

2013

FISCAL YEAR ENDED DECEMBER 31, 2013



Comprehensive Annual Financial Report

About our cover...

Lincoln Park, one of Grand Junction's oldest and most beloved parks, is found in the heart of Grand Junction. The relatively small park, 42 acres without the golf course, accommodates activities from the highly competitive to the purely passive, and everything in between. There is a competitive baseball, football, and track facility used by the local university, four high schools, the National Junior College World Series, and a plethora of other user groups, in addition to other typical park amenities such as restrooms, open grass, a playground, shelters, and a swimming pool. This extremely diverse usage means Lincoln Park is a neighborhood park, as well as the premier regional park on the Western Slope serving tens of thousands of city, county, and regional residents. It is safe to say that Lincoln Park is the most intensely used park in the City.

Thanks to a \$250,000 Great Outdoors Colorado grant and community-wide support, the playground and park underwent a major renovation with a new, all inclusive and accessible playground, new trails, removal of an unsafe road cutting through the park, and an educational arboretum trail highlighting 69 different tree species found in the park. This renovation earned the park a 2013 Colorado Lottery Starburst Award and a Colorado Parks and Recreation Association Columbine Award for Design.



Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2013

Prepared by:

Financial Operations Department

Jodi Romero, Financial Operations Director



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SINGLE AUDIT

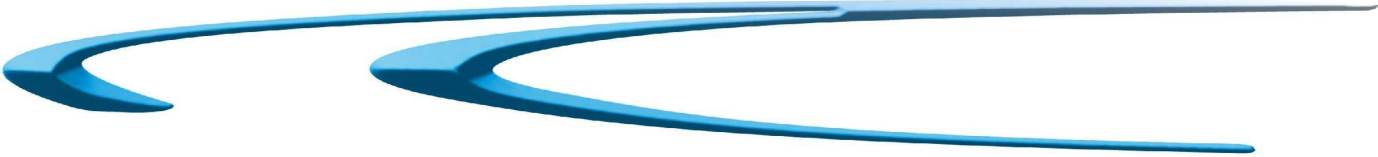
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INTRODUCTORY SECTION



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Financial Operations Department

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

June 27, 2014

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

It is with great pleasure that the Comprehensive Annual Financial Report (CAFR) for the City of Grand Junction for the year ended December 31, 2013, is presented. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed public accountants. This Comprehensive Annual Financial Report is hereby issued and submitted to you for the fiscal year ended December 31, 2013, in accordance with these requirements.

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

The City of Grand Junction's financial statements have been audited by Chadwick, Steinkirchner, Davis & Co., P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Grand Junction for the fiscal year ended December 31, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Grand Junction's financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

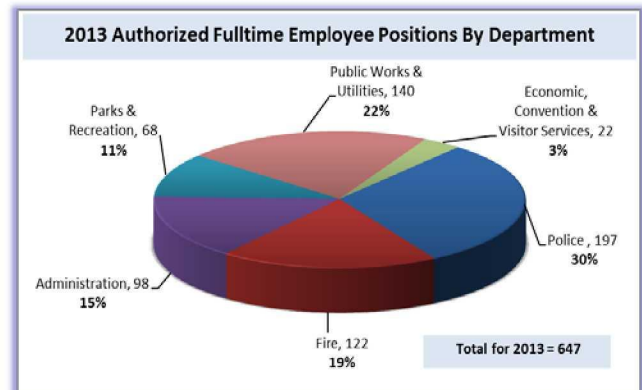
Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read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

PROFILE OF THE GOVERNMENT

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

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

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



The City of Grand Junction currently occupies a land area of 39.4 square miles and serves an estimated population of 60,000. The City of Grand Junction is granted the authority to levy a property tax on both real and personal business properties located within its boundaries and to establish and collect its own sales and use tax. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

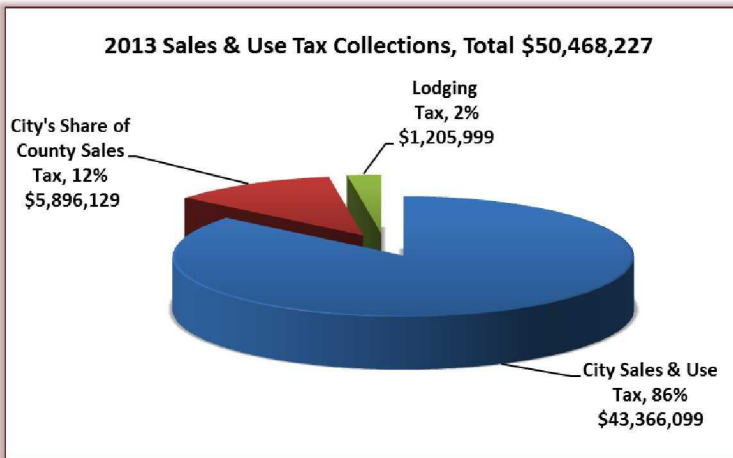
Policy-making and legislative authority are vested in a City Council consisting of seven members, one of which is elected mayor each year. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing boards and commissions, and hiring the City Manager, City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

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

Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 38 as part of the basic financial statements for the governmental funds. For other major governmental funds (and non-major) this comparison is presented in the governmental fund subsection of this report, which starts on page 79.

FACTORS AFFECTING FINANCIAL CONDITION

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



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

As in the past, city management and leadership continue to finance current operations with current operating revenues, while debt has been kept to a minimum. The three-quarter cent increase in city sales and use taxes, effective January 1, 1988, provides funds for capital investment. The sales and use tax revenues allocated to the General Fund account for 57% of its revenues and fund

general government operations such as police, fire, streets, and parks, as well as economic development and community partnerships. The Sales and Use Tax Collections graph shows the elements of sales and use taxes and their proportionate size while the Historical Sales and Use Tax graph below shows the historical collections and growth since 2004. These tax revenues slightly decreased from 2012 to 2013 continuing to reflect a slow recovery of the local economy from the recession. After falling significantly in 2009, tax revenues are holding between 2006 and 2007 levels.

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



Grand Junction experienced a 14 % job loss since peak levels in October 2008, and in the three years since has recovered 17% of those jobs with an average unemployment rate during 2013 of 8.1%. This job loss along with a reduction in population and workforce has restricted consumer spending resulting in significant declines in retail activity and sales and use tax revenues during the recession followed by a slow recovery in spending during 2012 and 2013.

The City has continued to work toward diversifying its economic base and business climate. The quality of life offered in Grand Junction, which is critical to the attraction, motivation and retention of skilled and talented workers, is appealing to businesses, individuals and tourists alike. Spectacular scenery and recreational opportunities, excellent climate and air quality, low crime rates, higher education opportunities, and quality medical services make the Grand Junction area a good choice for relocation.

The City leveraged public and private partnerships as well as grant dollars to make significant capital investments in the community in 2013:

- The City completed the remodel of an existing facility for the Fire Administration operations and expanded Fire Station #2. This brings the City's total investment in public safety infrastructure and facilities over a three-year period to \$33 million.
- By leveraging conservation trust funds, the City invested over \$2 million in the improvements to parks, playground systems, and pools including a major renovation to one of the City's largest and most established parks. The City also continued planning and development of new parks for Las Colonias along the riverfront, and Matchett Park in the northeast section of the City.
- Together with the Downtown Development Authority and the Avalon Theatre Foundation, the City began what will now be a \$9.65 million major renovation of the historic Avalon Theatre in downtown Grand Junction set to be completed in late 2014.
- In 2013 the City began a \$4.3 million realignment of a major transportation corridor which will increase traffic capacity as well as provide needed infrastructure for the new construction of two truck stops in the area. This project is in concert with a \$4 million Colorado Department of Transportation project constructing a diverging diamond interchange. Together the projects improve the quality and capacity of vehicle and truck access to I-70 while improving local commuter traffic flow as well.
- In 2013 the Regional Communication Center began planning and acquiring radio equipment for two new communication towers that upon completion will enhance radio coverage and improve emergency communications and service delivery.
- The City invested \$2.8 million in 2013 for street infrastructure through a variety of maintenance, preservation and road resurfacing techniques.
- The City's water and sewer enterprises invested \$2.8 million in replacements of pipelines and improvements to the water and sewer plants.

FUTURE OUTLOOK

The City remains committed to providing high quality services and investing in infrastructure for our citizens. The City's goal is to serve its citizenry in the long-term while maintaining a sound financial position. Priorities shaping future planning are public safety, economic development, investments in infrastructure and adherence to the Comprehensive Plan.

The Comprehensive Plan was formally adopted in 2010 after a three-year staff and community effort. This plan plays a critical role in guiding the future growth and development of the City of Grand Junction and the larger Mesa County area. In addition, the Comprehensive Plan serves as a compass for City Council in decision making and policy planning. One specific goal of the Comprehensive Plan is consistency in implementation between the City, Mesa County, and other service providers. Another is to support the continued development of the downtown area of the City Center as a vibrant and growing area with jobs, housing and tourist attractions. To that purpose the City will continue to review the Comprehensive Plan, the adopted Downtown Plan and South Downtown Plan to remove barriers to development opportunities which will allow for consistent implementation of the vision as established by the City and County in the Comprehensive Plan. A review and update of the Comprehensive plan is scheduled to begin in 2015.

The City continues to take a lead role in promoting and funding economic development in the area. The City Council recently developed and adopted the Economic Development Plan that firmly establishes the Council's commitment to improving business conditions and attracting and retaining employers while confirming the City's standing as a viable, healthy and safe community. The City has a department dedicated to convention and visitor services. The 3% lodging tax is utilized for advertising the community, promoting tourism, and attracting conferences and conventions. The City also works closely with the community partners in economic development including the Grand Junction Area Chamber of Commerce, Grand Junction Economic Partnership, Business Incubator, and Colorado Mesa University.

The higher educational opportunities provided by Colorado Mesa University (CMU) is pivotal to the economic diversity and quality of life enjoyed by the residents of Grand Junction and the surrounding community. Over the last decade, CMU has embarked on a multi-year, multi-million dollar campus expansion and renovation project. The City of Grand Junction has supported this project through economic development contributions of \$4.5 million through 2013. Council has also committed support for a new academic classroom built in 2013.

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

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

The most significant capital project in the history of the City is the Riverside Parkway. The project entailed building a loop around the City that extends from 24 Road/Redlands Parkway to the intersection of 29 Road and D Road. The lower section of the Parkway extends from 4th Avenue to the intersection of 27½ and D Road. The most recently completed section extends from Highway 50 on Orchard Mesa over the I-70 Business Loop with the 29 Road viaduct. The final connection will extend to a new interchange at I-70. This loop is designed to provide interconnectivity to and around the City, as well as between different demographical areas of the valley, effectively connecting residential areas with jobs and services. In addition to this major transportation loop, the City has over 1,100 lane miles to maintain in streets infrastructure. The City has a sophisticated pavement management program that evaluates the condition of the roadways and designs an overlay schedule accordingly. Recently the City contracted to have the condition of the pavement evaluated in order to determine the best use of resources for street maintenance and reconstruction.

As indicated by surveys and through dialogue with the Grand Junction community, public safety is recognized as one of the key foundations to a livable community and one of the primary responsibilities of local government. Public Safety facility needs are being addressed through the recent construction of the Public Safety Complex, Fire Station #1, Fire Administration building, and the remodel of Fire Station #2. The City Council remains committed towards addressing future public safety needs and in particular improvements in fire and emergency medical services (ems) coverage. Plans are progressing for the move of Fire Station #4 to better serve the southeast area of the community, and discussions are taking place regarding the potential consolidation of fire and ems services.

The City continues the commitment to parks development. A riverfront park area and trail system along the Colorado River is backed by the City through resources of personnel time, direct funding and facilitating grants from federal, state and private sources. The City has purchased land for this park and the riverfront trail system. Much of this property was the site of wrecking yards, which have now been removed. The park objectives are to provide additional recreational facilities, beautify the entrance to the City and improve flood control for the area. Several trails have been completed and are open to the public. In addition, the City Council has committed funding for major maintenance and improvement projects for the City's existing 30 developed parks. The City has also partnered with Mesa Land Trust in the acquisition of land to facilitate the development of a walking and bike trails along Monument Road.

The purchase and development of the 103-acre regional Canyon View Park began in 1996 with major softball and soccer facilities. Development continued with the construction of a baseball field in 1998, new tennis courts in 2008 and new restroom facilities in 2009. This park serves as the main venue for team sporting events for school and community leagues of all ages; with over 320 days of use a year and an average of 10 events per day. With nearly 1 million visits to the park facility each year, it is clearly a significant asset to the regional community and the City's park system. In 2013 and 2014 Council approved funding for the master planning of two more regional parks; with community involvement,

input, and partnerships the City will update and formulate master plans for the future development of the 207-acre Matchett Park in the northeast area of the City and the 101-acre Las Colonias Park in south downtown along the Colorado River.

The City in partnership with the Downtown Development Authority and the Avalon Theatre Foundation Board are proceeding in a \$9.65 million renovation to revitalize the 90 year old historic Avalon Theatre. The theatre is owned and operated by the City and is one of the “book ends” of Main Street in the heart of downtown Grand Junction. The finished construction project will include safety and accessibility amenities as well as an expansion that will significantly expand the size and scope of the facility and its uses for performing arts.

The City of Grand Junction is actively committed to energy efficiency and water conservation efforts and continually strives to implement strategies that preserve resources and increase efficiencies. One area of particular focus is the City’s Compressed Natural Gas (CNG) Program. The City’s CNG Program is threefold: transitioning the City’s fleet into natural gas vehicles, construction of a CNG fueling station, and the Persigo Wastewater Treatment Plant component which began in 2006 and is the concept of converting methane into CNG. As a byproduct of treating the wastewater, excess digester gas (methane) is generated daily and currently being flared into the atmosphere. After conducting extensive studies, it has been determined that this excess gas can be captured and converted into compressed natural gas (CNG) that can be used as a vehicle fuel (biogas). The program is well underway with the continued purchase of City CNG vehicles, the completion of the fueling station, and the partnership with Grand Valley Transit to maintain and repair their new CNG public transportation buses. The Persigo Biogas project received authorization by City Council and the County Commissioners to proceed in 2014 with the construction of the infrastructure to convert the methane to compressed natural gas and the pipeline to transport it to the City’s fleet operations.

FINANCIAL POLICIES

The City Council provides policy direction to the City Manager who guides the financial decisions of the organization. City Council’s policy direction is to further economic development by taking a more proactive role while continuing to coordinate with all the community partners; invest in public infrastructure; continue to provide the essential services of public safety; operate within existing revenues; and preserve at least \$18.5 million in General Fund reserves. City management has been successful in following City Council’s policy direction through responsive, conservative, and sound financial decisions. The City has financial policies and practices that guide budget, investments, debt, revenue, purchasing, risk management and reserves.

COMPLIANCE WITH THE TAXPAYER BILL OF RIGHTS

The Colorado Constitutional Amendment passed in November 1992 (known as the TABOR – Taxpayer Bill of Rights amendment), restricts growth in governmental revenues and property tax revenues to amounts adjusted for inflation and a local growth factor. In 2013, the City did not exceed the overall revenue limitation, but did exceed the property tax revenue limitation. However, in April 2007, City of Grand Junction voters approved the retention by the City of all revenues exceeding the spending limit for 2006 and subsequent years until the bonded debt for the Riverside Parkway is paid in full. Therefore, the excess will be transferred to a debt service fund designated for payment of the Riverside Parkway bonds. The City also is subject to other TABOR requirements. For example, TABOR requires that no real estate transfer tax or income tax be imposed and that the City reserve 3% of its spending as an emergency reserve. The City is in compliance with these provisions. Finally, TABOR requires that the City have elections if it wishes to change its tax policy or issue general government debt.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the twenty-ninth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.


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

ACKNOWLEDGEMENTS

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

The City's external auditors, Chadwick, Steinkirchner, Davis & Co., P.C., are also commended for their comprehensive and efficient examination of the various funds of the City for the fiscal year ended December 31, 2013.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jodi Romero". The signature is fluid and cursive, with the first name "Jodi" and last name "Romero" clearly distinguishable.

Jodi Romero
Financial Operations Director





Government Finance Officers Association

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

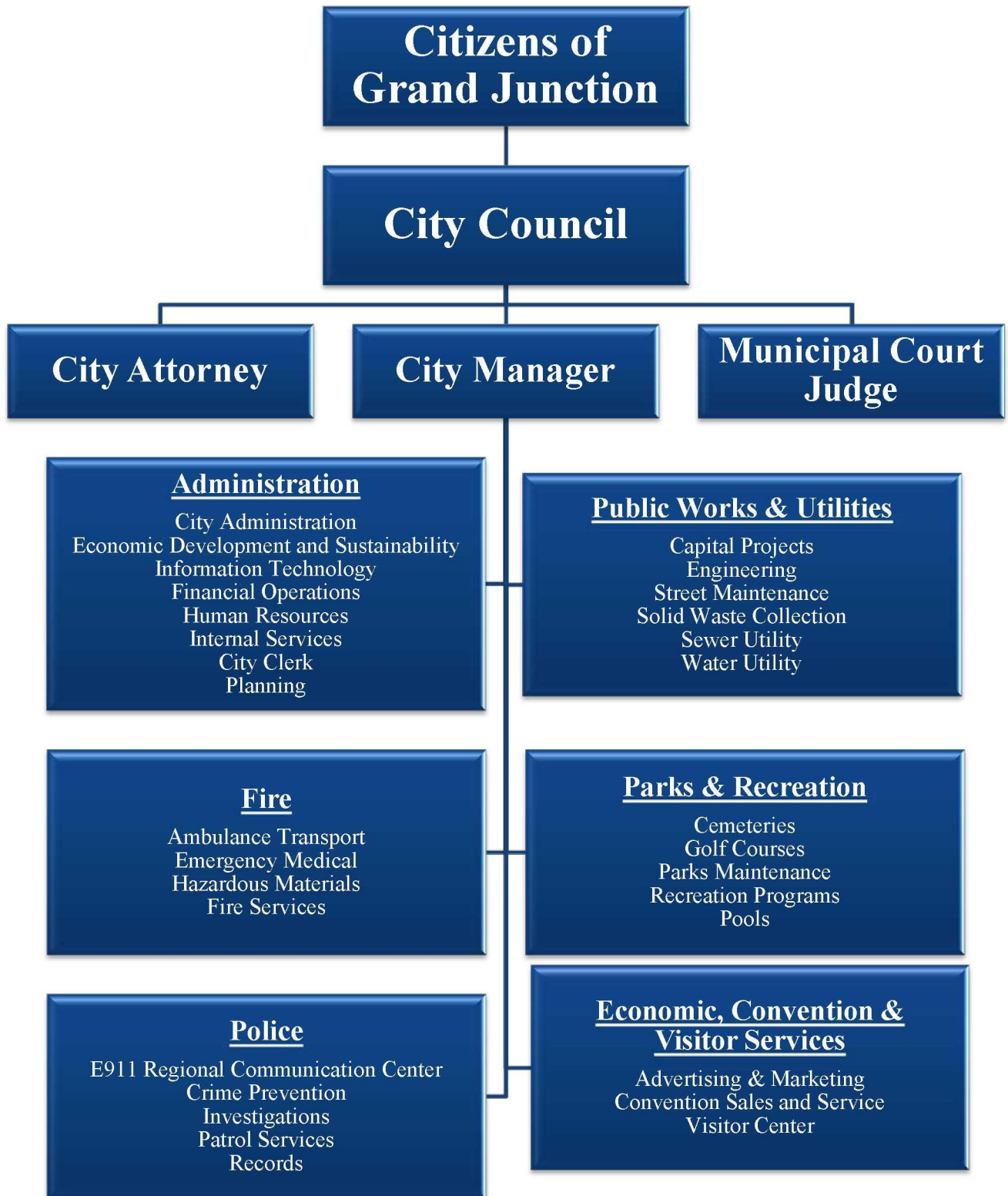
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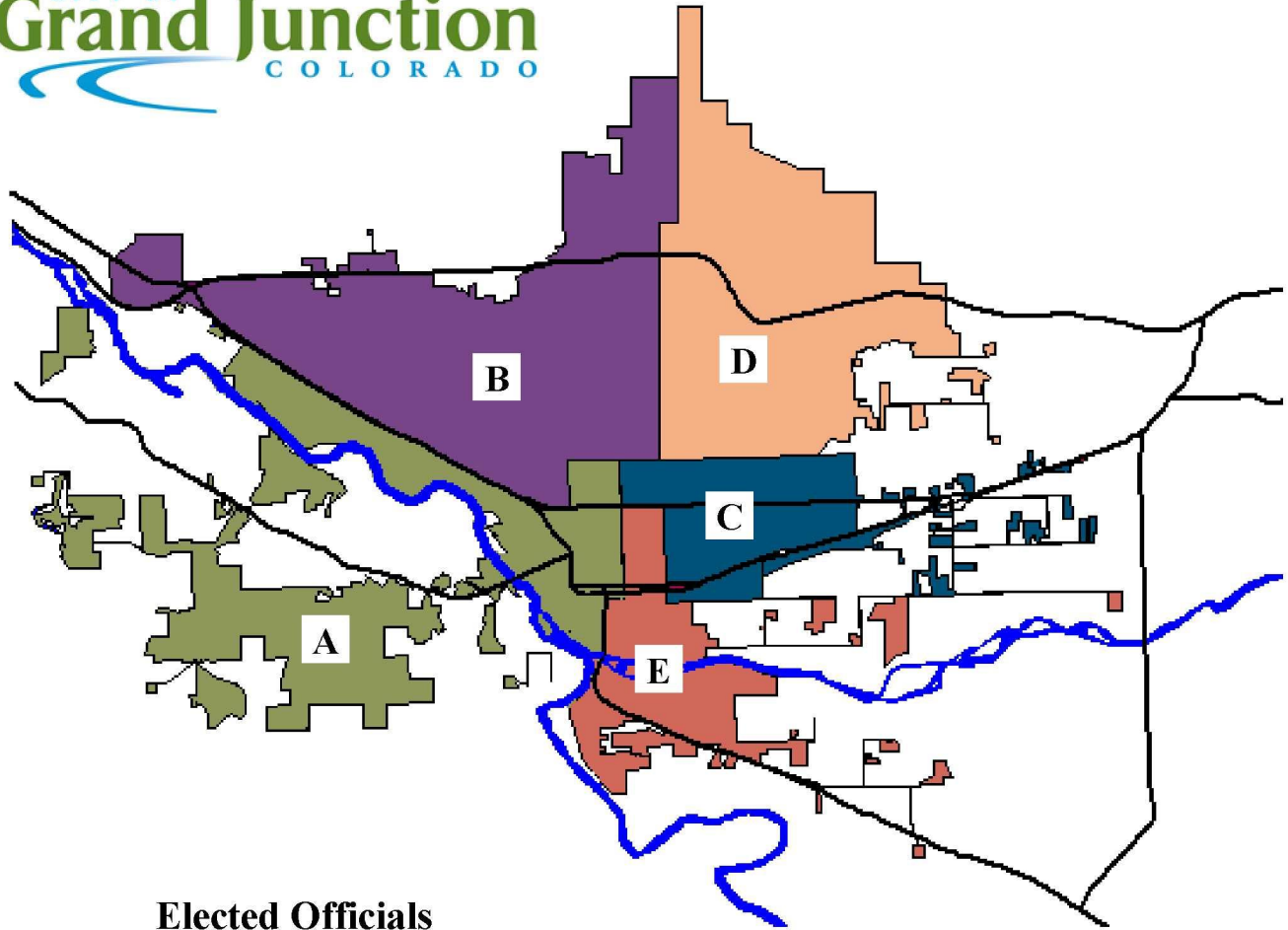
**City of Grand Junction
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO





