2004

	Mesa County Valley School District 51 SLD Fee	General Trust	Employee Retirement Health Benefit	Total
ASSETS				
Cash and investments	\$ 131,914	\$ 7,254	\$ 728,671	\$ 867,839
Accounts receivable, net of allowance	-	-	5,333	5,333
Total assets	<u>131,914</u>	<u>7,254</u>	<u>734,004</u>	<u>873,172</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS HELD IN TRUST FOR				
Individuals, organizations and others	<u>\$ 131,914</u>	<u>\$ 7,254</u>	<u>\$ 734,004</u>	<u>\$ 873,172</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
For the year ended December 31, 2004

	Mesa County Valley School District 51 SLD Fee	General Trust	Employee Retirement Health Benefit	Total
ADDITIONS				
Additions by participants	\$ 196,432	\$ -	\$ 200,916	\$ 397,348
Investment income	571	3,806	3,675	8,052
Total additions	<u>197,003</u>	<u>3,806</u>	<u>204,591</u>	<u>405,400</u>
DEDUCTIONS				
Distributions to participants	205,035	42,271	-	247,306
Health insurance premiums paid	-	-	108,631	108,631
Administrative expense	6,198	-	-	6,198
Total deductions	<u>211,233</u>	<u>42,271</u>	<u>108,631</u>	<u>362,135</u>
Change in net assets	(14,230)	(38,465)	95,960	43,265
Net assets - beginning	146,144	45,719	638,044	829,907
Net assets - ending	<u>\$ 131,914</u>	<u>\$ 7,254</u>	<u>\$ 734,004</u>	<u>\$ 873,172</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the year ended December 31, 2004

	Balance Beginning	Additions	Deletions	Balance Ending
<u>PARK IMPROVEMENT ADVISORY BOARD</u>				
ASSETS				
Cash and investments	\$ 94,082	\$ 95,564	\$ 163,542	\$ 26,104
Accounts receivable, net of allowance	500	115,150	78,150	37,500
Total assets	<u>\$ 94,582</u>	<u>\$ 210,714</u>	<u>\$ 241,692</u>	<u>\$ 63,604</u>
LIABILITIES				
Due to other governments	<u>\$ 94,582</u>	<u>\$ 208,697</u>	<u>\$ 239,675</u>	<u>\$ 63,604</u>
<u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ 33,028	\$ 2,210,079	\$ 2,098,569	\$ 144,538
LIABILITIES				
Due to other governments	<u>\$ 33,028</u>	<u>\$ 2,209,329</u>	<u>\$ 2,097,819</u>	<u>\$ 144,538</u>
<u>SEWER AND WATER DISTRICTS CLEARING</u>				
ASSETS				
Cash and investments	\$ 47,093	\$ 585,786	\$ 587,020	\$ 45,859
LIABILITIES				
Due to other governments	<u>\$ 47,093</u>	<u>\$ 585,786</u>	<u>\$ 587,020</u>	<u>\$ 45,859</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 174,203	\$ 2,891,429	\$ 2,849,131	\$ 216,501
Accounts receivable, net of allowance	500	115,150	78,150	37,500
Total assets	<u>\$ 174,703</u>	<u>\$ 3,006,579</u>	<u>\$ 2,927,281</u>	<u>\$ 254,001</u>
LIABILITIES				
Due to other governments	174,703	3,003,812	2,924,514	254,001
Total liabilities	<u>\$ 174,703</u>	<u>\$ 3,003,812</u>	<u>\$ 2,924,514</u>	<u>\$ 254,001</u>

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2004

	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	\$ 588,697	\$ 96,660	\$ 201	\$ 2,130,649	\$ 2,816,207
Property taxes receivable	1,005,783	127,964	-	-	1,133,747
Total assets	<u>1,594,480</u>	<u>224,624</u>	<u>201</u>	<u>2,130,649</u>	<u>3,949,954</u>
LIABILITIES					
Accounts payable	-	1,495	-	3,872	5,367
Accrued liabilities	-	3,253	-	-	3,253
Deferred revenue	1,005,783	127,964	-	-	1,133,747
Compensated absences payable	-	547	-	-	547
Total liabilities	<u>1,005,783</u>	<u>133,259</u>	<u>-</u>	<u>3,872</u>	<u>1,142,914</u>
FUND BALANCES					
Reserved for debt service	-	-	-	170,000	170,000
Unreserved:					
Designated for subsequent year's expenditures	-	-	-	1,892,000	1,892,000
Unreserved, undesignated	588,697	91,365	201	64,777	745,040
Total fund balances	<u>588,697</u>	<u>91,365</u>	<u>201</u>	<u>2,126,777</u>	<u>2,807,040</u>
Total liabilities and fund balances	<u>\$ 1,594,480</u>	<u>\$ 224,624</u>	<u>\$ 201</u>	<u>\$ 2,130,649</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.