Elected Officials

<u>City Council</u>	<u>Expires</u>
Phyllis Norris, Mayor – District A	May 2017
Marty Chazen, Mayor Pro Tem – District D.....	May 2017
Sam Susuras – District B.....	May 2015
Bennett Boeschenstein – District C.....	May 2015
Duncan McArthur - District E	May 2015
Barbara Traylor Smith – District at Large	May 2015
Jim Doody – District at Large	May 2015

**Election District
 Boundaries**

Appointed Officials

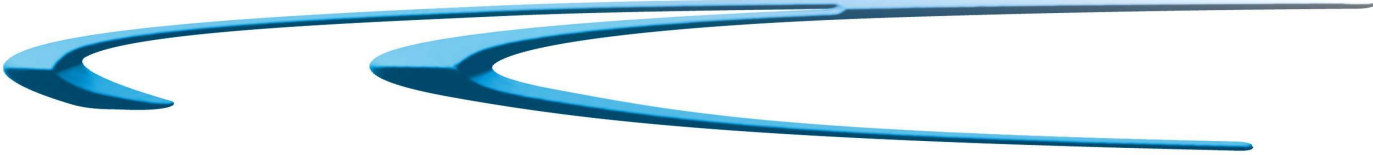
Rich Englehart	City Manager
John P. Shaver	City Attorney
Caré McInnis	Municipal Judge

Department Directors

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



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FINANCIAL SECTION



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 24, 2014

To the City Council
City of Grand Junction, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

To the City Council
June 24, 2014

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Chadwick, Steinkirchner, Davis & Co., P.C.

MANAGEMENT'S DISCUSSION & ANALYSIS

Our discussion and analysis of the City of Grand Junction's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2013. Please read it in conjunction with the transmittal letter on page 3 and the City's financial statements, which begin on page 31.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Grand Junction exceeded its liabilities and deferred inflows of resources at the close of 2013 by \$697 million (net position) primarily due to annexations. Of this amount, \$19 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City of Grand Junction General Fund revenues, on a budgetary basis, decreased by 4.7% in 2013 after increases in some revenues (charges for service and other taxes) and decreases in others (property taxes, sales and use taxes, severance taxes, intergovernmental and fines and forfeitures). In total, General Fund revenues were \$63.7 million, still significantly below 2008 but showing recovery since 2009.
- At the end of 2013, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$12.5 million, or 19.5% of the total General Fund expenditures. This is down \$5.4 million from 2012 which was 29.1% of General Fund expenditures. The overall General Fund balance decreased due to a planned spending of the fund balance for capital improvements and reduced resources.
- The City invested over \$22.8 million in capital projects in 2013. These projects included street construction, machinery, buildings, park development, and communications systems.
- At the close of 2013, the City had \$6.5 million accumulated for the early retirement of the Riverside Parkway Revenue Bonds. In 2012, \$19 million from the fund together with proceeds from the 2012 Revenue Refunding Bonds issuance were used to advance refund \$43.9 million of the 2004 Riverside Parkway Revenue Bonds.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

The statement of activities presents information showing how the City of Grand Junction's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid time off).

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

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

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

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

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

The City of Grand Junction adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget. The General Fund budgetary comparison is presented as part of the basic governmental fund financial statements which can be found on pages 34 through 38 of this report. All other required budgetary comparisons, including the Sales Tax Capital Improvement Fund, Major Capital Improvements Fund, General Debt Service Fund, and Parkway Debt Retirement Fund, can be found on pages 86 through 100 of this report.

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45 through 74 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Grand Junction's Police Old Hire Pension Plan, Fire Old Hire Pension Plan, and Other Post Employment Healthcare Plan found on page 77 of this report. It also presents other supplemental information concerning the City's Local Highway Finance Report. This supplemental information can be found on pages 161-162 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major proprietary funds, internal service funds and fiduciary funds are presented immediately following the required notes to financial statements. Combining and individual fund statements and schedules can be found beginning on page 82 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the City of Grand Junction, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$697 million at the close of fiscal year 2013.

By far, the largest portion (95.2%) of the City of Grand Junction's total net position reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

STATEMENT OF NET POSITION (in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$61,120	\$67,516	\$(3,076)	\$(3,039)	\$58,044	\$64,477
Capital assets	692,182	684,780	50,919	51,414	743,101	736,194
Total assets	<u>753,302</u>	<u>752,296</u>	<u>47,843</u>	<u>48,375</u>	<u>801,145</u>	<u>800,671</u>
Total deferred outflows of resources	<u>2,216</u>	<u>2,553</u>	<u>-</u>	<u>-</u>	<u>2,216</u>	<u>2,553</u>
Long-term debt outstanding	87,253	93,227	5,748	6,088	93,001	99,315
Other liabilities	5,335	5,376	523	952	5,858	6,328
Total liabilities	<u>92,588</u>	<u>98,603</u>	<u>6,271</u>	<u>7,040</u>	<u>98,859</u>	<u>105,643</u>
Total deferred inflows of resources	<u>7,669</u>	<u>8,072</u>	<u>-</u>	<u>-</u>	<u>7,669</u>	<u>8,072</u>
Net position:						
Net investment in capital assets	617,382	607,987	45,721	45,880	663,103	653,867
Restricted	14,512	13,619	-	-	14,512	13,619
Unrestricted	23,367	26,568	(4,149)	(4,545)	19,218	22,023
Total net position	<u>\$655,261</u>	<u>\$648,174</u>	<u>\$41,572</u>	<u>\$41,335</u>	<u>\$696,833</u>	<u>\$689,509</u>

An additional portion of the City of Grand Junction's net position, 2.1%, represents resources that are subject to external restrictions on how they may be used.

Changes in Net Position

The City's total revenues of \$109.4 million exceeded program expenses of \$102.1 million for an increase in net position of \$7.3 million.

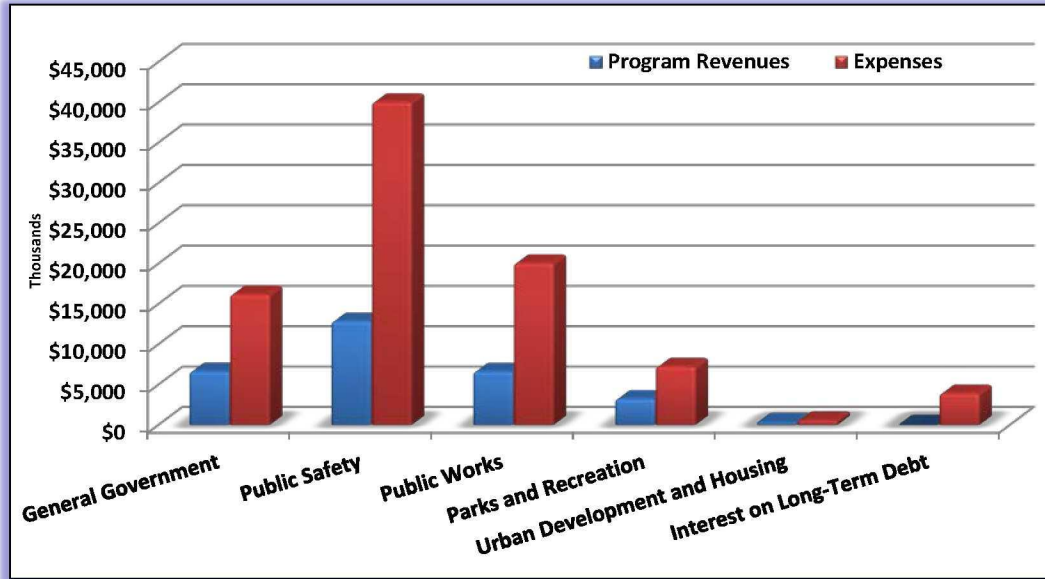
CHANGES IN NET POSITION (in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 18,697	\$ 17,742	\$ 13,072	\$ 13,657	\$ 31,769	\$ 31,399
Operating grants	3,951	3,204	80	85	4,031	3,289
Capital grants	7,190	9,937	340	221	7,530	10,158
General revenues:						
Property taxes	8,838	8,976	-	-	8,838	8,976
Sales and use taxes	50,468	50,703	-	-	50,468	50,703
Other taxes	6,723	7,364	-	-	6,723	7,364
Other general revenues	77	329	(8)	20	69	349
Total revenues	<u>95,944</u>	<u>98,255</u>	<u>13,484</u>	<u>13,983</u>	<u>109,428</u>	<u>112,238</u>
Expenses:						
General government	16,206	12,736	-	-	16,206	12,736
Public safety	40,054	41,301	-	-	40,054	41,301
Public works	20,093	19,981	-	-	20,093	19,981
Parks and recreation	7,279	10,281	-	-	7,279	10,281
Urban development and housing	592	478	-	-	592	478
Interest on long-term debt	3,953	4,713	-	-	3,953	4,713
Water	-	-	5,421	5,406	5,421	5,406
Convention Center	-	-	2,591	2,881	2,591	2,881
Solid Waste Removal	-	-	3,131	3,179	3,131	3,179
Golf	-	-	2,064	2,073	2,064	2,073
Parking	-	-	405	406	405	406
Irrigation systems	-	-	315	302	315	302
Total expenses	<u>88,177</u>	<u>89,490</u>	<u>13,927</u>	<u>14,247</u>	<u>102,104</u>	<u>103,737</u>
Excess before transfers	7,767	8,765	(443)	(264)	7,324	8,501
Transfers	(680)	(335)	680	335	-	-
Increase in net position	<u>7,087</u>	<u>8,430</u>	<u>237</u>	<u>71</u>	<u>7,324</u>	<u>8,501</u>
Net position 1/1/13	648,174	639,744	41,335	41,264	689,509	681,008
Net position 12/31/13	\$655,261	\$648,174	\$41,572	\$41,335	\$696,833	\$689,509

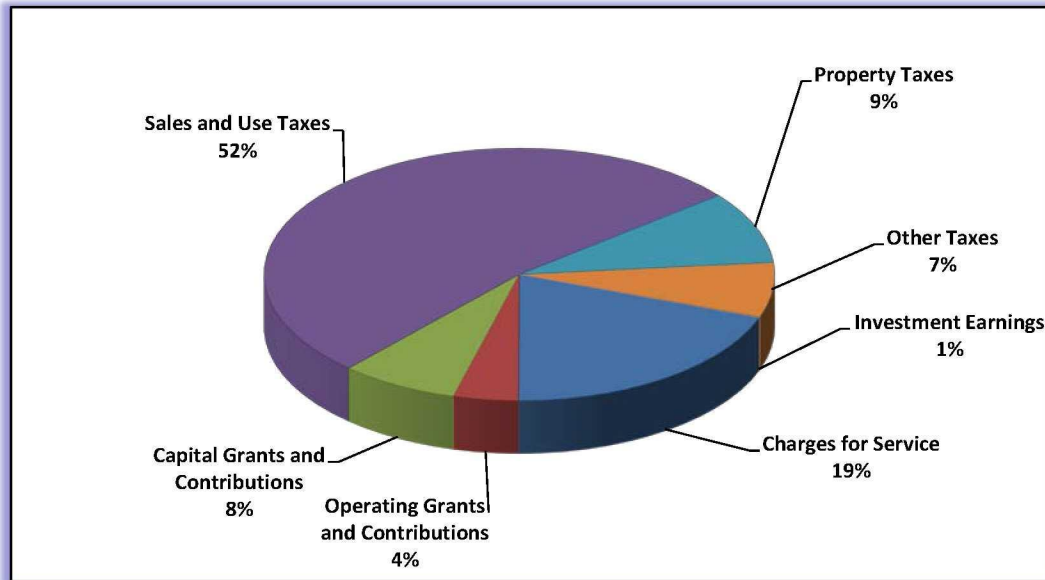
Governmental Activities

Governmental Activities increased the City of Grand Junction's net position by \$7.1 million. Following are illustrative summaries of Governmental Activities breaking out revenues and expenses.

EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



The national recession combined with a significant decline in the energy, construction, and development industries has continued to impact jobs and consumer spending in the local economy. As a result the City’s tax revenues have continued to be impacted in 2013. Sales and use tax revenue decreased slightly, \$235 thousand, compared to 2012. Property tax revenue decreased by \$138 thousand, or 1.5%, during the year. This decrease was attributed to decreasing valuations of existing properties and minimal new construction. The mill levy has remained constant since 1992. Other tax revenues, including severance tax and federal mineral leasing, have decreased by \$641 thousand, or 8.7%, compared to 2012.

Charges for services revenue increased by \$955 thousand compared to 2012. This increase was a result of fees associated with several large commercial developments in 2013.

Capital grants and contributions decreased by \$2.7 million, or 27.6%, compared to 2012. This is a result of continued reductions in local development and infrastructure annexations.

Business-type Activities

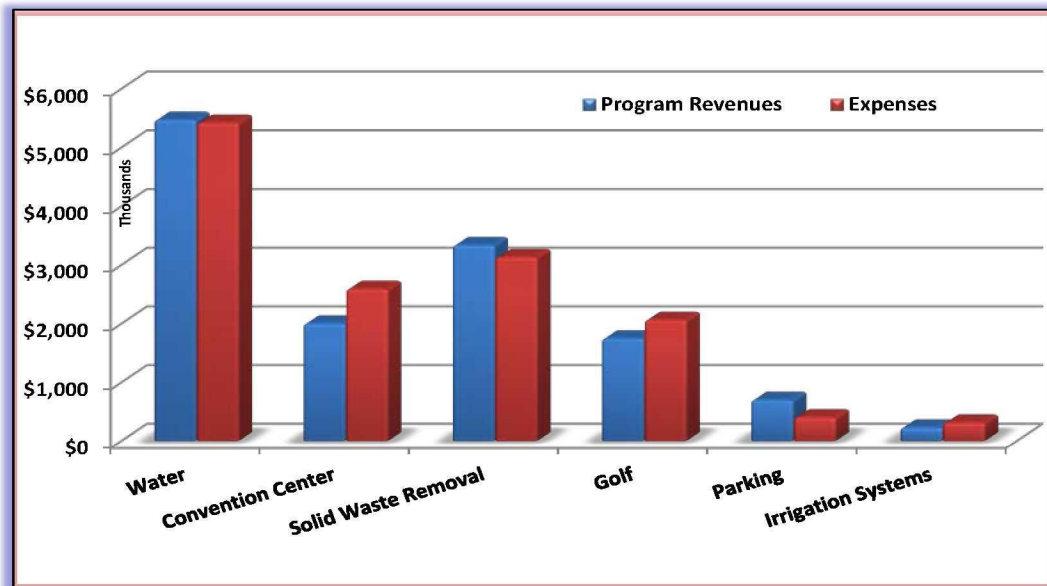
Net position in the Business-type activities increased slightly by \$237 thousand because fees to customers have remained set at levels needed to cover the costs of operation, including depreciation. Business-type activities include Water, Convention Center, Solid Waste, Golf Courses, Parking, and Irrigation.

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

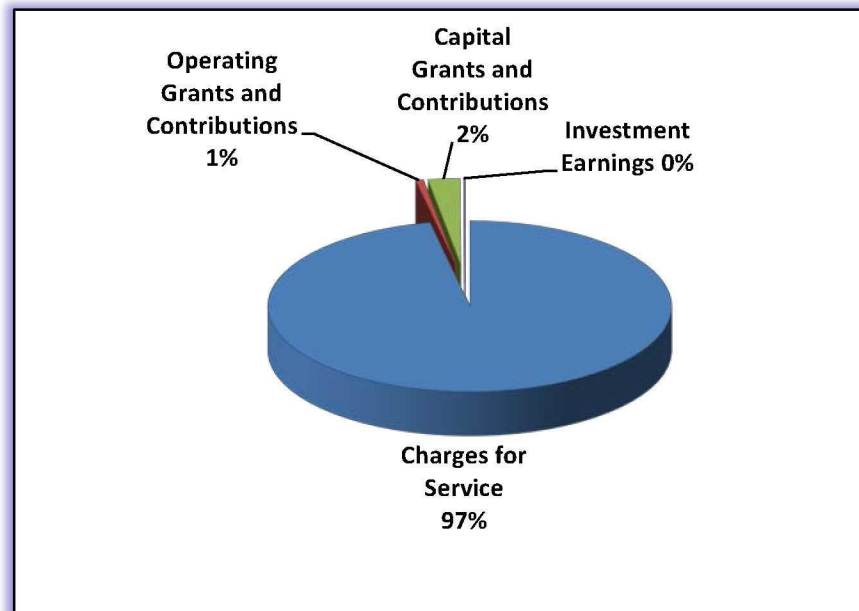
Unrestricted net position at the end of the year for business-type activities amounted to (\$4.1) million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Grand Junction business-type activities.

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

EXPENSE AND PROGRAM REVENUES – BUSINESS-TYPE ACTIVITIES



REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

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

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

As of December 31, 2013, the City's governmental funds (general, special revenue, debt service, capital projects and permanent) reported combined fund balances of \$38.6 million. This represents a decrease of \$6.7 million under last year's ending balances. The reasons for significant changes in fund balances are described below.

Revenues, on a budgetary basis, in the General Fund decreased 4.7% under 2012 while expenditures increased 2.4%. The majority of these decreases are from reductions in the energy industry resulting in declines in property taxes, use taxes and severance taxes. The General Fund's total fund balance, on a budgetary basis, decreased \$6.1 million from last year. The General Fund expenditures (including transfers) of \$69.9 million were 1.10% of General Fund revenues. During 2013, the General Fund transferred \$4.5 million to fund several capital improvement projects. The City of Grand Junction has continued to manage its expenditures to operate within its current financial resources.

The total fund balance in the Major Capital Improvements Fund decreased \$1 million during the year ended December 31, 2013. All of the remaining certificates of participation proceeds issued in 2010 were used for the construction and renovation of Public Safety Buildings. Also included in the fund are local and Downtown Development Authority contributions and City sales and use tax revenues to be used for improvements and expansion of the Avalon Theatre to be completed in 2014.

The fund balance in the Parkway Debt Retirement Fund increased by nearly \$2.4 million from the General Fund transfer of TABOR revenue excess to be set aside for the payment of the outstanding Riverside Parkway bonded debt, as approved by the voters in April 2007.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the General Fund budget was amended from an original appropriation total of \$73.5 million to a final budget of \$74.1 million. All recommended revisions for budget changes came through the Financial Operations Department and City Manager to City Council as required. Any budget revisions that require supplemental appropriations at the fund level are presented to City Council via Ordinance and enactment requiring a public hearing and the opportunity for public discussion. The City does allow small intra-departmental budget changes that modify line items within departments within the same fund. The original and final adopted budgets for the General Fund are presented on page 38.

For the General Fund, the original budget for revenues was \$65.0 million while the final budgeted amount was \$63.9 million, reflecting a decrease in the projection for tax revenues and fines and forfeitures. Actual revenues, on a budgetary basis, for 2013 came in nearly \$229 thousand less than the final budget at \$63.7 million. This was primarily due to various tax revenues performing worse than expected, offset slightly by an increase in ambulance transport and wildland fire collections.

Actual General Fund expenditures (including transfers) totaled \$69.9 million. General Fund expenditures (including transfers) were approximately \$4.2 million, 5.6%, less than the final budget. This was due to achieving higher than expected budget savings in the department operating budgets from unfilled positions and continued prudent spending as well as significant savings in transfers out for capital expenditures for the 22 Road at Highway 6 Realignment project.

The year-end budgetary basis fund balance of \$24.4 million was \$4.0 million above the final budgeted amount. This was due to several capital improvement projects not completed in 2013, carried forward and re-appropriated in 2014 as well as department-wide operational savings.

The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds, either by state or local ordinance or by a desire to maintain a matching of revenues and expenses, are accounted for in this fund. Revenues exceeded expenditures in the General Fund by \$845 thousand during the year. The General Fund's total fund balance decreased \$6.1 million from last year. An analysis for this fund balance shows that it represents over 38.2% of projected revenues for the new fiscal year which ends December 31, 2014.

Taxes continue to be the largest source of revenue in the General Fund and represent 81.6% of total general fund revenues. The largest element of taxes is sales taxes, as it has been for many years. It represents 70.4% of total tax revenues and represents 57.4% of total general fund revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2013, the City had invested in a broad range of capital assets, including police and fire equipment, roads, parks, water, storm drainage and other infrastructure.

The following table provides a summary of total capital assets at December 31, 2013.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$302,050	\$300,420	\$ 5,149	\$ 4,902	\$307,199	\$305,322
Buildings and systems	76,870	74,783	39,441	38,719	116,311	113,502
Improvements other than buildings	14,864	14,819	4,587	4,825	19,451	19,644
Vehicles, machinery & equipment	21,429	20,542	1,366	1,396	22,795	21,938
Infrastructure	266,285	269,756	-	-	266,285	269,756
Construction in progress	9,375	3,170	185	1,381	9,560	4,551
Intangible assets	1,309	1,290	191	191	1,500	1,481
Total	\$692,182	\$684,780	\$50,919	\$51,414	\$743,101	\$736,194

Major capital additions during 2013 include:

	<u>2013</u>
22 Road at Highway 6 Realignment	\$3,925,859
Avalon Theatre Renovation	3,024,109
Equipment Replacement Program	2,248,160
Fire Administration Building	2,129,688
Street Overlay Program	2,022,725
SANS Server Replacement	1,021,984
G Road West of 24 Road Improvements	668,546
Fire Station 2 Improvements	655,705
I-70B Undergrounding	558,165
Lincoln Park Renovation	554,124

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

Debt Administration

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

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

As of December 31, 2013, the City of Grand Junction had \$84.5 million in outstanding debt. Of this amount, \$79.3 million represents General Government debt. The largest portion, \$40.4 million, is the liability from the issuance of certificates of participation for the Stadium Improvements Project and the Public Safety Buildings Project. \$38.9 million is the liability from the Riverside Parkway revenue bonds issued in 2004 and 2007 and the Refunding revenue bonds issued in 2012. The remaining \$5.2 million of outstanding debt is bonds, notes and loans to be repaid by fee revenue and appropriated funds. Total debt service payments of approximately \$5.7 million in 2014 represents 6.0% of total budgeted operating expenditures. Additional information on the City's long-term debt can be found in Note 7 on pages 61 through 64.

The table below provides a summary of total debt at December 31, 2013.

OUTSTANDING DEBT, AT YEAR-END
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation (backed by by special tax revenue)	\$ -	\$ 210	\$ -	\$ -	\$ -	\$ 210
Revenue bonds and notes (backed by tax and fee revenue)	38,851	43,921	-	-	38,851	43,921
Certificates of participation (backed by the constructed assets)	40,426	41,266	-	-	40,426	41,266
Loans (backed by fee revenue)	-	-	5,198	5,534	5,198	5,534
Total	\$79,277	\$85,397	\$5,198	\$5,534	\$84,475	\$90,931

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

City-wide reserves are at levels currently directed by City Council. The local economy weakened as a result of the national recession, significant reductions in the energy industry, and a downward trend in development and construction. Sales and Use Taxes originally showed signs of decline during the first part of 2013; however they recovered again in the last quarter of the year and so far in 2014. Grand Junction continues to be the educational, retail, and medical center for most of Western Colorado and Eastern Utah. Those factors, coupled with tourism, the abundance of outdoor recreational opportunities, the expansion of Colorado Mesa University, and the ability to attract new businesses and retirees, all contribute to our local economy.

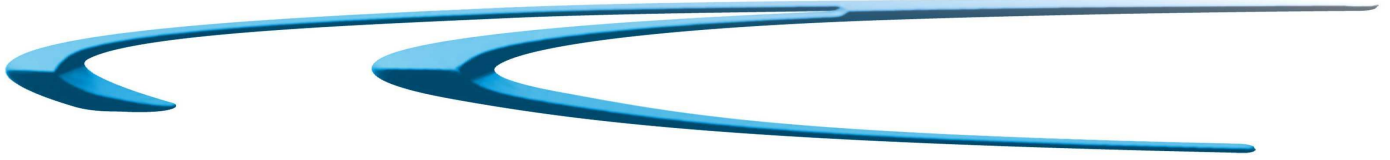
General Fund balances are above amounts recommended per the City Council's budget policy direction. The City's investment in capital; transportation infrastructure, public safety, utility systems, parks, and economic development continues to be a significant portion (over 15%) of the budget.

Rates in the Utility Funds will be set to cover operating and future capital investment. In 2014, utility revenues will be increased by an average of 13% in water fees, a 5% increase in irrigation fees, a 14.7% increase in sewer fees, and a 4% increase in solid waste rates.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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





BASIC FINANCIAL STATEMENTS



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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and investments	\$ 33,992,325	\$ 3,120,883	\$ 37,113,208	\$ 1,886,220
Other receivables, net of allowance for uncollectibles	17,786,269	930,490	18,716,759	1,489,697
Internal balances	7,170,555	(7,170,555)	-	-
Prepays	184,007	593	184,600	14,449
Inventories	221,248	42,675	263,923	-
Restricted cash and investments	534,354	-	534,354	-
Net pension asset	1,231,332	-	1,231,332	-
Capital assets (net of accumulated depreciation):				
Land	302,050,439	5,148,898	307,199,337	794,691
Buildings and systems	76,870,278	39,441,304	116,311,582	2,487,548
Improvements other than buildings	14,863,929	4,586,785	19,450,714	-
Equipment	21,428,913	1,365,929	22,794,842	724,855
Infrastructure	266,284,825	-	266,284,825	-
Construction in progress	9,374,703	185,285	9,559,988	588,915
Intangible assets	1,308,632	190,464	1,499,096	-
Total assets	<u>753,301,809</u>	<u>47,842,751</u>	<u>801,144,560</u>	<u>7,986,375</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	2,215,882	-	2,215,882	-
Total deferred outflows of resources	<u>2,215,882</u>	<u>-</u>	<u>2,215,882</u>	<u>-</u>
LIABILITIES				
Accounts payable and other current liabilities	4,463,687	483,006	4,946,693	9,555
Accrued interest payable	771,583	40,406	811,989	12,400
Unearned revenue	99,472	-	99,472	-
Noncurrent liabilities:				
Due within one year	6,381,115	377,082	6,758,197	772,207
Due in more than one year	80,871,806	5,370,520	86,242,326	5,920,717
Total liabilities	<u>92,587,663</u>	<u>6,271,014</u>	<u>98,858,677</u>	<u>6,714,879</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	7,625,717	-	7,625,717	1,475,864
Unavailable revenue-special assessments	42,817	-	42,817	-
Total deferred inflows of resources	<u>7,668,534</u>	<u>-</u>	<u>7,668,534</u>	<u>1,475,864</u>
NET POSITION				
Net investment in capital assets	617,381,868	45,720,564	663,102,432	4,542,743
Restricted for :				
Perpetual care:				
Nonexpendable	1,329,102	-	1,329,102	-
Debt service	8,591,731	-	8,591,731	927,611
General capital improvements	78,328	-	78,328	-
Emergency reserves	2,000,000	-	2,000,000	-
Legends historical sculptures project	-	-	-	83,990
Parks and recreation	150,133	-	150,133	-
Public safety	2,362,702	-	2,362,702	-
Urban development and housing	-	-	-	878,566
Unrestricted	23,367,630	(4,148,827)	19,218,803	(6,637,278)
Total net position	<u>\$ 655,261,494</u>	<u>\$ 41,571,737</u>	<u>\$ 696,833,231</u>	<u>\$ (204,368)</u>

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

City of Grand Junction
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 16,206,096	\$ 2,725,767	\$ 1,046,427	\$ 2,898,514
Public safety	40,054,201	10,718,690	1,706,185	458,914
Public works	20,093,321	3,200,996	42,539	3,410,616
Parks and recreation	7,279,163	2,051,380	789,021	422,019
Urban development and housing	591,545	-	366,361	-
Interest on long-term debt	3,952,399	-	-	-
Total governmental activities	<u>88,176,725</u>	<u>18,696,833</u>	<u>3,950,533</u>	<u>7,190,063</u>
Business-type Activities:				
Water	5,420,503	5,303,609	76,877	90,979
Convention Center	2,591,225	1,998,488	3,017	-
Solid Waste Removal	3,130,852	3,337,992	-	-
Golf	2,064,247	1,748,166	-	-
Parking	405,157	454,184	-	247,455
Irrigation Systems	315,178	229,676	-	1,300
Total business-type activities	<u>13,927,162</u>	<u>13,072,115</u>	<u>79,894</u>	<u>339,734</u>
Total primary government	<u>\$ 102,103,887</u>	<u>\$ 31,768,948</u>	<u>\$ 4,030,427</u>	<u>\$ 7,529,797</u>
Component unit:				
Downtown Development Authority	<u>\$ 3,753,663</u>	<u>\$ 38,139</u>	<u>\$ -</u>	<u>\$ 704,651</u>

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

Transfers
Total general revenues
Change in net position
Net position - beginning
Net position - ending

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

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Downtown Development Authority
\$ (9,535,388)	\$ -	\$ (9,535,388)	\$ -
(27,170,412)	-	(27,170,412)	-
(13,439,170)	-	(13,439,170)	-
(4,016,743)	-	(4,016,743)	-
(225,184)	-	(225,184)	-
<u>(3,952,399)</u>	<u>-</u>	<u>(3,952,399)</u>	<u>-</u>
<u>(58,339,296)</u>	<u>-</u>	<u>(58,339,296)</u>	<u>-</u>
-	50,962	50,962	-
-	(589,720)	(589,720)	-
-	207,140	207,140	-
-	(316,081)	(316,081)	-
-	296,482	296,482	-
-	(84,202)	(84,202)	-
<u>-</u>	<u>(435,419)</u>	<u>(435,419)</u>	<u>-</u>
\$ <u>(58,339,296)</u>	\$ <u>(435,419)</u>	\$ <u>(58,774,715)</u>	\$ <u>-</u>
-	-	-	(3,010,873)
50,468,227	-	50,468,227	-
8,837,970	-	8,837,970	1,576,439
2,743,512	-	2,743,512	-
2,167,518	-	2,167,518	-
1,811,980	-	1,811,980	-
77,084	(7,749)	69,335	(9,795)
-	-	-	177,677
<u>(679,822)</u>	<u>679,822</u>	<u>-</u>	<u>-</u>
<u>65,426,469</u>	<u>672,073</u>	<u>66,098,542</u>	<u>1,744,321</u>
7,087,173	236,654	7,323,827	(1,266,552)
648,174,321	41,335,083	689,509,404	1,062,184
\$ <u>655,261,494</u>	\$ <u>41,571,737</u>	\$ <u>696,833,231</u>	\$ <u>(204,368)</u>

City of Grand Junction
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Major Capital Improvements Capital Projects Fund	General Debt Service Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 10,736,192	\$ -	\$ 2,947,863	\$ 105	\$ 6,467,441	\$ 5,257,856	\$ 25,409,457
Interest receivable	53,655	-	-	-	-	-	53,655
Accounts receivable, net of allowances							
for uncollectibles	1,758,195	-	-	-	-	386,556	2,144,751
Taxes receivable	10,876,419	1,243,369	-	-	-	129,474	12,249,262
Special assessments receivable	-	55,618	-	-	-	-	55,618
Intergovernmental receivables	1,750,840	12,814	-	-	-	11,492	1,775,146
Due from other funds	861,405	-	-	-	-	-	861,405
Prepaid Items	36,634	-	-	-	-	9,189	45,823
Inventories	221,248	-	-	-	-	-	221,248
Restricted cash and investments	533,500	-	-	-	-	-	533,500
Advances to other funds	7,216,384	-	-	-	-	-	7,216,384
Total assets	<u>\$ 34,044,472</u>	<u>\$ 1,311,801</u>	<u>\$ 2,947,863</u>	<u>\$ 105</u>	<u>\$ 6,467,441</u>	<u>\$ 5,794,567</u>	<u>\$ 50,566,249</u>
LIABILITIES							
Accounts payable	787,435	690,787	730,421	-	-	490,145	2,698,788
Accrued liabilities	1,010,638	-	-	-	-	21,621	1,032,259
Due to other funds	-	487,068	-	-	-	3,498	490,566
Unearned revenue	37,845	-	-	-	-	61,627	99,472
Total liabilities	<u>1,835,918</u>	<u>1,177,855</u>	<u>730,421</u>	<u>-</u>	<u>-</u>	<u>576,891</u>	<u>4,321,085</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	7,625,717	-	-	-	-	-	7,625,717
Unavailable revenue-special assessments	-	55,618	-	-	-	-	55,618
Total deferred inflows of resources	<u>7,625,717</u>	<u>55,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,681,335</u>
FUND BALANCES							
Nonspendable:							
Advances	\$ 7,216,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,216,384
Inventories and prepaids	257,882	-	-	-	-	9,189	267,071
Permanent fund principal	-	-	-	-	-	1,329,102	1,329,102
Restricted for:							
Debt service	2,641,828	-	-	105	6,467,441	15,857	9,125,231
Emergency reserves	2,000,000	-	-	-	-	-	2,000,000
General capital improvements	-	78,328	-	-	-	-	78,328
Parks and recreation	10,000	-	-	-	-	140,133	150,133
Public safety	-	-	-	-	-	2,250,860	2,250,860
Committed to:							
Open space	-	-	-	-	-	839,403	839,403
Street capacity expansion	-	-	-	-	-	236,967	236,967
Tourism and convention	-	-	-	-	-	396,165	396,165
Assigned to:							
Avalon Theatre building improvements	-	-	2,001,890	-	-	-	2,001,890
Cultural arts	117,327	-	-	-	-	-	117,327
Public safety building improvements	-	-	215,552	-	-	-	215,552
Retiree health benefits	1,147,941	-	-	-	-	-	1,147,941
Subsequent year's expenditures	992,775	-	-	-	-	-	992,775
Unassigned:	10,198,700	-	-	-	-	-	10,198,700
Total fund balances	<u>24,582,837</u>	<u>78,328</u>	<u>2,217,442</u>	<u>105</u>	<u>6,467,441</u>	<u>5,217,676</u>	<u>38,563,829</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,044,472</u>	<u>\$ 1,311,801</u>	<u>\$ 2,947,863</u>	<u>\$ 105</u>	<u>\$ 6,467,441</u>	<u>\$ 5,794,567</u>	<u>\$ 50,566,249</u>

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

City of Grand Junction
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**
December 31, 2013

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

Total fund balance - governmental funds (page 34)	\$	38,563,829
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		674,285,143
The net pension asset is not an available resource and, therefore, is not reported in the funds		1,231,332
Other long-term assets are not available to pay current expenditures, and therefore, are reported as unavailable revenue in the funds.		63,860
Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation & maintenance, self-insurance activities, and communication services to individual funds. The assets \$28,075,260 and liabilities (\$3,594,322) of the internal service funds are included in governmental activities in the statement of net position.		24,480,938
Interfund for internal service fund allocated to business-type activities.		(416,668)
Long-term liabilities including bonds and notes payable, capital leases, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds.		
Revenue bonds	\$	(34,380,000)
Bond premium (to be amortized over life of debt)		(4,470,946)
Deferred charge on refunding (to be amortized over life of debt)		2,215,882
Certificates of participation		(40,805,000)
Discount on certificates of participation (to be amortized over life of lease)		378,665
Net pension obligation		(148,176)
Accrued interest payable		(771,583)
Compensated absences		(3,296,401)
Other Post Employment Benefit Obligation		(1,669,381)
		(82,946,940)
Total net position - governmental activities (page 31)	\$	<u>655,261,494</u>

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

City of Grand Junction
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Major Capital Improvements Capital Projects Fund	General Debt Service Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Property	\$ 8,718,110	\$ -	\$ -	\$ -	\$ -	\$ 119,860	\$ 8,837,970
Sales and use	36,959,763	11,662,520	-	-	-	1,845,944	50,468,227
Franchise	2,743,512	-	-	-	-	-	2,743,512
Severance	1,030,480	-	-	-	-	-	1,030,480
Other	2,949,018	-	-	-	-	-	2,949,018
Licenses and permits	108,206	-	-	-	-	-	108,206
Intergovernmental revenues	2,314,710	895,935	2,598,514	710,069	-	1,021,858	7,541,086
Charges for services	9,273,061	45,277	-	-	-	4,638,321	13,956,659
Fines and forfeitures	888,456	-	-	-	-	7,734	896,190
Special assessments	-	14,708	-	-	-	-	14,708
Investment earnings (loss)	94,930	5,745	3,583	202	247	(7,923)	96,784
Other income	27,938	-	-	-	-	22,817	50,755
Other contributions	54,098	4,540	302,385	-	-	418,875	779,898
Total revenues	<u>65,162,282</u>	<u>12,628,725</u>	<u>2,904,482</u>	<u>710,271</u>	<u>247</u>	<u>8,067,486</u>	<u>89,473,493</u>
EXPENDITURES							
Current:							
General government	9,783,275	-	-	2,805	-	1,790,126	11,576,206
Public safety	35,406,743	-	-	-	-	-	35,406,743
Public works	10,014,670	-	-	-	-	-	10,014,670
Parks and recreation	8,456,460	-	-	-	-	-	8,456,460
Urban development and housing	333,880	-	-	-	-	257,665	591,545
Debt service:							
Principal retirement	-	-	-	4,960,000	-	420,000	5,380,000
Interest and fiscal charges	-	-	-	4,096,585	-	335,460	4,432,045
Capital outlay:							
Construction	-	6,290,846	6,291,866	-	-	4,933,329	17,516,041
Total expenditures	<u>63,995,028</u>	<u>6,290,846</u>	<u>6,291,866</u>	<u>9,059,390</u>	<u>-</u>	<u>7,736,580</u>	<u>93,373,710</u>
Excess (deficiency) of revenues over (under) expenditures	1,167,254	6,337,879	(3,387,384)	(8,349,119)	247	330,906	(3,900,217)
OTHER FINANCING SOURCES (USES)							
Transfers in	96,621	1,330,374	2,406,861	8,349,102	2,350,111	2,226,174	16,759,243
Transfers out	(7,022,680)	(8,038,877)	(42,597)	-	-	(4,448,929)	(19,553,083)
Total other financing sources and uses	<u>(6,926,059)</u>	<u>(6,708,503)</u>	<u>2,364,264</u>	<u>8,349,102</u>	<u>2,350,111</u>	<u>(2,222,755)</u>	<u>(2,793,840)</u>
Net change in fund balances	(5,758,805)	(370,624)	(1,023,120)	(17)	2,350,358	(1,891,849)	(6,694,057)
Fund balances -- beginning	30,341,642	448,952	3,240,562	122	4,117,083	7,109,525	45,257,886
Fund balances -- ending	<u>\$ 24,582,837</u>	<u>\$ 78,328</u>	<u>\$ 2,217,442</u>	<u>\$ 105</u>	<u>\$ 6,467,441</u>	<u>\$ 5,217,676</u>	<u>\$ 38,563,829</u>

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

City of Grand Junction
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
 For the Year Ended December 31, 2013

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

Net change in fund balances - total governmental funds (page 36)	\$	(6,694,057)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$17,084,622 exceeded depreciation (\$13,606,678) in the current period.		3,477,944
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trades, and disposals) is to decrease net position.		(632,001)
The net effect of the donation of capital assets is to increase net position.		2,901,654
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(13,858)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, this transaction has no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt principal payments	\$	5,380,000
Bond premium (to be amortized over the life of debt)		755,005
Certificates of participation discount (to be amortized over the life of debt)		(15,065)
Deferred charge on refunding (to be amortized over the life of debt)		(337,420)
Decrease in accrued interest		77,126
Decrease in net pension obligation		8,620
Increase in net pension asset		1,025,756
Decrease in pollution remediation		185,602
Increase in compensated absences		(86,785)
Increase in other post employment benefit obligation		(372,983)
		6,619,856
Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation & maintenance, central stores and printing, self-insurance activities, and communication services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		
Revenues from external customers	\$	3,254,009
Expenses due to external customers		(4,325,470)
Grants and contributions		350,415
Gain (Loss) on disposition of property		85,761
Investment income (loss)		(21,993)
Operating income from operations		2,084,913
		1,427,635
Change in net position of governmental activities (page 33)	\$	7,087,173