3,182,836

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.

Bonds payable	\$ (2,305,000)	
Compensated absences	(6,785)	
Accrued interest	(1,306)	(2,313,091)

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

\$ 3,676,785

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, 2004

	DDA Tax Increment	DDA Operations Special Revenue Fund	DDA Debt Service Fund	TIF Capital Improvements Capital Project Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 1,017,201	\$ 150,468	\$ -	\$ -	\$ 1,167,669
Intergovernmental	117,389	-	-	-	117,389
Charges for services	-	91,306	-	12,970	104,276
Miscellaneous	-	27,114	-	50,000	77,114
Investment income	27,002	1,854	201	70,692	99,749
Total revenues	<u>1,161,592</u>	<u>270,742</u>	<u>201</u>	<u>133,662</u>	<u>1,566,197</u>
EXPENDITURES					
Current:					
General government	17,334	-	-	-	17,334
Urban development and housing	-	254,986	-	48,795	303,781
Debt service:					
Principal retirement	-	-	690,000	-	690,000
Interest and fiscal charges	-	-	60,862	-	60,862
Capital outlay	-	-	-	956,026	956,026
Total expenditures	<u>17,334</u>	<u>254,986</u>	<u>750,862</u>	<u>1,004,821</u>	<u>2,028,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,144,258</u>	<u>15,756</u>	<u>(750,661)</u>	<u>(871,159)</u>	<u>(461,806)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	24,996	750,862	-	775,858
Transfers out	(775,858)	-	-	-	(775,858)
Total other financing sources (uses)	<u>(775,858)</u>	<u>24,996</u>	<u>750,862</u>	<u>-</u>	<u>-</u>
Net change in fund balances	368,400	40,752	201	(871,159)	(461,806)
Fund balances - beginning	220,297	50,613	-	2,997,936	3,268,846
Fund balances - ending	<u>\$ 588,697</u>	<u>\$ 91,365</u>	<u>\$ 201</u>	<u>\$ 2,126,777</u>	<u>\$ 2,807,040</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) \$ (461,806)

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 \$956,026 exceeded depreciation (\$85,606) in the current period. 870,420

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt \$690,000 and the payment of accrued interest \$215 consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. 690,215

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. 2,660

Change in net assets of the Component Unit - Downtown Development Authority (page 3-5) \$ 1,101,489