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

City of Grand Junction
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis Amounts</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
REVENUES						
Taxes:						
Property	\$ 8,791,873	\$ 8,750,873	\$ 8,718,110	\$ -	\$ 8,718,110	\$ (32,763)
Sales and use	38,190,533	36,900,179	36,959,763	(396,821)	36,562,942	(337,237)
Franchise	2,500,000	2,770,000	2,743,512	-	2,743,512	(26,488)
Severance	1,152,025	1,030,480	1,030,480	-	1,030,480	-
Other	2,930,721	2,900,128	2,949,018	(36,265)	2,912,753	12,625
Licenses and permits	102,600	104,950	108,206	-	108,206	3,256
Intergovernmental revenues	974,314	1,138,905	2,314,710	(1,131,664)	1,183,046	44,141
Charges for services	8,950,556	9,199,143	9,273,061	-	9,273,061	73,918
Fines and forfeitures	1,146,400	843,709	888,456	-	888,456	44,747
Investment earnings	222,250	222,850	94,930	110,955	205,885	(16,965)
Other income	29,100	24,700	27,938	-	27,938	3,238
Other contributions	24,300	51,500	54,098	-	54,098	2,598
Total revenues	65,014,672	63,937,417	65,162,282	(1,453,795)	63,708,487	(228,930)
EXPENDITURES						
Current:						
General government:						
Administration	9,364,868	9,455,337	8,127,214	-	8,127,214	1,328,123
Community development	1,640,535	1,653,256	1,656,061	-	1,656,061	(2,805)
Total general government	11,005,403	11,108,593	9,783,275	-	9,783,275	1,325,318
Public safety:						
Police protection	20,175,773	20,175,773	20,596,161	(1,131,664)	19,464,497	711,276
Fire protection	14,867,976	14,878,450	14,810,582	-	14,810,582	67,868
Total public safety	35,043,749	35,054,223	35,406,743	(1,131,664)	34,275,079	779,144
Public works	10,515,984	10,434,366	10,014,670	-	10,014,670	419,696
Parks and recreation	8,583,343	8,551,297	8,456,460	-	8,456,460	94,837
Urban development and housing	254,346	356,268	333,880	-	333,880	22,388
Total expenditures	65,402,825	65,504,747	63,995,028	(1,131,664)	62,863,364	2,641,383
Excess (deficiency) of revenues over (under) expenditures	(388,153)	(1,567,330)	1,167,254	(322,131)	845,123	2,412,453
OTHER FINANCING SOURCES (USES)						
Transfers in	6,500	72,183	96,621	-	96,621	24,438
Transfers out	(8,046,496)	(8,551,435)	(7,022,680)	-	(7,022,680)	1,528,755
Total other financing sources and uses	(8,039,996)	(8,479,252)	(6,926,059)	-	(6,926,059)	1,553,193
Net change in fund balances	(8,428,149)	(10,046,582)	(5,758,805)	(322,131)	(6,080,936)	3,965,646
Fund balances -- beginning	30,521,002	30,521,002	30,341,642	179,360	30,521,002	-
Fund balances -- ending	\$ 22,092,853	\$ 20,474,420	\$ 24,582,837	\$ (142,771)	\$ 24,440,066	\$ 3,965,646

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

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

Business-Type Activities - Enterprise Funds

	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 2,284,611	\$ 77,709	\$ 9,968	\$ 144,111	\$ 604,484	\$ 3,120,883	\$ 8,583,722
Accounts receivable, net of allowance	421,245	76,391	9,279	153	422,682	929,750	1,330,108
Intergovernmental receivable	740	-	-	-	-	740	126,670
Prepaid items	-	408	185	-	-	593	138,184
Inventory	-	-	42,675	-	-	42,675	-
Total current assets	<u>2,706,596</u>	<u>154,508</u>	<u>62,107</u>	<u>144,264</u>	<u>1,027,166</u>	<u>4,094,641</u>	<u>10,178,684</u>
Noncurrent assets:							
Capital assets:							
Land	2,506,211	153,001	891,356	1,598,330	-	5,148,898	-
Buildings, improvements, plant and system	46,224,376	9,166,204	7,346,930	5,058,459	3,649,898	71,445,867	2,747,494
Equipment	1,052,803	649,740	226,676	316,278	1,260,436	3,505,933	34,028,600
Construction in progress	135,559	49,726	-	-	-	185,285	903,636
Intangible assets	190,464	-	-	-	-	190,464	-
Less accumulated depreciation	<u>(17,917,021)</u>	<u>(3,448,235)</u>	<u>(3,482,949)</u>	<u>(1,099,137)</u>	<u>(3,610,440)</u>	<u>(29,557,782)</u>	<u>(19,783,154)</u>
Total capital assets (net of accumulated depreciation)	<u>32,192,392</u>	<u>6,570,436</u>	<u>4,982,013</u>	<u>5,873,930</u>	<u>1,299,894</u>	<u>50,918,665</u>	<u>17,896,576</u>
Total noncurrent assets	<u>32,192,392</u>	<u>6,570,436</u>	<u>4,982,013</u>	<u>5,873,930</u>	<u>1,299,894</u>	<u>50,918,665</u>	<u>17,896,576</u>
Total assets	<u>34,898,988</u>	<u>6,724,944</u>	<u>5,044,120</u>	<u>6,018,194</u>	<u>2,327,060</u>	<u>55,013,306</u>	<u>28,075,260</u>
LIABILITIES							
Current liabilities:							
Accounts payable	79,310	122,740	42,317	2,000	92,532	338,899	762,600
Accrued liabilities	63,959	31,768	17,813	3,335	27,232	144,107	160,640
Accrued interest payable	40,406	-	-	-	-	40,406	-
Compensated absences payable	14,146	3,223	5,117	547	7,003	30,036	24,766
Claims payable	-	-	-	-	-	-	858,711
Current portion of promissory notes payable	347,046	-	-	-	-	347,046	-
Due to other funds	-	-	93,198	194,978	82,663	370,839	-
Total current liabilities	<u>544,867</u>	<u>157,731</u>	<u>158,445</u>	<u>200,860</u>	<u>209,430</u>	<u>1,271,333</u>	<u>1,806,717</u>
Noncurrent liabilities:							
Compensated absences payable	244,650	55,738	88,494	9,460	121,123	519,465	428,331
Claims payable	-	-	-	-	-	-	1,359,274
Advances from other funds - general fund	-	-	3,398,468	3,057,665	760,251	7,216,384	-
Promissory notes payable	4,851,055	-	-	-	-	4,851,055	-
Total noncurrent liabilities	<u>5,095,705</u>	<u>55,738</u>	<u>3,486,962</u>	<u>3,067,125</u>	<u>881,374</u>	<u>12,586,904</u>	<u>1,787,605</u>
Total liabilities	<u>5,640,572</u>	<u>213,469</u>	<u>3,645,407</u>	<u>3,267,985</u>	<u>1,090,804</u>	<u>13,858,237</u>	<u>3,594,322</u>
NET POSITION							
Net investment in capital assets	26,994,291	6,570,436	4,982,013	5,873,930	1,299,894	45,720,564	17,896,576
Restricted for:							
Public safety	-	-	-	-	-	-	111,842
Unrestricted	2,264,125	(58,961)	(3,583,300)	(3,123,721)	(63,638)	(4,565,495)	6,472,520
Total net position	<u>\$ 29,258,416</u>	<u>\$ 6,511,475</u>	<u>\$ 1,398,713</u>	<u>\$ 2,750,209</u>	<u>\$ 1,236,256</u>	<u>41,155,069</u>	<u>\$ 24,480,938</u>

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

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

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

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

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

Business-Type Activities - Enterprise Funds

	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
Operating revenues:							
Charges for sales and services	\$ 5,303,609	\$ 1,998,488	\$ 1,748,166	\$ 454,184	\$ 3,567,668	\$ 13,072,115	\$ 15,803,652
Other income	-	-	-	-	-	-	1,444,855
Total operating revenues	<u>5,303,609</u>	<u>1,998,488</u>	<u>1,748,166</u>	<u>454,184</u>	<u>3,567,668</u>	<u>13,072,115</u>	<u>17,248,507</u>
Operating expenses:							
Personnel services	2,732,414	1,375,070	975,993	143,668	1,159,477	6,386,622	6,998,636
Costs of sales and services	1,573,076	975,387	844,880	76,912	2,246,800	5,717,055	8,219,458
Depreciation and amortization	1,036,746	247,659	230,074	132,274	152,355	1,799,108	2,906,621
Total operating expenses	<u>5,342,236</u>	<u>2,598,116</u>	<u>2,050,947</u>	<u>352,854</u>	<u>3,558,632</u>	<u>13,902,785</u>	<u>18,124,715</u>
Operating income (loss)	<u>(38,627)</u>	<u>(599,628)</u>	<u>(302,781)</u>	<u>101,330</u>	<u>9,036</u>	<u>(830,670)</u>	<u>(876,208)</u>
Nonoperating revenues (expenses):							
Intergovernmental	740	-	-	-	-	740	367,207
Miscellaneous	76,137	3,017	-	-	-	79,154	-
Investment income (loss)	(6,096)	-	(306)	(177)	(1,170)	(7,749)	(21,993)
Gain (loss) on disposition of property and equipment	(12,872)	(11,020)	-	(5,226)	-	(29,118)	85,761
Interest expense	(154,923)	-	(52,375)	(51,671)	-	(258,969)	-
Total nonoperating revenues (expenses)	<u>(97,014)</u>	<u>(8,003)</u>	<u>(52,681)</u>	<u>(57,074)</u>	<u>(1,170)</u>	<u>(215,942)</u>	<u>430,975</u>
Income (loss) before contributions and transfers	(135,641)	(607,631)	(355,462)	44,256	7,866	(1,046,612)	(445,233)
Capital contributions - tap fees	47,600	-	-	-	1,300	48,900	-
Contributed capital	43,379	-	-	247,455	-	290,834	22,560
Transfers in	-	523,283	156,539	-	-	679,822	2,114,018
Change in net position	<u>(44,662)</u>	<u>(84,348)</u>	<u>(198,923)</u>	<u>291,711</u>	<u>9,166</u>	<u>(27,056)</u>	<u>1,691,345</u>
Net position - beginning	<u>29,303,078</u>	<u>6,595,823</u>	<u>1,597,636</u>	<u>2,458,498</u>	<u>1,227,090</u>	<u>41,182,125</u>	<u>22,789,593</u>
Net position - ending	<u>\$ 29,258,416</u>	<u>\$ 6,511,475</u>	<u>\$ 1,398,713</u>	<u>\$ 2,750,209</u>	<u>\$ 1,236,256</u>	<u>\$ 41,155,069</u>	<u>\$ 24,480,938</u>

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

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

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

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

Business-Type Activities - Enterprise Funds

	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
Cash flows from operating activities:							
Cash received from interfund	\$ 605,322	\$ -	\$ -	\$ -	\$ -	\$ 605,322	\$ 13,863,816
Cash received from customers and users	4,694,482	2,138,895	1,739,198	454,772	3,569,916	12,597,263	1,922,735
Cash paid to interfund	(764,960)	(153,039)	(333,875)	(39,257)	(962,113)	(2,253,244)	(1,300,208)
Cash paid to suppliers	(846,198)	(824,588)	(559,527)	(37,246)	(1,277,838)	(3,545,397)	(7,221,639)
Cash paid to employees	(2,710,038)	(1,374,949)	(973,712)	(142,173)	(1,155,460)	(6,356,332)	(6,973,041)
Miscellaneous receipts	76,137	3,017	-	-	-	79,154	118,009
Net cash provided (used) by operating activities	<u>1,054,745</u>	<u>(210,664)</u>	<u>(127,916)</u>	<u>236,096</u>	<u>174,505</u>	<u>1,126,766</u>	<u>409,672</u>
Cash flows from noncapital financing activities:							
Transfers from other funds	-	523,283	156,539	-	-	679,822	2,114,018
Increase (decrease) in amount due other funds	-	(60,621)	(191,764)	2,881	2,174	(247,330)	-
Intergovernmental receipts	-	-	-	-	-	-	39,351
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>462,662</u>	<u>(35,225)</u>	<u>2,881</u>	<u>2,174</u>	<u>432,492</u>	<u>2,153,369</u>
Cash flows from capital and related financing activities:							
Tap fees	47,600	-	-	-	1,300	48,900	-
Principal payments:							
Promissory notes	(342,609)	-	-	-	-	(342,609)	-
Advances of interfund capital loans	-	-	191,764	-	-	191,764	-
Repayment of interfund capital loans	-	-	-	(194,978)	(82,663)	(277,641)	-
Interest paid	(168,357)	-	(52,375)	(51,671)	-	(272,403)	-
Proceeds from disposition of capital assets	-	-	-	-	-	-	59,870
Purchase of capital assets	(1,105,901)	(174,289)	(14,709)	-	(115,726)	(1,410,625)	(4,141,974)
Intergovernmental receipts	-	-	-	-	-	-	547,274
Net cash used in capital and related financing activities	<u>(1,569,267)</u>	<u>(174,289)</u>	<u>124,680</u>	<u>(246,649)</u>	<u>(197,089)</u>	<u>(2,062,614)</u>	<u>(3,534,830)</u>
Cash flows from investing activities:							
Investment income (loss) received	(6,096)	-	(306)	(177)	(1,170)	(7,749)	(21,993)
Net cash provided (used) by investing activities	<u>(6,096)</u>	<u>-</u>	<u>(306)</u>	<u>(177)</u>	<u>(1,170)</u>	<u>(7,749)</u>	<u>(21,993)</u>
Net increase (decrease) in cash and cash equivalents	(520,618)	77,709	(38,767)	(7,849)	(21,580)	(511,105)	(993,782)
Cash and cash equivalents, January 1	2,805,229	-	48,735	151,960	626,064	3,631,988	9,577,504
Cash and cash equivalents, December 31	<u>\$ 2,284,611</u>	<u>\$ 77,709</u>	<u>\$ 9,968</u>	<u>\$ 144,111</u>	<u>\$ 604,484</u>	<u>\$ 3,120,883</u>	<u>\$ 8,583,722</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	\$ (38,627)	\$ (599,628)	\$ (302,781)	\$ 101,330	\$ 9,036	\$ (830,670)	\$ (876,208)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	1,036,746	247,659	230,074	132,274	152,355	1,799,108	2,906,621
(Increase) decrease in accounts receivable	(3,805)	140,407	(8,968)	588	2,248	130,470	(1,343,947)
Miscellaneous receipts	76,137	3,017	-	-	-	79,154	-
(Increase) decrease in inventory	-	-	(7,149)	-	-	(7,149)	-
(Increase) decrease in prepaid items	-	(408)	(185)	-	-	(593)	(94,933)
Increase (decrease) in accounts payable	(422,428)	(14,300)	(19,788)	409	6,849	(449,258)	283,078
Increase (decrease) in claims payable	-	-	-	-	-	-	(120,892)
Increase (decrease) in accrued liabilities and compensated absences payable	22,376	121	2,281	1,495	4,017	30,290	25,595
(Increase) decrease in accounts payable due to the purchase of capital assets on account	384,346	12,468	(21,400)	-	-	375,414	(369,642)
Total adjustments	<u>1,093,372</u>	<u>388,964</u>	<u>174,865</u>	<u>134,766</u>	<u>165,469</u>	<u>1,957,436</u>	<u>1,285,880</u>
Net cash provided (used) by operating activities	<u>\$ 1,054,745</u>	<u>\$ (210,664)</u>	<u>\$ (127,916)</u>	<u>\$ 236,096</u>	<u>\$ 174,505</u>	<u>\$ 1,126,766</u>	<u>\$ 409,672</u>
Noncash Investing, Capital and Financing Activities							
Purchase of capital assets on account	\$ 48,791	\$ 4,427	\$ 21,400	\$ -	\$ -	\$ 74,618	\$ 429,969
Capital contributions	43,379	-	-	247,455	-	290,834	22,560
Net book value of capital assets traded in on capital assets acquired	-	-	-	-	-	-	183,019
Trade in value of disposed assets	-	-	-	-	-	-	209,010
Intergovernmental receivable from capital financing activities	-	-	-	-	-	-	80,582
Intergovernmental receivable from noncapital financing activities	740	-	-	-	-	740	-

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

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

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund	Agency Funds
ASSETS				
Cash and cash equivalents	\$ 34,453	\$ 117,317	\$ 10,817,853	\$ 744,282
Investments				
Short term investments	1,320,442	-	-	-
Fixed income investments	1,883,913	-	-	-
Global equity investments	6,673,649	-	-	-
Real assets investments	201,021	-	-	-
Real estate investments	649,304	-	-	-
Absolute return investments	1,385,295	-	-	-
Private equity investments	1,317,441	-	-	-
Private debt investments	129,073	-	-	-
Securities lending investment pool	453,475	-	-	-
Total assets	<u>14,048,066</u>	<u>117,317</u>	<u>10,817,853</u>	<u>744,282</u>
LIABILITIES				
Accounts payable	-	-	-	35,441
Due to other governments	-	-	-	708,841
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 744,282</u>
NET POSITION				
Held in trust for:				
External investment pool participants	-	-	10,817,853	
Pension benefits	14,048,066	-	-	
Individuals, organizations and others	-	117,317	-	
Total net position	<u>\$ 14,048,066</u>	<u>\$ 117,317</u>	<u>\$ 10,817,853</u>	

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

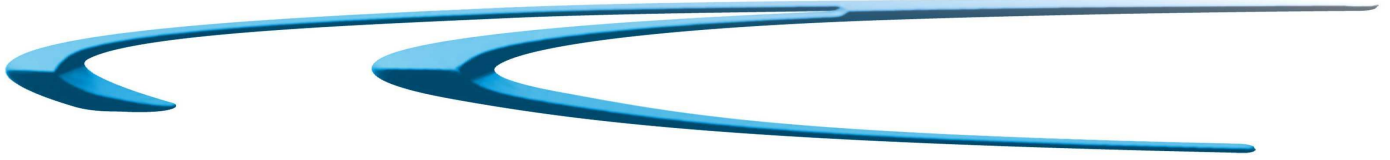
City of Grand Junction, Colorado
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2013

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund
ADDITIONS			
Additions by participants	\$ -	\$ 159,980	\$ 11,524,632
Employer contributions	276,015	-	-
Other Contributions	1,131,664	-	-
Total contributions	<u>1,407,679</u>	<u>159,980</u>	<u>11,524,632</u>
Investment earnings:			
Interest income (loss)	255,946	(11)	11,798
Net increase (decrease) in fair value of investments	<u>1,718,910</u>	<u>-</u>	<u>-</u>
Net investment earnings	1,974,856	(11)	11,798
Total additions	<u>3,382,535</u>	<u>159,969</u>	<u>11,536,430</u>
DEDUCTIONS			
Distributions to participants	-	99,663	10,364,103
Benefits and refunds	1,536,347	-	-
Administrative expenses	125,374	3,083	-
Total deductions	<u>1,661,721</u>	<u>102,746</u>	<u>10,364,103</u>
Change in net position	1,720,814	57,223	1,172,327
Net position - beginning	12,327,252	60,094	9,645,526
Net position - ending	<u>\$ 14,048,066</u>	<u>\$ 117,317</u>	<u>\$ 10,817,853</u>

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



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NOTES TO FINANCIAL STATEMENTS



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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

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

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

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

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

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

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

Government-Wide, Proprietary and Fiduciary Financial Statements:

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

Governmental Fund Financial Statements:

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

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

The City reports the following major governmental funds:

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

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

Additionally the City reports the following fund types:

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

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

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

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

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

The **Agency Funds** account for custodial functions in operations of an advisory board, and collecting and forwarding special assessment debt payments for property owners.

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

Amounts reported as program revenues include:

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include cost of sales and services, personal services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

1. Cash and Investments

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

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

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

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

Assets of the pension trust funds may be invested by the Fire and Police Pension Association of Colorado (FPPA) in publicly traded common and preferred stock, convertible bonds, venture capital and real estate. Investments are presented at fair value except real-estate which is recorded at

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

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

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

2. Interfund Receivables and Payables

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

3. Property Taxes

Property taxes as set by the City Council are collected by the County Treasurer. The County Treasurer remits property taxes collected to the City by the 10th day of the month following collection. Property taxes receivable represent 2013 taxes collectible in 2014 and are also shown as unavailable revenue. Following are details of the property tax calendar:

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

4. Special Assessments Receivable

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

5. Inventories and Prepaid Items

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

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

6. Restricted Cash and Investments

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

7. Capital Assets

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

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

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

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

Estimated useful lives for asset types are as follows:

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

8. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City only has one type of item that qualifies for reporting in this category. It is unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

9. Compensated Absences

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

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

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

10. Encumbrances

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

11. Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

12. Net Position Flow Assumption

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

13. Fund Balance Policies and Flow Assumptions

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

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

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

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

Fund balances are classified as assigned when constraints placed upon the use of resources are imposed by the City Council through the adoption of the City's annual budget. Assigned fund balances represent the City's intent for future use of financial resources that are subject to change. An intended use of any amount may also be expressed by the City Council and recorded in the minutes of a Council meeting. Assigned fund balances in special revenue funds will include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

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

14. Comparative Data/Reclassifications

Comparative total data for the prior year has been presented in the accompanying Management's Discussion and Analysis in order to provide an understanding of the changes in the City's financial position and operations. However, complete comparative data has not been reported since their inclusion would make the financial statements unduly complex and difficult to read. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

The details of the budget calendar follow:

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

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

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

Supplemental appropriation ordinances during 2013 resulted in budget amendments as follows:

Fund	Original Amount	Amended Amount
<i>Primary Government - City of Grand Junction:</i>		
<i>Governmental Activities</i>		
General Fund	\$ 73,449,321	\$ 74,056,182
Special Revenue Funds:		
Visitors and Convention Bureau	1,963,769	1,975,082
Parkland Expansion	-	305,000
Conservation Trust	1,223,155	1,286,681
Capital Projects Funds:		
Sales Tax Capital	14,997,845	15,758,095
Storm Drainage Development	126,225	164,644
Major Projects Capital	7,337,417	8,498,380
Street Assessment Capital	4,000,000	5,092,727
Facilities Capital	214,092	253,027
<i>Business-Type Activities</i>		
Internal Service Funds:		
Equipment	5,334,189	6,531,004
<i>Component Unit - Downtown Development Authority:</i>		
Special Revenue Funds:		
DDA Tax Increment	529,219	799,601
Capital Projects Funds:		
DDA Capital Improvements	1,522,833	2,849,005
Debt Service Funds:		
DDA TIF Debt Service	641,464	911,846

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

C. FUND DEFICITS

The Downtown Development Authority reported a net position deficit of \$204,368. As the 2012 Tax Increment Bonds are retired, this deficit will be eliminated.

NOTE 3. DEPOSITS AND INVESTMENTS

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

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

Cash Deposits

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

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

The composition of all cash held by the City cash pool at December 31, 2013, is as follows:

	Bank Balance	Carrying Balance
Cash on hand	\$ -	\$ 10,777
Insured deposits	250,000	250,000
Deposits collateralized in single institutional pools	4,641,473	4,735,985
	<u>\$4,891,473</u>	<u>\$4,996,762</u>

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

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

As of December 31, 2013, the City had the following investments:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>
Federal Agency Securities	AA+	\$ 17,810,590	34.75
Treasury Coupon Securities	AA+	7,543,182	20.09
Pass Through Securities (GNMA/CMO)	AA+	1,365,575	67.79
Commercial Paper	A-1	748,566	1.61
State investment pools	AAAm	18,748,559	0.00
Pension trust fund	Not rated	14,048,066	0.00
Total		<u>\$60,264,538</u>	<u>19.33</u>

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

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

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

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

NOTE 4. ACCOUNTS RECEIVABLE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts receivable of the various funds of the City at December 31, 2013, is as follows:

General Fund	\$795,440
Enterprise Funds:	
Water	\$ 1,054
Solid Waste Removal	274
Two Rivers Convention Center	2,898
	<u>\$ 4,226</u>
Internal Service Funds:	
Communications Center	<u>\$ 817</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

Primary Government - City of Grand Junction:

	Beginning Balance	Increase	Decreases	Ending Balance
Governmental Activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$300,420,223	\$ 1,640,438	\$ 10,222	\$302,050,439
Construction in progress	3,169,737	12,600,068	6,395,102	9,374,703
Intangible assets	1,290,092	18,540	-	1,308,632
Total capital assets, not being depreciated	<u>304,880,052</u>	<u>14,259,046</u>	<u>6,405,324</u>	<u>312,733,774</u>
<i>Capital assets, being depreciated:</i>				
Buildings	91,527,890	4,871,517	205,845	96,193,562
Improvements other than buildings	30,351,034	1,294,303	-	31,645,337
Equipment	44,535,771	5,230,601	1,198,587	48,567,785
Infrastructure	378,170,823	5,035,052	-	383,205,875
Total capital assets, being depreciated	<u>544,585,518</u>	<u>16,431,473</u>	<u>1,404,432</u>	<u>559,612,559</u>
<i>Less accumulated depreciation for:</i>				
Buildings	16,744,764	2,596,531	18,011	19,323,284
Improvements other than buildings	15,532,077	1,249,331	-	16,781,408
Equipment	23,993,179	4,161,261	1,015,568	27,138,872
Infrastructure	108,414,874	8,506,176	-	116,921,050
Total accumulated depreciation	<u>164,684,894</u>	<u>16,513,299</u>	<u>1,033,579</u>	<u>180,164,614</u>
Total capital assets, being depreciated, net	<u>379,900,624</u>	<u>(81,826)</u>	<u>370,853</u>	<u>379,447,945</u>
Governmental activities capital assets, net	<u>\$684,780,676</u>	<u>\$14,177,220</u>	<u>\$ 6,776,177</u>	<u>\$692,181,719</u>

	Beginning Balance	Increase	Decreases	Ending Balance
Business-type Activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,901,443	\$ 247,455	\$ -	\$ 5,148,898
Construction in progress	1,381,270	355,354	1,551,339	185,285
Intangible assets	190,464	-	-	190,464
Total capital assets, not being depreciated	<u>6,473,177</u>	<u>602,809</u>	<u>1,551,339</u>	<u>5,524,647</u>
<i>Capital assets, being depreciated:</i>				
Buildings and systems	61,711,596	2,090,077	133,585	63,668,088
Improvements other than buildings	7,931,012	-	153,233	7,777,779
Equipment	3,321,435	184,498	-	3,505,933
Total capital assets, being depreciated	<u>72,964,043</u>	<u>2,274,575</u>	<u>286,818</u>	<u>74,951,800</u>
<i>Less accumulated depreciation for:</i>				
Buildings and systems	22,992,188	1,344,289	109,693	24,226,784
Improvements other than buildings	3,105,622	233,379	148,007	3,190,994
Equipment	1,925,073	214,931	-	2,140,004
Total accumulated depreciation	<u>28,022,883</u>	<u>1,792,599</u>	<u>257,700</u>	<u>29,557,782</u>
Total capital assets, being depreciated, net	<u>44,941,160</u>	<u>481,976</u>	<u>29,118</u>	<u>45,394,018</u>
Business-type activities capital assets, net	<u>\$ 51,414,337</u>	<u>\$1,084,785</u>	<u>\$1,580,457</u>	<u>\$ 50,918,665</u>

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

Governmental Activities	
General government	\$ 1,158,530
Public safety	1,734,851
Public works	8,992,523
Parks and recreation	1,720,774
Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets	<u>2,906,621</u>
Total depreciation expense – governmental activities	<u>\$16,513,299</u>
Business-Type Activities	
Water	\$ 1,030,237
Solid waste	66,673
Meeting and convention center	247,659
Golf courses	230,074
Parking	132,274
Irrigation	85,682
Total depreciation expense – business-type activities	<u>\$1,792,599</u>

Discretely Presented Component Unit

Activity for the *Downtown Development Authority* for the year ended December 31, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,042,146	\$ -	\$ 247,455	\$ 794,691
Construction in progress	993	587,922	-	588,915
Total capital assets, not being depreciated	<u>1,043,139</u>	<u>587,922</u>	<u>247,455</u>	<u>1,383,606</u>
<i>Capital assets, being depreciated:</i>				
Buildings and systems	3,787,023	-	-	3,787,023
Equipment	1,317,439	120,468	8,160	1,429,747
Total capital assets, being depreciated	<u>5,104,462</u>	<u>120,468</u>	<u>8,160</u>	<u>5,216,770</u>
<i>Less accumulated depreciation for:</i>				
Buildings	1,189,004	110,471	-	1,299,475
Equipment	555,809	152,347	3,264	704,892
Total accumulated depreciation	<u>1,744,813</u>	<u>262,818</u>	<u>3,264</u>	<u>2,004,367</u>
Total capital assets, being depreciated, net	<u>3,359,649</u>	<u>(142,350)</u>	<u>4,896</u>	<u>3,212,403</u>
DDA capital assets, net	<u>\$ 4,402,788</u>	<u>\$ 445,572</u>	<u>\$252,351</u>	<u>\$ 4,596,009</u>

Construction Commitments

The City and its component unit have several ongoing construction projects as of December 31, 2013 composed of the following:

	Spent to <u>12/31/2013</u>	Projected cost <u>of completion</u>
Primary Government		
Street projects	\$ 3,943,628	\$ 4,223,595
Drainage projects	16,869	508,065
Park development	69,498	1,044,006
Facilities/equipment/other	5,529,993	13,062,548
Component Unit		
Development Projects	\$ 588,915	\$ 848,915

NOTE 6. CAPITAL LEASES

Certificates of Participation

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

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

The interest rate is 4.76% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2013, follows:

Year ending December 31,	Schedule of Base Rents
2014	\$ 533,450
2015	532,000
2016	530,400
2017	528,650
2018	531,175
2019-2023	2,653,356
2024-2028	2,658,525
2029-2033	2,648,750
2034-2035	1,059,500
Total base rentals	<u>11,675,806</u>
Less amounts representing interest	(4,505,806)
Present value of minimum lease payments	<u>\$ 7,170,000</u>

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

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

The interest rates range from 4.23% to 7.48% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2013, follows:

Year ending December 31,	Schedule of Base Rents
2014	\$ 3,028,923
2015	3,027,122
2016	3,029,323
2017	3,028,510
2018	3,029,535
2019-2023	14,949,363
2024-2028	14,380,925
2029-2033	13,600,072
2034-2038	12,576,425
2039-2040	4,680,392
Total base rentals	<u>75,330,590</u>
Less amounts representing interest	(41,695,590)
Present value of minimum lease payments	<u>\$ 33,635,000</u>

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

NOTE 7. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity of the City for the year ended December 31, 2013:

Primary Government - City of Grand Junction:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds:					
<i>Ridges</i>	\$ 210,000	\$ -	\$ 210,000	\$ -	\$ -
Revenue bonds:					
<i>Parkway</i>	8,050,000	-	4,315,000	3,735,000	3,735,000
<i>Premium</i>	104,405	-	78,190	26,215	26,215
<i>Parkway Refunding</i>	30,645,000	-	-	30,645,000	-
<i>Parkway Refunding Premium</i>	5,121,546	-	676,815	4,444,731	676,815
Capital Leases:					
<i>Certificates of Participation</i>	41,660,000	-	855,000	40,805,000	885,000
<i>Discount on Certificates of Participation</i>	(393,730)	15,065	-	(378,665)	(15,992)
Net pension obligation:					
<i>Fire Defined Benefit Plan</i>	156,796	270,764	279,384	148,176	-
Claims payable	2,338,877	748,657	869,549	2,217,985	858,711
Pollution remediation	185,602	-	185,602	-	-
Compensated absences	3,851,941	4,542,397	4,454,240	3,940,098	215,366
Other Post Employment Benefits	1,296,398	1,003,512	630,529	1,669,381	-
Governmental activity long-term liabilities	<u>\$93,226,835</u>	<u>\$6,580,395</u>	<u>\$12,554,309</u>	<u>\$87,252,921</u>	<u>\$6,381,115</u>
Business-Type Activities					
Loans payable					
<i>Water Systems</i>	\$5,569,053	\$ -	\$342,609	\$5,226,444	\$352,007
Less deferred amounts:					
For loan discount	(34,852)	6,509	-	(28,343)	(4,961)
Compensated absences	553,524	633,499	637,522	549,501	30,036
Business-type activity long-term liabilities	<u>\$6,087,725</u>	<u>\$640,008</u>	<u>\$980,131</u>	<u>\$5,747,602</u>	<u>\$377,082</u>

Component Unit – Downtown Development Authority:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Tax increment bonds	\$7,125,000	\$ -	\$ 595,000	\$6,530,000	\$615,000
Pollution remediation	-	156,876	-	156,876	156,876
Compensated absences	6,636	10,285	10,873	6,048	331
Total	<u>\$7,131,636</u>	<u>\$ 167,161</u>	<u>\$ 605,873</u>	<u>\$6,692,924</u>	<u>\$772,207</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$453,097 of internal service funds compensated absences are included in the above amounts. For the governmental activities, compensated absences and net pension obligation are generally liquidated by the general fund.

Bonds, notes and loans payable as of December 31, 2013, are comprised of the following:

Primary Government – City of Grand Junction:

GENERAL OBLIGATION BONDS:

\$2,590,000 Ridges Metropolitan District General Obligation Refunding Bonds Series 1992 consisting of \$955,000 serial bonds bearing interest at 3.5% to 5.75% payable April 15 and October 15 annually through October 15, 2013, term bond of \$545,000 bearing interest of 6% payable on April 15 and October 15 through October 15, 2007, and term bond of \$1,090,000 bearing interest of 6.1% payable on April 15 and October 15 through October 15, 2013. Bonds maturing on or after October 15, 2013, are callable at the district’s option on any interest paying date at par. Both term bonds are subject to mandatory redemption pursuant to a sinking fund agreement with the paying agent. There was no unpaid principal at December 31, 2013.

REVENUE BONDS:

\$80,000,000 of approved General Fund Revenue Bonds Series 2004 and 2007 bearing interest at 2% to 5% payable March 1 and September 1 annually through March 1, 2024 were issued to finance the construction of the Riverside Parkway project. The principal and interest on the bonds is payable solely from pledged sales and use tax revenues. There was \$3,735,000 unpaid principal at December 31, 2013, payable over the following term:

Year	Principal	Interest	Total
2014	\$3,735,000	\$93,375	\$3,828,375
	\$3,735,000	\$93,375	\$3,828,375

The City of Grand Junction issued \$30,645,000 of General Fund Revenue Refunding Bonds Series 2012 bearing interest at 2% to 5% payable March 1 and September 1 annually through March 1, 2024. The principal and interest on the bonds is payable solely from pledged sales and use tax revenues. There was \$30,645,000 unpaid principal at December 31, 2013, payable over the following term:

Year	Principal	Interest	Total
2014	\$ -	\$1,418,850	\$1,418,850
2015	2,470,000	1,381,800	3,851,800
2016	2,575,000	1,280,375	3,855,375
2017	2,705,000	1,148,375	3,853,375
2018	2,845,000	1,009,625	3,854,625
2019-2023	16,290,000	2,984,750	19,274,750
2024	3,760,000	94,000	3,854,000
	\$30,645,000	\$9,317,775	\$39,962,775

ADVANCE REFUNDING:

Prior year defeasance of debt. In prior years, the City of Grand Junction defeased general revenue bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government’s financial statements. At December 31, 2013, \$49,340,000 of defeased bonds remained outstanding.

LOANS PAYABLE:

The City of Grand Junction entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance improvements on the City’s water system. The principal amount is \$3,566,522 at a net effective interest rate of 4.02%, payable February 1 and August 1

annually through 2022. The water system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the City with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2013 was \$1,934,110 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2014	\$188,562	\$63,301	\$251,863
2015	193,950	61,586	255,536
2016	199,337	53,621	252,958
2017	204,725	50,131	254,856
2018	210,112	41,266	251,378
2019-2022	937,424	91,746	1,029,170
	<u>\$1,934,110</u>	<u>\$ 361,651</u>	<u>\$2,295,761</u>

The City of Grand Junction entered into a loan agreement dated February 2, 2010 with the Colorado Water Resources and Power Development Authority to finance improvements on the City's water system. The principal amount is \$3,800,000 at a net effective interest rate of 2.5%, payable May 1 and November 1 annually through 2030. The water system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the City with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2013 was \$3,292,334 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2014	\$163,445	\$81,293	\$244,738
2015	167,556	77,182	244,738
2016	171,772	72,966	244,738
2017	176,093	68,645	244,738
2018	180,523	64,215	244,738
2019-2023	973,060	250,630	1,223,690
2024-2028	1,101,768	121,922	1,223,690
2029-2030	358,117	8,990	367,107
	<u>\$3,292,334</u>	<u>\$ 745,843</u>	<u>\$4,038,177</u>

Component Unit – Downtown Development Authority:

TAX INCREMENT BONDS:

During 2012, the Downtown Development Authority issued \$7,125,000 Tax Increment Financing Bonds. The bonds include \$4,070,000 of Tax-Exempt Increment Bonds, Series 2012A and \$3,055,000 Taxable Increment Bonds, Series 2012B. The bonds bear interest from 3.5% to 5.3% and are payable on June 15 and December 15 of each year through 2022. The unpaid principal at December 31, 2013 was \$6,530,000 payable over the following term:

Year	Principal	Interest	Total
2014	\$615,000	\$297,590	\$912,590
2015	635,000	274,835	909,835
2016	660,000	250,070	910,070
2017	685,000	223,010	908,010
2018	715,000	193,555	908,555
2019-2022	3,220,000	421,020	3,641,020
	<u>\$6,530,000</u>	<u>\$1,660,080</u>	<u>\$8,190,080</u>

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

NOTE 8. BUDGET TO ACTUAL PRESENTATION - PROPRIETARY FUNDS

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

	Budgeted Amounts		Expenditures Reported on the Basis of GAAP	Adjustment to Budgetary Basis	Expenditures on Budgetary Basis	Variance with Final Budget – Positive (Negative)
	Original	Final				
Enterprise Funds:						
Water	\$6,449,807	\$6,449,807	\$5,497,159	\$ 31,369	\$5,528,528	\$ 921,279
Solid Waste Removal Two Rivers	3,497,932	3,497,932	3,239,865	130,303	3,370,168	127,764
Convention Center	2,901,828	2,901,828	2,598,116	(73,329)	2,524,787	377,041
Golf Courses	2,173,746	2,173,746	2,103,322	(192,404)	1,910,918	262,828
Parking Authority	463,544	463,544	404,525	58,884	463,409	135
Irrigation	243,202	243,202	318,767	(86,068)	232,699	10,503
Internal Service Funds:						
Data Processing	6,833,095	6,833,095	5,572,157	702,368	6,274,525	558,570
Equipment	5,334,189	6,531,004	4,007,758	834,741	4,842,499	1,688,505
Self-Insurance	2,409,417	2,409,417	2,129,876	17,894	2,147,770	261,647
Communications Center	7,897,143	7,897,143	6,414,924	80,308	6,495,232	1,401,911

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2013, is as follows:

Due to/from other funds:

	Due from Other Funds	Due to Other Funds
General Fund	\$861,405	\$ -
Community Development Special Revenue Fund to cover the cost of operations	-	3,498
Sales Tax Capital Projects Fund to cover the cost of capital	-	487,068
Parking Enterprise Fund to pay current portion of advance	-	194,978
Solid Waste Removal Enterprise Fund to pay current portion of advance	-	82,663
Tiara Rado Golf Course Enterprise Fund to pay current portion of advance	-	93,198
Total	\$861,405	\$861,405

Advances to/from other funds:

	Advance to Other Funds	Advance from Other Funds
General Fund	\$7,216,384	\$ -
Solid Waste Removal Enterprise Fund to cover the cost of operations	-	760,251
Tiara Rado Golf Enterprise Fund to cover the cost of new irrigation system	-	3,398,468
Parking Enterprise Fund to cover partial cost of new parking garage	-	3,057,665
Total	\$7,216,384	\$7,216,384

Interfund Transfers:

Transfers Out:	General Fund	Sales Tax CIP Fund	Major CIP Fund	General Debt Service Fund	Parkway Debt Retirement Fund	Two Rivers Conv Center	Golf Courses Fund	Nonmajor Gov Funds	Internal Service	Total
General Fund	\$ -	\$ 197,647	\$ 2,406,861	\$ -	\$ 2,350,111	\$ 172,461	\$ 18,055	\$ 1,877,545	\$ -	\$ 7,022,680
Sales Tax CIP	-	-	-	7,849,102	-	74,374	-	115,401	-	8,038,877
Major CIP	42,597	-	-	-	-	-	-	-	-	42,597
Nonmajor Governmental	54,024	1,132,727	-	500,000	-	276,448	138,484	233,228	2,114,018	4,448,929
Total Transfers In	\$96,621	\$1,330,374	\$2,406,861	\$8,349,102	\$2,350,111	\$523,283	\$156,539	\$2,226,174	\$2,114,018	\$19,553,083

Transfers into the General Fund were to assist with cemetery operations (\$5,954); to reimburse administrative costs of the Community Development Block Grant (\$11,498); to set aside dollars for cultural arts (\$42,597); and for facilities capital (\$36,572). Transfers out of the General Fund were for economic development projects, capital construction, and to set aside dollars to repay the parkway debt.

Transfers into the Sales Tax CIP Fund were for various capital construction projects. Transfers out of the Sales Tax CIP Fund were to repay the parkway debt (\$6,028,780) to make the lease payment on the Public Safety Certificates of Participation (\$1,820,322), and for capital purchases.

Transfers into the Major Capital Projects Fund were for Public Safety Building improvements (\$300,000), and Avalon Theatre improvements (\$2,106,861). Transfers out of the Major Capital Projects Fund were to set aside dollars for cultural arts.

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

Transfers into the Golf Courses Fund were to subsidize operations and purchase capital equipment.

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

Transfers into the Internal Service Fund of \$2,114,018 were for equipment upgrades funded by the E-911 surcharge.