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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 985,500	\$ 985,500	\$ 1,017,201	\$ 31,701
Intergovernmental	141,000	141,000	117,389	(23,611)
Investment income	4,000	20,000	27,002	7,002
Total revenues	<u>1,130,500</u>	<u>1,146,500</u>	<u>1,161,592</u>	<u>15,092</u>
EXPENDITURES				
Current:				
General government:	<u>25,000</u>	<u>378,137</u>	<u>17,334</u>	<u>360,803</u>
Excess of revenues over expenditures	1,105,500	768,363	1,144,258	375,895
OTHER FINANCING SOURCES (USES)				
Operating transfers out	<u>(1,126,000)</u>	<u>(772,863)</u>	<u>(775,858)</u>	<u>(2,995)</u>
Net change in fund balance	(20,500)	(4,500)	368,400	372,900
Fund balances - beginning	220,297	220,297	220,297	-
Fund balances - ending	<u>\$ 199,797</u>	<u>\$ 215,797</u>	<u>\$ 588,697</u>	<u>\$ 372,900</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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 148,650	\$ 148,650	\$ 150,468	\$ 1,818
Charges for services	76,150	88,500	91,306	2,806
Miscellaneous	25,000	20,500	27,114	6,614
Investment income	100	1,800	1,854	54
Total revenues	<u>249,900</u>	<u>259,450</u>	<u>270,742</u>	<u>11,292</u>
EXPENDITURES				
Current:				
Urban development and housing	<u>251,050</u>	<u>266,989</u>	<u>254,986</u>	<u>12,003</u>
Total expenditures	<u>251,050</u>	<u>266,989</u>	<u>254,986</u>	<u>12,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,150)</u>	<u>(7,539)</u>	<u>15,756</u>	<u>23,295</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>4,000</u>	<u>20,000</u>	<u>24,996</u>	<u>4,996</u>
Total other financing sources (uses)	<u>4,000</u>	<u>20,000</u>	<u>24,996</u>	<u>4,996</u>
Net change in fund balance	2,850	12,461	40,752	28,291
Fund balances - beginning	50,613	50,613	50,613	-
Fund balances - ending	<u>\$ 53,463</u>	<u>\$ 63,074</u>	<u>\$ 91,365</u>	<u>\$ 28,291</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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ -	\$ -	\$ 201	\$ 201
EXPENDITURES				
Current:				
General government	2,000	2,000	-	2,000
Debt service:				
Principal retirement	690,000	690,000	690,000	-
Interest and fiscal charges	430,000	60,863	60,862	1
Total expenditures	<u>1,122,000</u>	<u>752,863</u>	<u>750,862</u>	<u>2,001</u>
Deficiency of revenues under expenditures	<u>(1,122,000)</u>	<u>(752,863)</u>	<u>(750,661)</u>	<u>2,202</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,122,000</u>	<u>752,863</u>	<u>750,862</u>	<u>(2,001)</u>
Net change in fund balance	-	-	201	201
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201</u>	<u>\$ 201</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, 2004

	Original and Final Budget Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for service	\$ -	\$ 12,970	\$ 12,970
Miscellaneous	-	50,000	50,000
Investment income	70,000	70,692	692
Total revenues	<u>70,000</u>	<u>133,662</u>	<u>63,662</u>
EXPENDITURES			
Current:			
Urban development and housing	-	48,795	(48,795)
Capital projects	1,796,000	956,026	839,974
Total expenditures	<u>1,796,000</u>	<u>1,004,821</u>	<u>791,179</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,726,000)</u>	<u>(871,159)</u>	<u>854,841</u>
Net change in fund balance	(1,726,000)	(871,159)	854,841
Fund balances - beginning	2,997,936	2,997,936	-
Fund balances - ending	<u>\$ 1,271,936</u>	<u>\$ 2,126,777</u>	<u>\$ 854,841</u>

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
2003	\$ 8,276,802	\$ 19,871,284	\$ 12,780,174	\$ 5,318,756	\$ 622,802	\$ 234,037	\$ 4,009,508	\$ 1,988,176	\$ 5,786,822	\$ 58,888,360
2004	8,054,347	21,729,886	14,954,999	6,317,279	257,478	1,614,162	4,158,777	2,130,427	5,687,641	64,904,996

TABLE 2

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

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES			
	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Investment Earnings	Miscellaneous	Total
2003	\$ 18,468,440	\$ 843,051	\$ 16,560,855	\$ 45,761,262	\$ 906,081	\$ -	\$ 82,539,689
2004	19,499,827	651,810	20,738,863	50,191,181	2,135,964	49,356	93,267,001

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
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
2004	8,734,015	19,977,861	8,049,960	5,378,915	516,830	3,159,016	45,816,597