NOTE 10. RETIREMENT PLANS

A. DEFINED CONTRIBUTION PLANS

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

Under City ordinances, substantially all full-time City employees, other than sworn police officers and fire fighters and elected officials, are covered by a mandatory contributory defined contribution retirement plan. The City of Grand Junction, Colorado, Employees Retirement Plan is administered by the International City Manager's Association Retirement Corporation (ICMA-RC). The plan provides for retirement benefits based upon an employee's vested account. A participant becomes 100% vested on completion of five years of service. Amounts forfeited by employees who leave employment before becoming fully vested are used to pay for administrative expenses of the plan. The City matches employees' required contributions of 6% of base salary. An employee may make voluntary contributions of up to an additional 10%. Total payroll for all City employees for the year ended December 31, 2013, was \$44,286,754. Covered wages and contributions in 2013 were as follows:

<u>General Employee Plan</u>	
Covered wages	\$24,478,183
City contribution	1,502,072
Employee contribution	1,502,072

Effective January 1, 1980, under state statutes, all fire fighters and police officers hired after April 8, 1978, are covered under fire and police defined contribution pension plans (new hire plans). Fire fighters and police officers hired prior to this date had the option to remain in the defined benefit plans (old hire plans) or to transfer to the applicable new plan. The new plans are administered by independent boards. The assets of the New Hire Police Money Purchase Pension Plan and the New Hire Fire Money Purchase Pension Plan are maintained by the International City Manager's Association Retirement Corporation (ICMA-RC). Vesting is accomplished over a five-year period. Amounts forfeited by employees who leave employment before becoming fully vested are retained by the plan for administrative expenses of the plan. The rate of contribution under the new plan is 10.65% of regular salary for the employee and the City. Covered wages and contributions in 2013 were as follows:

<u>New Hire – Police & Fire</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Covered wages	\$7,257,807	\$7,142,088
City contribution	772,958	760,625
Employee contribution	772,958	760,625

In 1988, the City established supplemental defined contribution plans (new supplemental plans) for fire fighters and police officers hired before April 8, 1978, whom remained as participants in the defined benefit plans (old plans). The Old Hire Police Officers Rank Escalation Pension Plan and the Old Hire Firefighters Rank Escalation Pension Plan were established in exchange for a freeze in rank escalation benefits in the old plans at 1980 levels. The plans are administered by the International City Manager's Association Retirement Corporation (ICMA-RC). Under these new supplemental plans, the City contributes 6.65% of the employee's gross wages to the plan and the employee contributes .65%. Employees' balances became fully vested upon establishment of the plans. In 2013, there were no police officers or fire fighters participating in the defined benefit plans.

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

B. DEFINED BENEFIT PLANS

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

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

determined by the state. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City ordinance.

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

City employees participating in the system are required to contribute 10% of their base earnings to the system. During 2013, there were no active policemen covered by the Police Old Hire Plan and 16 retirees and beneficiaries receiving benefits. There were no active firefighters contributing to the Fire Old Hire Plan and 34 retirees and beneficiaries receiving benefits. The City and State of Colorado are required to contribute the remaining amounts necessary to fund the system. Contributions to the funds for the year ended December 31, 2013, were as follows:

	Police Old Hire Plan	Fire Old Hire Plan	Total
City contribution	\$ 16,415	\$279,384	\$ 295,799
State contribution	1,131,664	-	1,131,664
Total	<u>\$ 1,148,079</u>	<u>\$279,384</u>	<u>\$1,427,463</u>

The financial statements of the Police Old Hire Plan and the Fire Old Hire Plan are presented as pension trust funds in the City's financial statements and are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are presented at fair value except real-estate which is recorded at estimated fair value based upon periodic appraisals and valuations, investments in limited partnerships which are recorded at estimated fair value as derived from financial statements, and guaranteed investment contracts which are recorded at contract value. There are no investments in, loans to, or lease with parties related to the plans. State contributions on behalf of City employees are recognized as revenues and expenditures in the General Fund in accordance with GASB Statement 24. During 2001, the Fire Old Hire Plan was fully funded and the State of Colorado was no longer required to make contributions to the plan. In 2009, legislation was adopted to defer the State of Colorado contributions for certain affiliated local "Old Hire" plans for 2009 through 2011 and resuming in 2012 until 2015. In 2011, legislation was adopted to change the payment dates to 2012 until 2019. During 2013, the State of Colorado made its final payment to the Police Old Hire Plan and the State of Colorado is no longer required to make contributions to fund the plan.

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

	Police Old Hire Plan	Fire Old Hire Plan
Annual required contribution (ARC)	\$116,037	\$276,015
Interest on net pension obligation (NPO)	(15,418)	17,973
Adjustment to ARC	<u>21,704</u>	<u>(23,224)</u>
Annual pension cost	122,323	270,764
Contributions made	<u>1,148,079</u>	<u>279,384</u>
Increase (Decrease) in NPO	(1,025,756)	(8,620)
NPO (NPA) – January 1, 2013	(205,576)	156,796
NPO (NPA) – December 31, 2013	<u>\$(1,231,332)</u>	<u>\$148,176</u>
Actuarial valuation date	1/1/12	1/1/12
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, open	Level dollar, open
Remaining amortization period	17 years	20 years
Asset valuation method	3-Year Smoothed, FMV	3-Year Smoothed, FMV

Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases	4.00%	4.00%
Includes inflation at	3.00%	3.00%
Cost of living adjustment	3.00% - 3.50%	3.00% - 3.50%

Three-year trend information is as follows:

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
Police Old Hire Plan	12/31/11	\$266,524	160.13%	\$38,459
	12/31/12	270,344	190.27%	(205,576)
	12/31/13	122,323	938.56%	(1,231,332)
Fire Old Hire Plan	12/31/11	\$242,660	101.14%	\$163,636
	12/31/12	240,726	102.84%	156,796
	12/31/13	270,764	103.18%	148,176

Funded Status and Funding Progress. Listed below is the required disclosure for the most recent actuarial valuation and the two preceding valuations:

Actuarial 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>				
1/1/12	\$ 3,216,457	\$ 4,735,309	\$ 1,518,852	68%
1/1/10	3,268,151	5,992,299	2,724,148	55%
1/1/08	3,368,995	6,540,220	3,171,225	52%
<i>Fire Old Hire Plan</i>				
1/1/12	\$9,909,435	\$12,797,862	\$ 2,888,427	77%
1/1/10	10,960,275	13,431,384	2,471,109	82%
1/1/08	13,001,110	14,753,919	1,752,809	88%

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

NOTE 11. POST EMPLOYMENT HEALTHCARE PLAN

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

Funding Policy. The contribution requirements of retirees and the City are established and may be amended by the City Council of the City. Retirees receiving benefits contributed \$147,755 or approximately 18.98 percent of the total premiums, through their required contribution of \$523.87 per month for spouse coverage and \$864.39 for family coverage. Only the retiree's premium is paid by the city. During 2013, there were 61 retirees and 16 dependents receiving benefits.

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

	Retiree Healthcare Plan
Annual required contribution (ARC)	\$ 997,957
Interest on net OPEB obligation	51,856
Adjustment to ARC	<u>(46,301)</u>
Annual OPEB cost (expense)	1,003,512
Contributions made	<u>(630,529)</u>
Increase in net OPEB obligation	372,983
Net OPEB obligation – January 1, 2013	<u>1,296,398</u>
Net OPEB obligation – December 31, 2013	<u>\$ 1,669,381</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$553,500	55.65%	\$898,177
2012	1,001,806	60.25%	1,296,398
2013	1,003,512	62.83%	1,669,381

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

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

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

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

NOTE 12. RELATED ENTITIES

A. JOINT VENTURES

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

The City operates and manages the City of Grand Junction/Mesa County, Colorado, Joint Sewer System, a regional sewer system. The regional sewer system was organized by agreements made in 1979 and 1980 to provide sewer collection and treatment for the metropolitan area in the Grand Valley. The City contributed all assets which were included in its pre-existing Sewer Fund while Mesa County contributed its name through the issuance of revenue bonds, which are payable from and secured by revenue of the sewer system. After contribution of these assets, the City's pre-existing Sewer Fund was terminated. The City does not have a measurable present or future claim to the net resources of the Joint Sewer System, and therefore does not record an equity interest in its financial statements. The agreements provide that both the City and Mesa County approve the sewer system's annual appropriation budget. The City's utility department operates and manages the sewer system. The agreements provide that upon dissolution of the joint venture, ownership of the assets of the Joint Sewer system shall be determined by mutual agreement. Condensed financial statements of the sewer system at December 31, 2013 and for the year then ended, are as follows:

<u>Statement of Net Position</u>	
Assets:	
Current assets	\$ 11,915,262
Noncurrent assets	164,310
Net property, plant, and equipment	<u>84,791,953</u>
Total assets	<u>\$ 96,871,525</u>
Liabilities:	
Current liabilities	\$ 1,331,973
Long-term debt	<u>8,116,924</u>
Total liabilities	<u>9,448,897</u>
Net Position	
Net investment in capital assets	76,010,893
Unrestricted	<u>11,411,735</u>
Total net position	<u>\$ 87,422,628</u>
<u>Statement of Revenue and Expenses</u>	
Operating revenue	\$ 9,492,937
Operating expenses	<u>8,987,620</u>
Operating income (loss)	505,317
Net nonoperating revenue and expenses	(238,473)
Capital contributions	<u>1,856,508</u>
Change in net position	<u>2,123,352</u>
Net position - beginning	<u>85,299,276</u>
Net position - ending	<u>\$ 87,422,628</u>

Since the City operates the Joint Sewer System, all cash balances are included in the City sponsored Cash Pool. The Joint Sewer System is an external participant in that pool. The Joint Sewer System's share of the pool is \$10,817,853 reported as an Investment Trust Fund in the City's reporting entity. See Note 3 for disclosure of all investing policies concerning the pool.

Operating expense includes \$3,094,357 of depreciation. Separately issued financial statements for the City of Grand Junction/Mesa County, Colorado, Joint Sewer System are available at the City of Grand Junction, 250 North Fifth Street, Grand Junction, Colorado 81501-2668.

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

LOAN PAYABLE

The Joint Sewer System entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance the elimination of combined storm and sanitary sewer lines and septic system elimination. The principal amount is \$13,490,000 at a net effective interest rate of 3.62%, payable February 1 and August 1 annually through 2024. The sewer system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the Joint Sewer System with disbursements occurring upon receipt of a requisition executed by the City/County. The unpaid principal at December 31, 2013 was \$5,130,000 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2014	\$ 385,000	\$ 214,438	\$ 599,438
2015	395,000	202,450	597,450
2016	410,000	185,818	595,818
2017	420,000	172,380	592,380
2018	435,000	159,048	594,048
2019-2023	2,480,000	532,439	3,012,439
2024	605,000	15,104	620,104
	<u>\$5,130,000</u>	<u>\$1,481,677</u>	<u>\$6,611,677</u>

BONDS PAYABLE

The Joint Sewer System issued \$5,200,000 of approved revenue bonds (Direct Pay Build America Bonds Series 2009) bearing interest at 3.99% payable June 1 and December 1 annually through December 2019 to extend, better, otherwise improve and equip its joint wastewater system. The unpaid principal at December 31, 2013 was \$3,445,000 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2014	\$460,000	\$142,714	\$602,714
2015	470,000	128,671	598,671
2016	480,000	112,441	592,441
2017	490,000	93,275	583,275
2018	505,000	71,750	576,750
2019	1,040,000	48,807	1,088,807
	<u>\$3,445,000</u>	<u>\$597,658</u>	<u>\$4,042,658</u>

Downtown Housing Effort

The Downtown Development Authority, a component unit of the City of Grand Junction, participates on a joint venture basis with the Housing Authority of the City of Grand Junction, Colorado, in the Downtown Housing Effort (DHE). The DHE was organized in 1983 to provide new and improved housing in the downtown Grand Junction, Colorado area. The Housing Authority has been given the responsibility for the day-to-day management of the DHE and collection of outstanding loans. Pursuant to the terms of the joint venture arrangement, the DHE was dissolved by the partners in December 2013. At that time, \$197,739 was paid to the Housing Authority and \$197,739 was paid to the Downtown Development Authority. Condensed financial statements of the Downtown Housing Effort at September 30, 2013, and for the year then ended are as follows:

Statement of Net Position

Assets:	
Cash	\$399,312
Loans receivable	<u>32,712</u>
Total assets	<u>\$432,024</u>
Liabilities and Net Position:	
Accounts payable	\$ 237
Reserved for interest and loans receivable	32,712
Unreserved, undesignated	<u>399,075</u>
Total liabilities and net position	<u>\$432,024</u>

Statement of Revenues, Expenditures, and Changes in Net Position

Interest and other income	\$ 1,057
Expenditures	<u>(237)</u>
Change in net position	<u>\$ 820</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.

B. RELATED ORGANIZATIONS

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

Grand Junction Housing Authority

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

Horizon Drive Business Improvement District

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

NOTE 13. CONTINGENCIES

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to employee health claims; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established the Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Internal Service Fund provides coverage for up to a maximum of \$500,000 per occurrence on each worker's compensation claim for police officers and firefighters and \$400,000 per occurrence on each worker's compensation claim for all other employees and up to \$150,000 for each general liability or property damage claim. The City purchases commercial insurance for claims in excess of coverage for worker's compensation and participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for claims in excess of coverage for general liability, crime, police professional liability, E & O and property. The city's share of surplus contributions held by CIRSA at December 31, 2013 was \$301,795. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

All funds of the City and the Joint Sewer System participate in the program and make payments to the Self-Insurance Internal Service Fund at amounts that approximate amounts which would have been paid to outside

insurance providers. The claims liability of \$2,217,985 in the Self-Insurance Internal Service Fund at December 31, 2013, includes estimated ultimate losses for claims made and claims incurred but not reported, where information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider these factors. Changes in the Self-Insurance Internal Service Fund's claims liability amount in 2012 and 2013 were:

	January 1 Claims Payable	Claims and Changes in Estimates	Claim Payments	December 31 Claims Payable
2012	\$1,990,936	\$ 1,227,060	\$(879,119)	\$2,338,877
2013	\$2,338,877	\$ 748,657	\$(869,549)	\$2,217,985

B. POLLUTION REMEDIATION

In 2012, the City purchased property located at 600 White Avenue. The existing structure on the property, a former church "White Hall", was rendered unusable by and because of a fire in November 2011. The building is old and contains asbestos materials and as a result of the fire the asbestos may now be located throughout the remains of the building. In 2013, the City completed phase one of the White Hall Asbestos Abatement and Demolition project and then traded the property to the Downtown Development Authority. The remaining pollution remediation liability of the Downtown Development Authority, including asbestos abatement and monitoring as of December 31, 2013 was \$156,876.

C. GRANTS

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

D. LITIGATION

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

NOTE 14. CONDUIT DEBT OBLIGATIONS

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

As of December 31, 2013, there was a series of industrial revenue bonds outstanding with an original aggregate principal amount payable of \$3,555,000 and a series of private activity economic development bonds with an original aggregate principal amount payable of \$3,200,000.

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

NOTE 15. SEIZED FUNDS

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

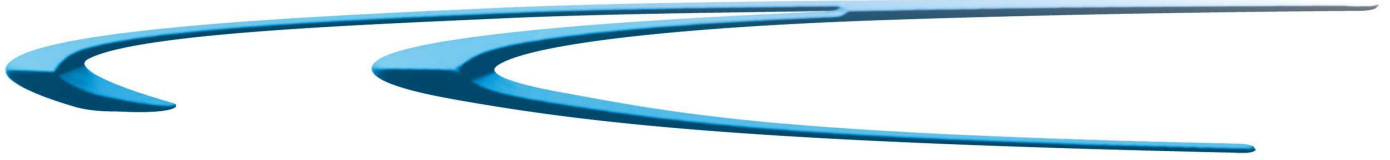
NOTE 16. TAX, SPENDING AND DEBT LIMITATIONS

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

Future spending and revenue limits are determined based on the prior year's "Fiscal Year Spending" adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. In April 2007, City of Grand Junction voters approved the retention by the City of all revenues exceeding the Fiscal Year Spending limit for 2006 and subsequent years until the Riverside Parkway bonded debt is paid in full, with all amounts retained to be used exclusively for payment of the debt. To that end, \$19,932,781 has been restricted for payment of the debt. In addition to these funds, City Council assigned \$7,163,046 of general fund balance to be used for the early retirement of the Riverside Parkway Bonds. In 2012, the City used \$19,000,000 of these available resources with proceeds from the 2012 General Fund Revenue Refunding Bonds to advance refund \$49,340,000 of the outstanding Riverside Parkway Revenue 2004 Series Bonds.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Emergency reserves as of December 31, 2013, totaling \$2,000,000 are presented as a reservation of fund balance in the General Fund. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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



**REQUIRED
SUPPLEMENTARY INFORMATION**



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Required Supplementary Information

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

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

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

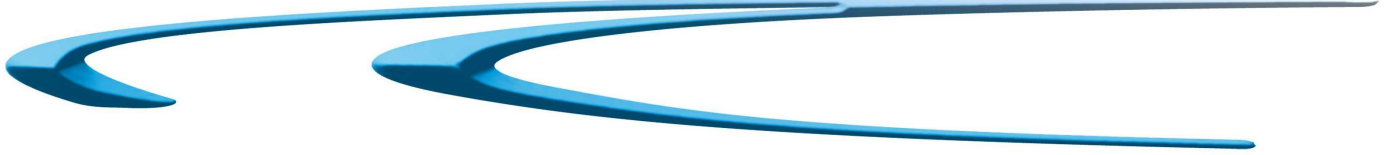
<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>Total Unfunded Actuarial Accrued Liability (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
2008	1/1/2008	13,001,110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

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

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



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NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

Capital Projects Funds

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

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

Capital Projects Funds (Continued)

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

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

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

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

Debt Service Funds

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

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

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

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

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

Permanent Funds

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

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



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City of Grand Junction
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2013

	Special Revenue					Total
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Conservation Trust	Community Development	
ASSETS						
Cash and investments	\$ 337,174	\$ 1,923,188	\$ 839,403	\$ 140,133	\$ -	\$ 3,239,898
Accounts receivable	592	321,753	-	-	-	322,345
Taxes receivable	128,637	-	-	-	-	128,637
Intergovernmental receivable	-	5,919	-	-	5,573	11,492
Prepays	9,189	-	-	-	-	9,189
Total assets	<u>\$ 475,592</u>	<u>\$ 2,250,860</u>	<u>\$ 839,403</u>	<u>\$ 140,133</u>	<u>\$ 5,573</u>	<u>\$ 3,711,561</u>
LIABILITIES						
Accounts payable	48,617	-	-	-	2,075	50,692
Accrued liabilities	21,621	-	-	-	-	21,621
Due to other funds	-	-	-	-	3,498	3,498
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>70,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,573</u>	<u>75,811</u>
FUND BALANCES						
Nonspendable:						
Inventories and prepaids	\$ 9,189	\$ -	\$ -	\$ -	\$ -	\$ 9,189
Permanent fund principal	-	-	-	-	-	-
Restricted for:						
Debt service	-	-	-	-	-	-
Parks and recreation	-	-	-	140,133	-	140,133
Public safety	-	2,250,860	-	-	-	2,250,860
Committed to:						
Open space	-	-	839,403	-	-	839,403
Street capacity expansion	-	-	-	-	-	-
Tourism and convention	396,165	-	-	-	-	396,165
Total fund balances	<u>405,354</u>	<u>2,250,860</u>	<u>839,403</u>	<u>140,133</u>	<u>-</u>	<u>3,635,750</u>
Total liabilities and fund balances	<u>\$ 475,592</u>	<u>\$ 2,250,860</u>	<u>\$ 839,403</u>	<u>\$ 140,133</u>	<u>\$ 5,573</u>	<u>\$ 3,711,561</u>

Debt Service			Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJ Public Finance	Total	Storm Drainage Development	Street Assessment Capital Projects	Total	Cemetery Perpetual Care	
\$ 14,271	\$ 749	\$ 15,020	\$ 30,216	\$ 646,204	\$ 676,420	\$ 1,326,518	\$ 5,257,856
-	-	-	-	61,627	61,627	2,584	386,556
837	-	837	-	-	-	-	129,474
-	-	-	-	-	-	-	11,492
-	-	-	-	-	-	-	9,189
<u>\$ 15,108</u>	<u>\$ 749</u>	<u>\$ 15,857</u>	<u>\$ 30,216</u>	<u>\$ 707,831</u>	<u>\$ 738,047</u>	<u>\$ 1,329,102</u>	<u>\$ 5,794,567</u>
-	-	-	30,216	409,237	439,453	-	490,145
-	-	-	-	-	-	-	21,621
-	-	-	-	-	-	-	3,498
-	-	-	-	61,627	61,627	-	61,627
<u>-</u>	<u>-</u>	<u>-</u>	<u>30,216</u>	<u>470,864</u>	<u>501,080</u>	<u>-</u>	<u>576,891</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,189
-	-	-	-	-	-	1,329,102	1,329,102
15,108	749	15,857	-	-	-	-	15,857
-	-	-	-	-	-	-	140,133
-	-	-	-	-	-	-	2,250,860
-	-	-	-	-	-	-	839,403
-	-	-	-	236,967	236,967	-	236,967
-	-	-	-	-	-	-	396,165
<u>15,108</u>	<u>749</u>	<u>15,857</u>	<u>-</u>	<u>236,967</u>	<u>236,967</u>	<u>1,329,102</u>	<u>5,217,676</u>
<u>\$ 15,108</u>	<u>\$ 749</u>	<u>\$ 15,857</u>	<u>\$ 30,216</u>	<u>\$ 707,831</u>	<u>\$ 738,047</u>	<u>\$ 1,329,102</u>	<u>\$ 5,794,567</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2013

Special Revenue						
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Conservation Trust	Community Development	Total
REVENUES						
Taxes	\$ 1,845,944	\$ -	\$ -	\$ -	\$ -	\$ 1,845,944
Intergovernmental	5,000	-	-	650,497	366,361	1,021,858
Charges for services	8,821	2,452,229	-	-	-	2,461,050
Miscellaneous	219	-	126,609	-	-	126,828
Investment income (loss)	(1,000)	(2,150)	(1,284)	(1,526)	-	(5,960)
Total revenues	<u>1,858,984</u>	<u>2,450,079</u>	<u>125,325</u>	<u>648,971</u>	<u>366,361</u>	<u>5,449,720</u>
EXPENDITURES						
Current:						
General government	1,786,401	-	-	-	-	1,786,401
Urban development and housing	-	-	-	-	257,665	257,665
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>1,786,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,665</u>	<u>2,044,066</u>
Excess (deficiency) of revenues over (under) expenditures	72,583	2,450,079	125,325	648,971	108,696	3,405,654
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(172,461)	(2,614,018)	(89,131)	(1,286,380)	(108,696)	(4,270,686)
Total other financing sources (uses)	<u>(172,461)</u>	<u>(2,614,018)</u>	<u>(89,131)</u>	<u>(1,286,380)</u>	<u>(108,696)</u>	<u>(4,270,686)</u>
Net change in fund balance	(99,878)	(163,939)	36,194	(637,409)	-	(865,032)
Fund balances - beginning	505,232	2,414,799	803,209	777,542	-	4,500,782
Fund balances - ending	<u>\$ 405,354</u>	<u>\$ 2,250,860</u>	<u>\$ 839,403</u>	<u>\$ 140,133</u>	<u>\$ -</u>	<u>\$ 3,635,750</u>

Debt Service			Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJ Public Finance	Total	Storm Drainage Development	Street Assessment Capital Projects	Facilities Capital Projects	Total	Cemetery Perpetual Care	
\$ 119,860	\$ -	\$ 119,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,965,804
-	-	-	-	-	-	-	-	1,021,858
-	-	-	-	2,149,915	-	2,149,915	27,356	4,638,321
-	300,000	300,000	22,598	-	-	22,598	-	449,426
(432)	762	330	-	-	-	-	(2,293)	(7,923)
<u>119,428</u>	<u>300,762</u>	<u>420,190</u>	<u>22,598</u>	<u>2,149,915</u>	<u>-</u>	<u>2,172,513</u>	<u>25,063</u>	<u>8,067,486</u>
2,225	1,500	3,725	-	-	-	-	-	1,790,126
-	-	-	-	-	-	-	-	257,665
210,000	210,000	420,000	-	-	-	-	-	420,000
12,810	322,650	335,460	-	-	-	-	-	335,460
-	-	-	137,999	4,714,592	80,738	4,933,329	-	4,933,329
<u>225,035</u>	<u>534,150</u>	<u>759,185</u>	<u>137,999</u>	<u>4,714,592</u>	<u>80,738</u>	<u>4,933,329</u>	<u>-</u>	<u>7,736,580</u>
(105,607)	(233,388)	(338,995)	(115,401)	(2,564,677)	(80,738)	(2,760,816)	25,063	330,906
-	233,228	233,228	115,401	1,877,545	-	1,992,946	-	2,226,174
-	-	-	-	-	(172,289)	(172,289)	(5,954)	(4,448,929)
-	233,228	233,228	115,401	1,877,545	(172,289)	1,820,657	(5,954)	(2,222,755)
(105,607)	(160)	(105,767)	-	(687,132)	(253,027)	(940,159)	19,109	(1,891,849)
120,715	909	121,624	-	924,099	253,027	1,177,126	1,309,993	7,109,525
<u>\$ 15,108</u>	<u>\$ 749</u>	<u>\$ 15,857</u>	<u>\$ -</u>	<u>\$ 236,967</u>	<u>\$ -</u>	<u>\$ 236,967</u>	<u>\$ 1,329,102</u>	<u>\$ 5,217,676</u>

City of Grand Junction, Colorado
VISITORS AND CONVENTION BUREAU SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,879,991	\$ 1,854,050	\$ 1,845,944	\$ (8,106)
Intergovernmental	-	-	5,000	5,000
Charges for services	17,000	8,000	8,821	821
Miscellaneous	-	-	219	219
Investment income (loss)	2,300	2,300	(1,000)	(3,300)
Total revenues	<u>1,899,291</u>	<u>1,864,350</u>	<u>1,858,984</u>	<u>(5,366)</u>
EXPENDITURES				
Current:				
General government:	<u>1,854,287</u>	<u>1,838,269</u>	<u>1,786,401</u>	<u>51,868</u>
Excess of revenues over expenditures	45,004	26,081	72,583	46,502
OTHER FINANCING USES				
Transfers out	<u>(109,482)</u>	<u>(136,813)</u>	<u>(172,461)</u>	<u>(35,648)</u>
Net change in fund balance	(64,478)	(110,732)	(99,878)	10,854
Fund balances - beginning	505,232	505,232	505,232	-
Fund balances - ending	<u>\$ 440,754</u>	<u>\$ 394,500</u>	<u>\$ 405,354</u>	<u>\$ 10,854</u>

City of Grand Junction, Colorado
ENHANCED 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Charges for services	\$ 2,470,000	\$ 2,452,229	\$ (17,771)
Investment income (loss)	19,600	(2,150)	(21,750)
Total revenues	<u>2,489,600</u>	<u>2,450,079</u>	<u>(39,521)</u>
EXPENDITURES			
	-	-	-
Excess of revenues over expenditures	2,489,600	2,450,079	(39,521)
OTHER FINANCING USES			
Transfers out	<u>(3,768,105)</u>	<u>(2,614,018)</u>	<u>1,154,087</u>
Net change in fund balance	(1,278,505)	(163,939)	1,114,566
Fund balances - beginning	2,414,799	2,414,799	-
Fund balances - ending	<u>\$ 1,136,294</u>	<u>\$ 2,250,860</u>	<u>\$ 1,114,566</u>

City of Grand Junction, Colorado
PARKLAND EXPANSION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 11,500	\$ 112,250	\$ 126,609	\$ 14,359
Investment income (loss)	3,800	3,800	(1,284)	(5,084)
Total revenues	<u>15,300</u>	<u>116,050</u>	<u>125,325</u>	<u>9,275</u>
EXPENDITURES				
	-	-	-	-
Excess of revenues over expenditures	15,300	116,050	125,325	9,275
OTHER FINANCING USES				
Transfers out	-	(305,000)	(89,131)	215,869
Net change in fund balance	15,300	(188,950)	36,194	225,144
Fund balances - beginning	803,209	803,209	803,209	-
Fund balances - ending	<u>\$ 818,509</u>	<u>\$ 614,259</u>	<u>\$ 839,403</u>	<u>\$ 225,144</u>

City of Grand Junction, Colorado
CONSERVATION TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 500,000	\$ 637,084	\$ 650,497	\$ 13,413
Investment income (loss)	1,500	1,500	(1,526)	(3,026)
Total revenues	<u>501,500</u>	<u>638,584</u>	<u>648,971</u>	<u>10,387</u>
EXPENDITURES				
	-	-	-	-
Excess of revenues over expenditures	501,500	638,584	648,971	10,387
OTHER FINANCING USES				
Transfers out	(1,223,155)	(1,286,681)	(1,286,380)	301
Net change in fund balance	(721,655)	(648,097)	(637,409)	10,688
Fund balances - beginning	777,542	777,542	777,542	-
Fund balances - ending	<u>\$ 55,887</u>	<u>\$ 129,445</u>	<u>\$ 140,133</u>	<u>\$ 10,688</u>

City of Grand Junction, Colorado
COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 406,350	\$ 366,361	\$ (39,989)
EXPENDITURES			
Current:			
Urban development and housing	309,152	257,665	51,487
Excess of revenues over expenditures	97,198	108,696	11,498
OTHER FINANCING USES			
Transfers out	(97,198)	(108,696)	(11,498)
Net change in fund balance	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -

City of Grand Junction, Colorado
RIDGES DEBT SERVICE FUND

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

For the year ended December 31, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Taxes	\$ 105,795	\$ 119,860	\$ 14,065
Investment income (loss)	600	(432)	(1,032)
Total revenues	<u>106,395</u>	<u>119,428</u>	<u>13,033</u>
EXPENDITURES			
Current:			
General government	4,300	2,225	2,075
Debt service:			
Principal retirement	210,000	210,000	-
Interest and fiscal charges	12,810	12,810	-
Total expenditures	<u>227,110</u>	<u>225,035</u>	<u>2,075</u>
 Deficiency of revenues under expenditures	 (120,715)	 (105,607)	 15,108
 Fund balances - beginning	 120,715	 120,715	 -
Fund balances - ending	<u>\$ -</u>	<u>\$ 15,108</u>	<u>\$ 15,108</u>

City of Grand Junction, Colorado
GRAND JUNCTION PUBLIC FINANCE CORPORATION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Miscellaneous	\$ 300,000	\$ 300,000	\$ -
Investment Income	-	762	762
Total revenues	<u>300,000</u>	<u>300,762</u>	<u>762</u>
EXPENDITURES			
Current:			
General government	1,505	1,500	5
Debt service:			
Principal retirement	210,000	210,000	-
Interest and fiscal charges	322,650	322,650	-
Total expenditures	<u>534,155</u>	<u>534,150</u>	<u>5</u>
Deficiency of revenues under expenditures	(234,155)	(233,388)	767
OTHER FINANCING SOURCES			
Transfers in	<u>234,155</u>	<u>233,228</u>	<u>(927)</u>
Net change in fund balance	-	(160)	(160)
Fund balances - beginning	909	909	-
Fund balances - ending	<u>\$ 909</u>	<u>\$ 749</u>	<u>\$ (160)</u>

City of Grand Junction, Colorado
GENERAL DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 658,496	\$ 710,069	\$ 51,573
Investment Income	-	202	202
Total revenues	<u>658,496</u>	<u>710,271</u>	<u>51,775</u>
EXPENDITURES			
Current:			
General government	2,805	2,805	-
Debt service:			
Principal retirement	4,960,000	4,960,000	-
Interest and fiscal charges	4,096,585	4,096,585	-
Total expenditures	<u>9,059,390</u>	<u>9,059,390</u>	<u>-</u>
Deficiency of revenues under expenditures	(8,400,894)	(8,349,119)	51,775
OTHER FINANCING SOURCES			
Transfers in	<u>8,400,894</u>	<u>8,349,102</u>	<u>(51,792)</u>
Net change in fund balance	-	(17)	(17)
Fund balances - beginning	122	122	-
Fund balances - ending	<u>\$ 122</u>	<u>\$ 105</u>	<u>\$ (17)</u>

City of Grand Junction, Colorado
PARKWAY DEBT RETIREMENT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final				
REVENUES						
Investment income	\$ 16,000	\$ 16,000	\$ 247	\$ 13,344	\$ 13,591	\$ (2,409)
EXPENDITURES	-	-	-	-	-	-
Excess of revenues over expenditures	16,000	16,000	247	13,344	13,591	(2,409)
OTHER FINANCING SOURCES						
Transfers in	2,358,424	2,350,111	2,350,111	-	2,350,111	-
Net change in fund balance	2,374,424	2,366,111	2,350,358	13,344	2,363,702	(2,409)
Fund balances - beginning	4,107,702	4,107,702	4,117,083	(9,381)	4,107,702	-
Fund balances - ending	\$ 6,482,126	\$ 6,473,813	\$ 6,467,441	\$ 3,963	\$ 6,471,404	\$ (2,409)

City of Grand Junction, Colorado
SALES TAX CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2013

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes	\$ 11,972,157	\$ 11,284,626	\$ 11,662,520	\$ (157,838)	\$ 11,504,682	\$ 220,056
Intergovernmental	608,174	947,037	895,935	-	895,935	(51,102)
Special assessments	25,000	14,000	14,708	-	14,708	708
Investment income	-	6,000	5,745	-	5,745	(255)
Charges for Service	-	30,000	45,277	-	45,277	15,277
Other contributions	-	6,200	4,540	-	4,540	(1,660)
Total revenues	<u>12,605,331</u>	<u>12,287,863</u>	<u>12,628,725</u>	<u>(157,838)</u>	<u>12,470,887</u>	<u>183,024</u>
EXPENDITURES						
Capital outlay:						
Construction	<u>7,015,317</u>	<u>7,632,688</u>	<u>6,290,846</u>	<u>-</u>	<u>6,290,846</u>	<u>1,341,842</u>
Excess of revenues over expenditures	5,590,014	4,655,175	6,337,879	(157,838)	6,180,041	1,524,866
OTHER FINANCING SOURCES (USES)						
Transfers in	2,265,911	2,941,770	1,330,374	-	1,330,374	(1,611,396)
Transfers out	(7,982,528)	(8,125,407)	(8,038,877)	-	(8,038,877)	86,530
Sale of Capital Assets	126,603	-	-	-	-	-
Total other financing sources (uses)	<u>(5,590,014)</u>	<u>(5,183,637)</u>	<u>(6,708,503)</u>	<u>-</u>	<u>(6,708,503)</u>	<u>(1,524,866)</u>
Net change in fund balance	-	(528,462)	(370,624)	(157,838)	(528,462)	-
Fund balances - beginning	528,462	528,462	448,952	79,510	528,462	-
Fund balances - ending	<u>\$ 528,462</u>	<u>\$ -</u>	<u>\$ 78,328</u>	<u>\$ (78,328)</u>	<u>\$ -</u>	<u>\$ -</u>

City of Grand Junction, Colorado
MAJOR CAPITAL PROJECTS IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,272,342	\$ 2,673,514	\$ 2,598,514	\$ (75,000)
Investment income	-	2,214	3,583	1,369
Other contributions	1,558,591	325,229	302,385	(22,844)
Total revenues	<u>2,830,933</u>	<u>3,000,957</u>	<u>2,904,482</u>	<u>(96,475)</u>
EXPENDITURES				
Capital outlay:				
Construction	<u>7,337,417</u>	<u>8,467,333</u>	<u>6,291,866</u>	<u>2,175,467</u>
Deficiency of revenues under expenditures	(4,506,484)	(5,466,376)	(3,387,384)	2,078,992
OTHER FINANCING SOURCES (USES)				
Transfers in	1,800,000	2,344,611	2,406,861	62,250
Transfers out	-	(31,047)	(42,597)	(11,550)
Total other financing sources (uses)	<u>1,800,000</u>	<u>2,313,564</u>	<u>2,364,264</u>	<u>50,700</u>
Net change in fund balance	(2,706,484)	(3,152,812)	(1,023,120)	2,129,692
Fund balances - beginning	3,240,562	3,240,562	3,240,562	-
Fund balances - ending	<u>\$ 534,078</u>	<u>\$ 87,750</u>	<u>\$ 2,217,442</u>	<u>\$ 2,129,692</u>

City of Grand Junction, Colorado
STORM DRAINAGE DEVELOPMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Development fees	\$ 10,000	\$ 13,000	\$ 22,598	\$ 9,598
EXPENDITURES				
Capital outlay:				
Construction	126,225	164,644	137,999	26,645
Deficiency of revenues under expenditures	(116,225)	(151,644)	(115,401)	36,243
OTHER FINANCING SOURCES				
Transfers in	116,225	151,644	115,401	(36,243)
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

City of Grand Junction, Colorado
STREET ASSESSMENT PROJECTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

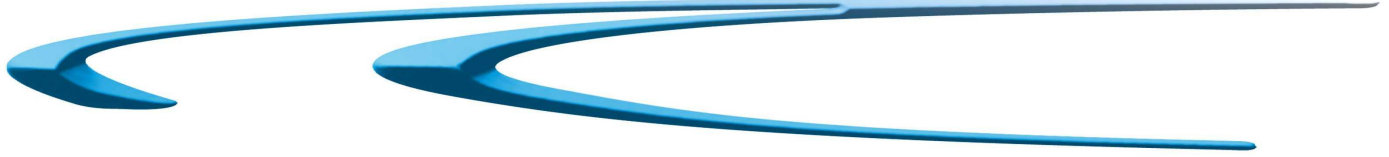
	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Development fees	\$ 600,000	\$ 2,070,234	\$ 2,149,915	\$ 79,681
EXPENDITURES				
Capital outlay:				
Construction	4,000,000	5,092,727	4,714,592	378,135
Deficiency of revenues under expenditures	(3,400,000)	(3,022,493)	(2,564,677)	457,816
OTHER FINANCING SOURCES				
Transfers In	2,762,215	2,098,394	1,877,545	(220,849)
Net change in fund balance	(637,785)	(924,099)	(687,132)	236,967
Fund balances - beginning	924,099	924,099	924,099	-
Fund balances - ending	\$ 286,314	\$ -	\$ 236,967	\$ 236,967

City of Grand Junction, Colorado
FACILITIES CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital outlay:				
Construction	108,200	80,768	80,738	30
Deficiency of revenues under expenditures	(108,200)	(80,768)	(80,738)	30
OTHER FINANCING USES				
Transfers out	(105,892)	(172,259)	(172,289)	(30)
Net change in fund balance	(214,092)	(253,027)	(253,027)	-
Fund balances - beginning	253,027	253,027	253,027	-
Fund balances - ending	\$ 38,935	\$ -	\$ -	\$ -

City of Grand Junction, Colorado
CEMETERY PERPETUAL CARE PERMANENT TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Perpetual care revenue	\$ 23,400	\$ 27,356	\$ 3,956
Investment income (loss)	6,500	(2,293)	(8,793)
Total revenues	<u>29,900</u>	<u>25,063</u>	<u>(4,837)</u>
EXPENDITURES			
	-	-	-
Excess revenues over expenditures	29,900	25,063	(4,837)
OTHER FINANCING USES			
Transfers out	(6,500)	(5,954)	546
Net change in fund balance	23,400	19,109	(4,291)
Fund balances - beginning	1,309,993	1,309,993	-
Fund balances - ending	<u>\$ 1,333,393</u>	<u>\$ 1,329,102</u>	<u>\$ (4,291)</u>



NON-MAJOR PROPRIETARY FUNDS

Enterprise Funds

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

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

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

Internal Service Funds

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

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

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

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

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

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

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
ASSETS			
Current assets:			
Cash and investments	\$ 509,493	\$ 94,991	\$ 604,484
Accounts receivable, net of allowance	395,135	27,547	422,682
Total current assets	<u>904,628</u>	<u>122,538</u>	<u>1,027,166</u>
Noncurrent assets:			
Capital assets:			
Buildings, improvements, plant and system	219,774	3,430,124	3,649,898
Equipment	1,255,139	5,297	1,260,436
Less accumulated depreciation	<u>(992,796)</u>	<u>(2,617,644)</u>	<u>(3,610,440)</u>
Total capital assets (net of accumulated depreciation)	<u>482,117</u>	<u>817,777</u>	<u>1,299,894</u>
Total noncurrent assets	<u>482,117</u>	<u>817,777</u>	<u>1,299,894</u>
Total assets	<u>1,386,745</u>	<u>940,315</u>	<u>2,327,060</u>
LIABILITIES			
Current liabilities:			
Accounts payable	87,946	4,586	92,532
Accrued liabilities	25,293	1,939	27,232
Compensated absences payable	6,419	584	7,003
Due to other funds	<u>82,663</u>	<u>-</u>	<u>82,663</u>
Total current liabilities	<u>202,321</u>	<u>7,109</u>	<u>209,430</u>
Noncurrent liabilities:			
Compensated absences payable	111,017	10,106	121,123
Advances from other funds - general fund	<u>760,251</u>	<u>-</u>	<u>760,251</u>
Total noncurrent liabilities	<u>871,268</u>	<u>10,106</u>	<u>881,374</u>
Total liabilities	<u>1,073,589</u>	<u>17,215</u>	<u>1,090,804</u>
NET POSITION			
Net investment in capital assets	482,117	817,777	1,299,894
Unrestricted	<u>(168,961)</u>	<u>105,323</u>	<u>(63,638)</u>
Total net position	<u>\$ 313,156</u>	<u>\$ 923,100</u>	<u>\$ 1,236,256</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the year ended December 31, 2013

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
Operating revenues:			
Charges for sales and services, net of allowances	\$ 3,337,992	\$ 229,676	\$ 3,567,668
Operating expenses:			
Personal services	1,068,935	90,542	1,159,477
Costs of sales and services	2,104,257	142,543	2,246,800
Depreciation and amortization	66,673	85,682	152,355
Total operating expenses	<u>3,239,865</u>	<u>318,767</u>	<u>3,558,632</u>
Operating income (loss)	<u>98,127</u>	<u>(89,091)</u>	<u>9,036</u>
Nonoperating revenues (expenses):			
Investment income (loss)	(984)	(186)	(1,170)
Total nonoperating revenues (expenses)	<u>(984)</u>	<u>(186)</u>	<u>(1,170)</u>
Income (loss) before contributions and transfers	<u>97,143</u>	<u>(89,277)</u>	<u>7,866</u>
Capital contributions - tap fees	-	1,300	1,300
Change in net position	<u>97,143</u>	<u>(87,977)</u>	<u>9,166</u>
Net position - beginning	216,013	1,011,077	1,227,090
Net position - ending	<u>\$ 313,156</u>	<u>\$ 923,100</u>	<u>\$ 1,236,256</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the year ended December 31, 2013