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

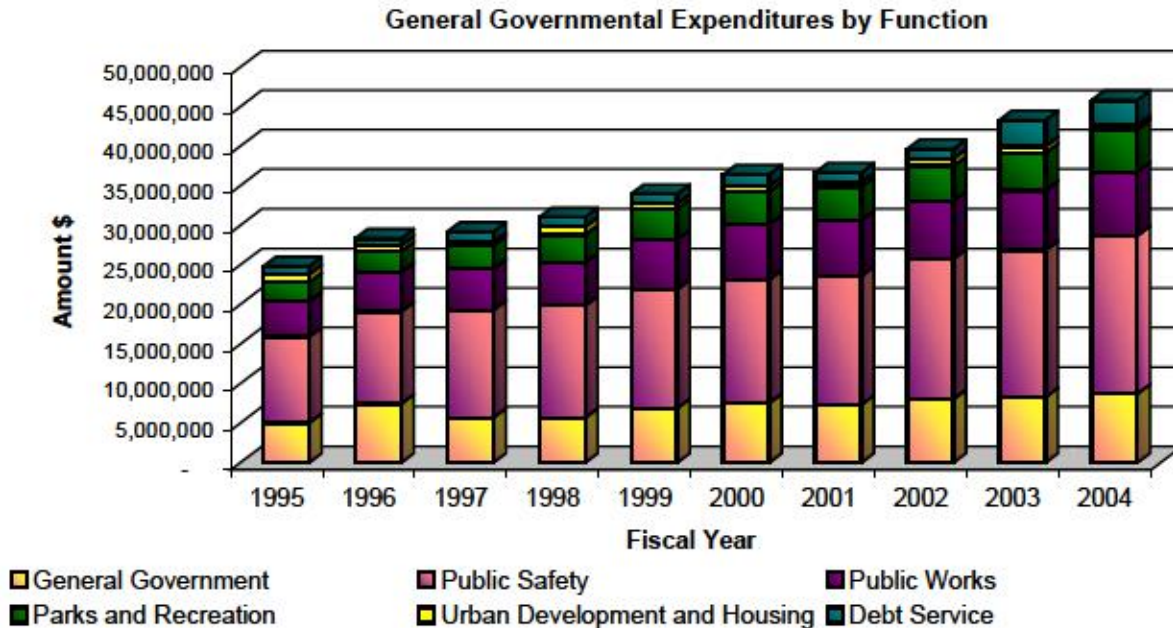


TABLE 4

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
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
2004	42,410,092	111,452	998,181	5,679,040	701,941	501,145	502,777	50,904,628

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

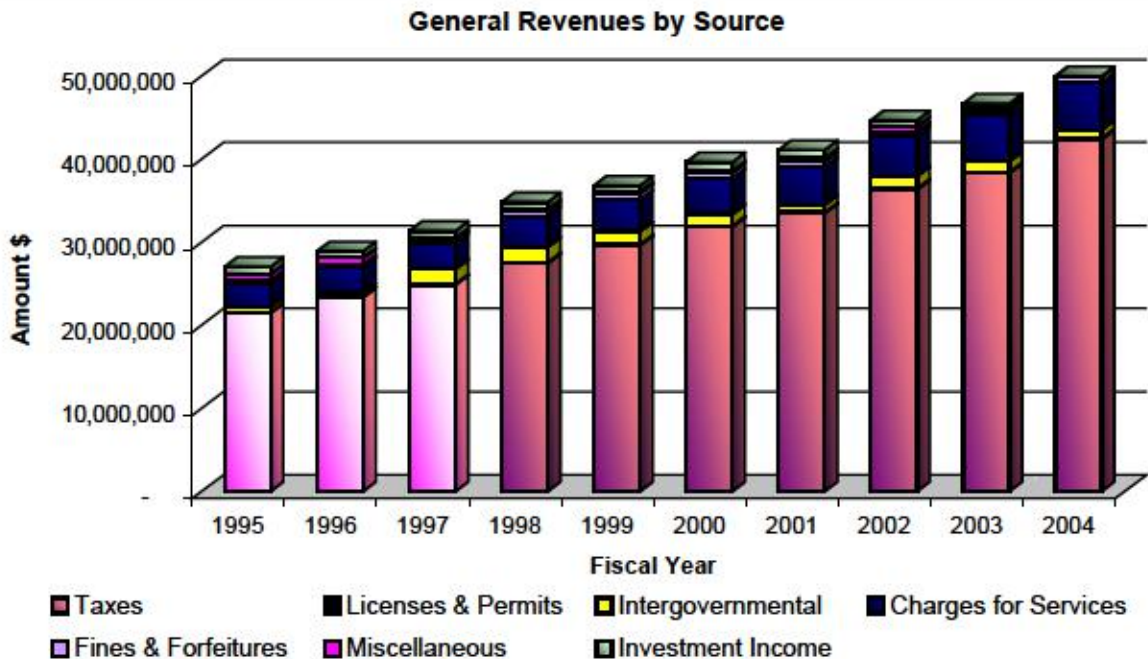


TABLE 5

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
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%
2004	4,943,436	4,910,989	99.34%	10,192	4,921,182	99.55%	5,415	0.11%

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
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
2005	529,459,970	3,630,986,410	7.96-29% ⁽⁶⁾	2003

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%.

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
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
2004	2005	7.36	41.51	21.71	5.79	76.37

PROPERTY TAX REVENUE LEVY

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
2004		2005		3,896,825		41,036,293		22,597,893		4,898,992

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

<u>Fiscal Year</u>	<u>Current Assessments Due</u>	<u>Current Assessments Collected</u>	<u>Ratio of Collections to Amount Due</u>	<u>Total Outstanding Assessments</u>
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
2004	18,387	18,369	99.90%	107,828

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
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%	-
2004	50,300	529,460	60,727,683	52,948,731	-	7,778,952	1469.22%	155

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, 2004

<hr/>	
Estimated actual value as determined by Assessor ^(A)	\$ <u>3,630,986,410</u>
Debt limit - 3% of actual value	\$ 108,929,592
Total General Obligation Debt ^(B)	\$ 1,927,348
Less: Ridges Metropolitan District bonds supported by a special tax levy paid only within the District ^(B)	(1,510,000)
Grand Junction West Water and Sanitation District bonds supported by a special tax levy paid only within the District ^(B)	<u>(417,348)</u>
Total amount of debt applicable to debt limit	<u>-</u>
Legal debt margin	<u>\$ 108,929,592</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, 2004

<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)	\$ 57,075,000	100.00%	\$ 57,075,000
Overlapping:			
Mesa County Valley School District No. 51 ^(B)	141,285,000	0.00%	-
Mesa County ^{(2) (C)}	-		-
Total			<u>\$ 57,075,000</u>

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	
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	-	-	-	-
2004	4,507,115	3,369,394	1,137,721	-	-	-	-

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
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%
2004	-	1,338,194	1,338,194	45,816,597	2.92%

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 ^(B) of Permits	Con- ^(B) struction (in 000's)	Number ^{(1)(C)} of Households
	Residential	Commercial	Industrial	Agriculture	Natural Resources	Public Utilities	Exempt Property			
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	49,362
2004	580,231,080	295,842,530	49,408,390	18,429,660	22,954,190	86,414,600	144,442,150	3,725	300,456	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
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
2004	32,373,294	1,101,581	4,807,174	790,161	39,072,210

Source: City Administrative Services Department

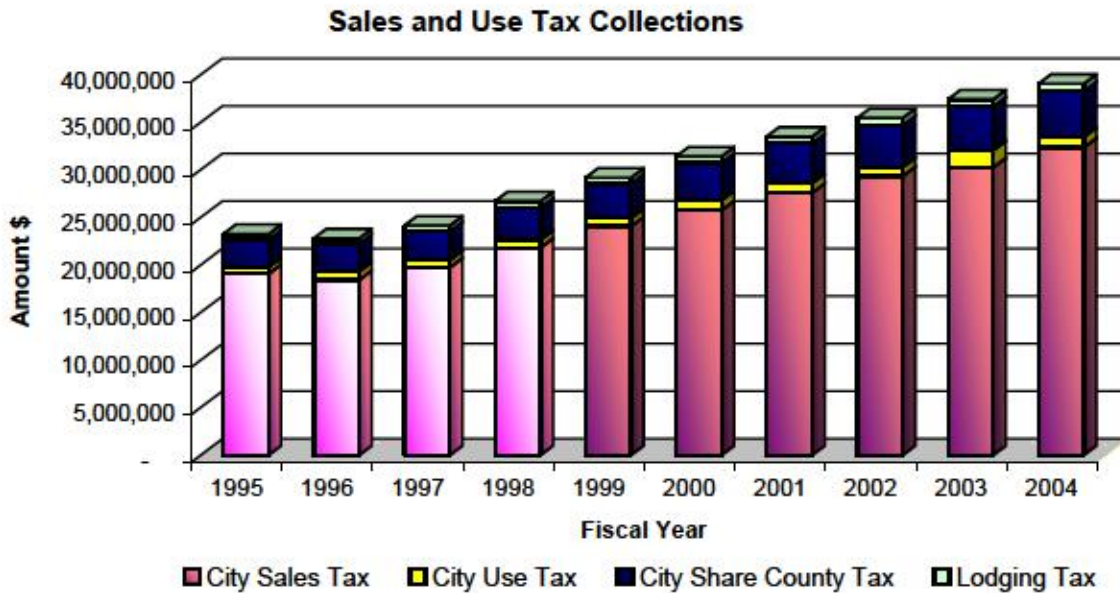


TABLE 16

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
1995	40,380	105,408	18,685	5.3%	4.0%
1996	40,851	107,290	19,136	5.4%	4.2%
1997	42,033	109,465	19,148	4.5%	3.4%
1998	42,901	112,913	19,323	4.6%	3.5%
1999	44,390	113,383	19,567	3.9%	3.0%
2000	41,986 ^(E)	116,255 ^(E)	19,633	3.6%	2.6%
2001	42,758	117,647	19,768	4.1%	3.9%
2002	47,100	119,975	20,035	5.0%	5.9%
2003	49,555	122,463 ^(D)	20,170	5.9%	6.2%
2004	50,300	125,072 ^(D)	20,207	5.5%	5.5%

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) US Census Bureau and Colorado Demography Office
- (E) 2000 Census

TABLE 17

City of Grand Junction, Colorado
MISCELLANEOUS STATISTICS
 Year ended December 31, 2004

Date of incorporation:	July 19, 1882 ^(A)		
Date charter adopted:	September 14, 1909 ^(A)		
Form of government:	Council/Manager ^(A)		
Area:	34.25 square miles ^(B)		
Lane miles of streets: ^(B)			
Paved		964.76	
Unpaved		8.33	
		973.09	
Miles of sewer lines (within 201 system): ^(B)			
Storm		136	
Sanitary		589	
Building permits: ^(C)	<u>Year</u>	<u># Issued</u>	<u>Value</u>
	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
	2004	2,080	158,746,233
Police protection: ^(D)			
Number of employees (FTE):	Sworn	81	
	Non-sworn	62	
	Total	143	
Vehicular patrol units		30	
Canine units		3	
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, 2004

Fire protection: ^(E)

Number of employees	79
Number of stations	5

Recreation: ^(F)

Parks:

Developed	434.69	acres
Undeveloped	581.68	acres
Total	1,016.37	acres

Swimming pools	1 indoor and 1 outdoor with water slide	
Tennis courts	16	
Shelters	19	
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	23	9,274	
Middle	8	4,765	
High	4	6,168	
K - 12	1	N/A	(included in above)
Alternative/Other	4	N/A	(included in above)

Mesa State College: ^(H)

<u>Enrollment</u>	5,725
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Employees in the City of Grand Junction (FTE): ^(I)	570
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(Continued)

TABLE 17

City of Grand Junction, Colorado
MISCELLANEOUS STATISTICS
 Year ended December 31, 2004

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 regular municipal election, April 5, 2005)

Number of registered voters	25,780
Number of registered voters voting in last general municipal election	8,417
Percentage	32.65%

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, 2004

<u>Name of Official</u> ^(A)	<u>Title</u> ^(A)	<u>Annual Salary</u> ^(B)
Bruce Hill	Mayor	\$ 7,875
Other Councilmembers in Aggregate		37,400
Kelly Arnold	City Manager	117,845
John P. Shaver	City Attorney	106,184
David A. Palmer	Municipal Court Administrator	21,498
Stephanie Tuin	City Clerk	69,729
Ronald M. Lappi	Administrative Services and Finance Director	99,081
Robert Blanchard	Community Development Director	95,915
Ricky Beaty	Fire Chief	98,107
Erik Joe Stevens	Parks and Recreation Director	91,402
Gregory Morrison	Police Chief	102,864
Mark Relph	Public Works Director	101,368
Debbie Kovalik	Visitors and Convention Bureau Director	82,992

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, 2004

<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	\$ 11,909,900	22.19%
Walmart / Sam's Club	Retail Stores	8,724,180	16.26%
SDG Macerich Prop LP	Mesa Mall	7,899,620	14.72%
Public Service Company of Colorado	Utility	7,460,810	13.90%
Coors Porcelain	Manufacturer	4,197,960	7.82%
Sundstrand	Manufacturer	3,504,560	6.53%
Grand Mesa Center	Retail Shopping Center	2,776,240	5.17%
Lowes HIW, Inc.	Retail Store	2,685,980	5.01%
MSPA Acquisition (Doubletree)	Hotel	2,259,790	4.21%
Dayton Hudson/Mervyn's/Target	Retail Stores	2,244,140	4.18%
Totals		<u>\$ 53,663,180</u>	<u>100.00%</u>

Notes:

⁽¹⁾ Value based on pending 2004 tax roll

Source: Mesa County Assessor