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
Cash flows from operating activities:			
Cash received from customers and users	\$ 3,333,467	\$ 236,449	\$ 3,569,916
Cash paid to interfund	(931,452)	(30,661)	(962,113)
Cash paid to suppliers	(1,169,016)	(108,822)	(1,277,838)
Cash paid to employees	(1,065,599)	(89,861)	(1,155,460)
Net cash provided (used) by operating activities	<u>167,400</u>	<u>7,105</u>	<u>174,505</u>
Cash flows from noncapital financing activities:			
Increase (decrease) in amount due other funds	2,174	-	2,174
Net cash provided (used) by noncapital financing activities	<u>2,174</u>	<u>-</u>	<u>2,174</u>
Cash flows from capital and related financing activities:			
Tap fees	-	1,300	1,300
Repayment of interfund capital loans	(82,663)	-	(82,663)
Purchase of capital assets	(115,726)	-	(115,726)
Net cash provided (used) in capital and related financing activities	<u>(198,389)</u>	<u>1,300</u>	<u>(197,089)</u>
Cash flows from investing activities:			
Investment income (loss) received	(984)	(186)	(1,170)
Net cash provided (used) by investing activities	<u>(984)</u>	<u>(186)</u>	<u>(1,170)</u>
Net increase (decrease) in cash and cash equivalents	(29,799)	8,219	(21,580)
Cash and cash equivalents, January 1	539,292	86,772	626,064
Cash and cash equivalents, December 31	<u>\$ 509,493</u>	<u>\$ 94,991</u>	<u>\$ 604,484</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 98,127	\$ (89,091)	\$ 9,036
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	66,673	85,682	152,355
(Increase) decrease in accounts receivable	(4,525)	6,773	2,248
Increase (decrease) in accounts payable	3,789	3,060	6,849
Increase (decrease) in accrued liabilities and compensated absences payable	3,336	681	4,017
Total adjustments	<u>69,273</u>	<u>96,196</u>	<u>165,469</u>
Net cash provided (used) by operating activities	<u>\$ 167,400</u>	<u>\$ 7,105</u>	<u>\$ 174,505</u>

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2013

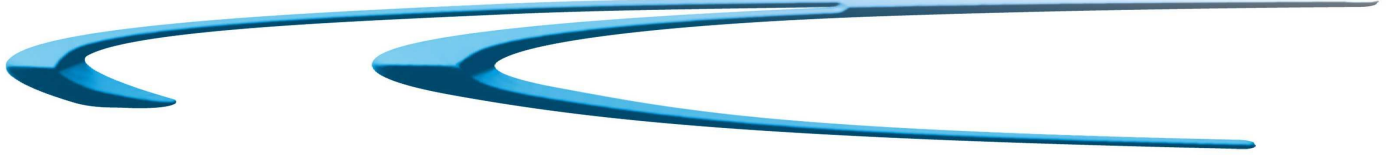
	Data Processing	Equipment	Self- Insurance	Communications Center	Total
ASSETS					
Current assets:					
Cash and investments	\$ 1,314,469	\$ 3,527,260	\$ 3,380,431	\$ 361,562	\$ 8,583,722
Accounts receivable, net of allowance	85	3,177	1,326,846	-	1,330,108
Intergovernmental receivable	-	30,079	-	96,591	126,670
Prepaid items	133,179	-	-	5,005	138,184
Total current assets	<u>1,447,733</u>	<u>3,560,516</u>	<u>4,707,277</u>	<u>463,158</u>	<u>10,178,684</u>
Noncurrent assets:					
Capital assets:					
Buildings and improvements	-	2,733,794	-	13,700	2,747,494
Equipment	5,008,599	20,704,692	-	8,315,309	34,028,600
Construction in progress	-	-	-	903,636	903,636
Less accumulated depreciation	<u>(2,246,285)</u>	<u>(14,437,859)</u>	<u>-</u>	<u>(3,099,010)</u>	<u>(19,783,154)</u>
Total capital assets (net of accumulated depreciation)	<u>2,762,314</u>	<u>9,000,627</u>	<u>-</u>	<u>6,133,635</u>	<u>17,896,576</u>
Total assets	<u>4,210,047</u>	<u>12,561,143</u>	<u>4,707,277</u>	<u>6,596,793</u>	<u>28,075,260</u>
LIABILITIES					
Current liabilities:					
Accounts payable	113,436	414,076	94,996	140,092	762,600
Accrued liabilities	49,676	19,424	5,495	86,045	160,640
Compensated absences payable	7,958	2,944	2,523	11,341	24,766
Claims payable	-	-	858,711	-	858,711
Total current liabilities	<u>171,070</u>	<u>436,444</u>	<u>961,725</u>	<u>237,478</u>	<u>1,806,717</u>
Noncurrent liabilities					
Compensated absences payable	137,626	50,922	43,638	196,145	428,331
Claims payable	-	-	1,359,274	-	1,359,274
Total noncurrent liabilities	<u>137,626</u>	<u>50,922</u>	<u>1,402,912</u>	<u>196,145</u>	<u>1,787,605</u>
Total liabilities	<u>308,696</u>	<u>487,366</u>	<u>2,364,637</u>	<u>433,623</u>	<u>3,594,322</u>
NET POSITION					
Net investment in capital assets	2,762,314	9,000,627	-	6,133,635	17,896,576
Restricted for:					
Public safety	111,842	-	-	-	111,842
Unrestricted	1,027,195	3,073,150	2,342,640	29,535	6,472,520
Total net position	<u>\$ 3,901,351</u>	<u>\$ 12,073,777</u>	<u>\$ 2,342,640</u>	<u>\$ 6,163,170</u>	<u>\$ 24,480,938</u>

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the year ended December 31, 2013

	<u>Data Processing</u>	<u>Equipment</u>	<u>Self- Insurance</u>	<u>Communications Center</u>	<u>Total</u>
Operating revenues:					
Charges for sales and services:	\$ 5,598,844	\$ 4,474,752	\$ 1,861,527	\$ 3,868,529	\$ 15,803,652
Miscellaneous	-	-	1,442,033	2,822	1,444,855
Total operating revenues	<u>5,598,844</u>	<u>4,474,752</u>	<u>3,303,560</u>	<u>3,871,351</u>	<u>17,248,507</u>
Operating expenses:					
Personal services	2,064,432	837,330	253,684	3,843,190	6,998,636
Costs of sales and services	2,841,903	1,963,388	1,876,192	1,537,975	8,219,458
Depreciation and amortization	665,822	1,207,040	-	1,033,759	2,906,621
Total operating expenses	<u>5,572,157</u>	<u>4,007,758</u>	<u>2,129,876</u>	<u>6,414,924</u>	<u>18,124,715</u>
Operating income (loss)	<u>26,687</u>	<u>466,994</u>	<u>1,173,684</u>	<u>(2,543,573)</u>	<u>(876,208)</u>
Nonoperating revenues (expenses):					
Intergovernmental	-	33,474	-	333,733	367,207
Investment income (loss)	(4,482)	(6,901)	(6,757)	(3,853)	(21,993)
Gain (loss) on disposition of property and equipment	-	85,861	-	(100)	85,761
Total nonoperating revenues (expenses)	<u>(4,482)</u>	<u>112,434</u>	<u>(6,757)</u>	<u>329,780</u>	<u>430,975</u>
Income (loss) before contributions and transfers					
	22,205	579,428	1,166,927	(2,213,793)	(445,233)
Contributed capital	22,560	-	-	-	22,560
Transfers in	-	-	-	2,114,018	2,114,018
Change in net position	44,765	579,428	1,166,927	(99,775)	1,691,345
Net position - beginning	3,856,586	11,494,349	1,175,713	6,262,945	22,789,593
Net position - ending	<u>\$ 3,901,351</u>	<u>\$ 12,073,777</u>	<u>\$ 2,342,640</u>	<u>\$ 6,163,170</u>	<u>\$ 24,480,938</u>

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2013

	Data Processing	Equipment	Self - Insurance	Communications Center	Total
Cash flows from operating activities:					
Cash received from interfund	\$ 5,521,563	\$ 4,253,697	\$ 1,861,527	\$ 2,227,029	\$ 13,863,816
Cash received from customers and users	83,932	207,285	-	1,631,518	1,922,735
Cash paid to interfund	(274,835)	(170,518)	(15,089)	(839,766)	(1,300,208)
Cash paid to suppliers	(2,708,145)	(1,802,605)	(2,036,395)	(674,494)	(7,221,639)
Cash paid to employees	(2,069,254)	(834,463)	(237,158)	(3,832,166)	(6,973,041)
Miscellaneous receipts	-	-	115,187	2,822	118,009
Net cash provided (used) by operating activities	<u>553,261</u>	<u>1,653,396</u>	<u>(311,928)</u>	<u>(1,485,057)</u>	<u>409,672</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	-	-	-	2,114,018	2,114,018
Intergovernmental receipts	-	33,474	-	5,877	39,351
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>33,474</u>	<u>-</u>	<u>2,119,895</u>	<u>2,153,369</u>
Cash flows from capital and related financing activities:					
Intergovernmental receipts	-	300,000	-	247,274	547,274
Proceeds from disposition of capital assets	-	59,870	-	-	59,870
Purchase of capital assets	(1,322,406)	(1,744,598)	-	(1,074,970)	(4,141,974)
Net cash used in capital and related financing activities	<u>(1,322,406)</u>	<u>(1,384,728)</u>	<u>-</u>	<u>(827,696)</u>	<u>(3,534,830)</u>
Cash flows from investing activities:					
Investment income (loss) received	(4,482)	(6,901)	(6,757)	(3,853)	(21,993)
Net cash provided (used) by investing activities	<u>(4,482)</u>	<u>(6,901)</u>	<u>(6,757)</u>	<u>(3,853)</u>	<u>(21,993)</u>
Net increase in cash and cash equivalents	(773,627)	295,241	(318,685)	(196,711)	(993,782)
Cash and cash equivalents, January 1	2,088,096	3,232,019	3,699,116	558,273	9,577,504
Cash and cash equivalents, December 31	<u>\$ 1,314,469</u>	<u>\$ 3,527,260</u>	<u>\$ 3,380,431</u>	<u>\$ 361,562</u>	<u>\$ 8,583,722</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 26,687	\$ 466,994	\$ 1,173,684	\$ (2,543,573)	\$ (876,208)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	665,822	1,207,040	-	1,033,759	2,906,621
(Increase) decrease in accounts receivable	6,651	(13,770)	(1,326,846)	(9,982)	(1,343,947)
(Increase) decrease in prepaid items	(90,158)	-	-	(4,775)	(94,933)
Increase (decrease) in accounts payable	(17,275)	284,817	(54,400)	69,936	283,078
Increase (decrease) in claims payable	-	-	(120,892)	-	(120,892)
Increase (decrease) in accrued wages and compensated absences payable	(4,822)	2,867	16,526	11,024	25,595
(Increase) decrease in accounts payable due to purchase of capital assets on account	(33,644)	(294,552)	-	(41,446)	(369,642)
Total adjustments	<u>526,574</u>	<u>1,186,402</u>	<u>(1,485,612)</u>	<u>1,058,516</u>	<u>1,285,880</u>
Net cash provided (used) by operating activities	<u>\$ 553,261</u>	<u>\$ 1,653,396</u>	<u>\$ (311,928)</u>	<u>\$ (1,485,057)</u>	<u>\$ 409,672</u>
Noncash Investing, Capital and Financing Activities					
Purchase of capital assets on account	\$ 39,971	\$ 294,552	\$ -	\$ 95,446	\$ 429,969
Capital contributions	22,560	-	-	-	22,560
Net book value of capital assets traded in on capital assets acquired	-	183,019	-	-	183,019
Trade in value of disposed assets	-	209,010	-	-	209,010
Intergovernmental receivable from capital financing activities	-	-	-	80,582	80,582



FIDUCIARY FUNDS

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

Private Purpose Trust Funds

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

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

Pension Trust Funds

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

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

Agency Funds

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

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

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

City of Grand Junction, Colorado
COMBINING STATEMENTS OF NET POSITION
PENSION TRUST FUNDS
December 31, 2013

	Police Old Hire	Fire Old Hire	Total
ASSETS			
Cash and investments	\$ 4,508,685	\$ 9,539,381	\$ 14,048,066
LIABILITIES	-	-	-
NET POSITION HELD IN TRUST FOR:			
Pension benefits	\$ 4,508,685	\$ 9,539,381	\$ 14,048,066

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

For the year ended December 31, 2013

	Police Old Hire	Fire Old Hire	Total
ADDITIONS			
Contributions:			
City	\$ -	\$ 276,015	\$ 276,015
State government	1,131,664	-	1,131,664
Total contributions	<u>1,131,664</u>	<u>276,015</u>	<u>1,407,679</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	513,237	1,205,673	1,718,910
Interest	79,075	176,871	255,946
Net investment income	<u>592,312</u>	<u>1,382,544</u>	<u>1,974,856</u>
Total additions	<u>1,723,976</u>	<u>1,658,559</u>	<u>3,382,535</u>
DEDUCTIONS			
Benefits	440,785	1,095,562	1,536,347
Administrative expense	40,869	84,505	125,374
Total deductions	<u>481,654</u>	<u>1,180,067</u>	<u>1,661,721</u>
Change in net position	1,242,322	478,492	1,720,814
Net position - beginning	<u>3,266,363</u>	<u>9,060,889</u>	<u>12,327,252</u>
Net position - ending	<u>\$ 4,508,685</u>	<u>\$ 9,539,381</u>	<u>\$ 14,048,066</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
December 31, 2013

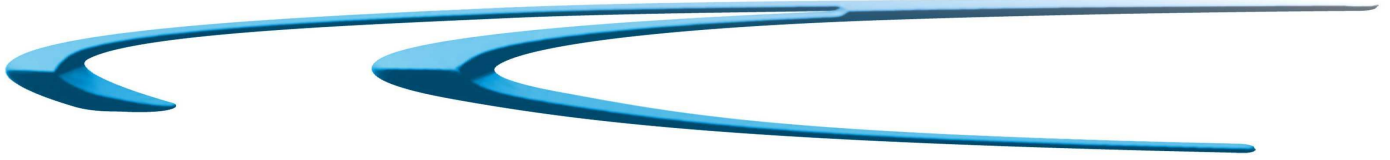
	Mesa County Valley School District 51 SLD Fee	General Trust	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 116,849	\$ 468	\$ 117,317
	<u> </u>	<u> </u>	<u> </u>
LIABILITIES	-	-	-
	<u> </u>	<u> </u>	<u> </u>
NET POSITION HELD IN TRUST FOR			
Individuals, organizations and others	\$ 116,849	\$ 468	\$ 117,317
	<u> </u>	<u> </u>	<u> </u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
For the year ended December 31, 2013

	Mesa County Valley School District 51 SLD Fee	General Trust	Total
ADDITIONS			
Additions by participants	\$ 159,980	\$ -	\$ 159,980
Investment income (loss)	(11)	-	(11)
Total additions	<u>159,969</u>	<u>-</u>	<u>159,969</u>
DEDUCTIONS			
Distributions to participants	99,663	-	99,663
Administrative expense	3,083	-	3,083
Total deductions	<u>102,746</u>	<u>-</u>	<u>102,746</u>
Change in net position	57,223	-	57,223
Net position - beginning	<u>59,626</u>	<u>468</u>	<u>60,094</u>
Net position - ending	<u>\$ 116,849</u>	<u>\$ 468</u>	<u>\$ 117,317</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the year ended December 31, 2013

	Balance Beginning	Additions	Deletions	Balance Ending
<u>PARK IMPROVEMENT ADVISORY BOARD</u>				
ASSETS				
Cash and investments	\$ <u>125,015</u>	\$ <u>120,965</u>	\$ <u>115,586</u>	\$ <u>130,394</u>
LIABILITIES				
Due to other governments	\$ <u>125,015</u>	\$ <u>120,965</u>	\$ <u>115,586</u>	\$ <u>130,394</u>
<u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ <u>456,063</u>	\$ <u>241,406</u>	\$ <u>226,372</u>	\$ <u>471,097</u>
LIABILITIES				
Due to other governments	\$ <u>456,063</u>	\$ <u>241,406</u>	\$ <u>226,372</u>	\$ <u>471,097</u>
<u>DOWNTOWN BUSINESS IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ <u>126,118</u>	\$ <u>290,857</u>	\$ <u>274,184</u>	\$ <u>142,791</u>
LIABILITIES				
Accounts payable	\$ 16,270	\$ 202,351	\$ 183,180	\$ 35,441
Due to other governments	109,848	88,506	91,004	107,350
Total liabilities	\$ <u>126,118</u>	\$ <u>290,857</u>	\$ <u>274,184</u>	\$ <u>142,791</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ <u>707,196</u>	\$ <u>653,228</u>	\$ <u>616,142</u>	\$ <u>744,282</u>
Total assets	\$ <u>707,196</u>	\$ <u>653,228</u>	\$ <u>616,142</u>	\$ <u>744,282</u>
LIABILITIES				
Accounts payable	\$ 16,270	\$ 202,351	\$ 183,180	\$ 35,441
Due to other governments	690,926	450,877	432,962	708,841
Total liabilities	\$ <u>707,196</u>	\$ <u>653,228</u>	\$ <u>616,142</u>	\$ <u>744,282</u>



DOWNTOWN DEVELOPMENT AUTHORITY

A Component Unit of the City of Grand Junction, Colorado

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

Special Revenue Funds

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

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

DDA Tax Increment Special Revenue Fund ~ to account for property tax revenues from the Downtown Tax Increment Financing District used principally to reduce debt incurred for downtown improvements. This fund's equity was transferred to the DDA TIF Debt Fund at the end of 2013.

Debt Service Funds

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

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

Capital Project Funds

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

DDA Capital Improvements Fund ~ to account for capital improvements within the boundaries of the Downtown Development Authority (DDA).

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	DDA Operations Special Revenue Fund	DDA TIF Debt Service Fund	Capital Improvements Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 556,973	\$ 918,560	\$ 410,687	\$ 1,886,220
Property taxes receivable	262,928	1,224,468	-	1,487,396
Accounts receivable	2,301	-	-	2,301
Prepaid items	14,449	-	-	14,449
Total assets	<u>836,651</u>	<u>2,143,028</u>	<u>410,687</u>	<u>3,390,366</u>
LIABILITIES				
Accounts payable	6,294	-	-	6,294
Accrued liabilities	3,012	-	249	3,261
Compensated absences payable	306	-	25	331
Total liabilities	<u>9,612</u>	<u>-</u>	<u>274</u>	<u>9,886</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	260,447	1,215,417	-	1,475,864
Total deferred inflows of resources	<u>260,447</u>	<u>1,215,417</u>	<u>-</u>	<u>1,475,864</u>
FUND BALANCES				
Nonspendable:				
Inventories and prepaids	14,449	-	-	14,449
Restricted for:				
Debt service	-	927,611	-	927,611
Legends historical sculptures project	83,990	-	-	83,990
Urban development and housing	468,153	-	410,413	878,566
Total fund balances	<u>566,592</u>	<u>927,611</u>	<u>410,413</u>	<u>1,904,616</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 836,651</u>	<u>\$ 2,143,028</u>	<u>\$ 410,687</u>	

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

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

4,596,009

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

Bonds Payable	\$ (6,530,000)	
Accrued Interest payable	(12,400)	
Pollution remediation	(156,876)	
Compensated absences	<u>(5,717)</u>	(6,704,993)

Net position -Component Unit - Downtown Development Authority. (page 31) \$ (204,368)

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2013

	DDA Tax Increment	DDA Operations Special Revenue Fund	DDA TIF Debt Service Fund	Capital Improvements Capital Project Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 1,278,428	\$ 298,011	\$ -	\$ -	\$ 1,576,439
Intergovernmental	459,085	-	-	-	459,085
Charges for services	-	7,524	-	-	7,524
Miscellaneous	-	78,442	-	197,739	276,181
Investment income (loss)	(1,852)	(1,109)	-	(6,834)	(9,795)
Total revenues	<u>1,735,661</u>	<u>382,868</u>	<u>-</u>	<u>190,905</u>	<u>2,309,434</u>
EXPENDITURES					
Current:					
Urban development and housing	22,738	426,789	-	-	449,527
Debt service:					
Principal retirement	-	-	595,000	-	595,000
Interest and fiscal charges	-	-	316,846	-	316,846
Capital outlay	-	-	-	2,848,305	2,848,305
Total expenditures	<u>22,738</u>	<u>426,789</u>	<u>911,846</u>	<u>2,848,305</u>	<u>4,209,678</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,712,923</u>	<u>(43,921)</u>	<u>(911,846)</u>	<u>(2,657,400)</u>	<u>(1,900,244)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	1,839,457	-	1,839,457
Transfers out	(1,839,457)	-	-	-	(1,839,457)
Sale of capital assets	-	1,083	-	-	1,083
Total other financing sources (uses)	<u>(1,839,457)</u>	<u>1,083</u>	<u>1,839,457</u>	<u>-</u>	<u>1,083</u>
Net change in fund balances	(126,534)	(42,838)	927,611	(2,657,400)	(1,899,161)
Fund balances - beginning	126,534	609,430	-	3,067,813	3,803,777
Fund balances - ending	<u>\$ -</u>	<u>\$ 566,592</u>	<u>\$ 927,611</u>	<u>\$ 410,413</u>	<u>\$ 1,904,616</u>

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

Net change in fund balances - total governmental funds (above) \$ (1,899,161)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$279,445 exceeded depreciation (\$262,818) in the current period. 16,627

The net effect of transactions involving the sale, trade, and disposal of capital assets. 176,594

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

Debt principal payments	\$	595,000	
Decrease in accrued interest		720	
Increase in pollution remediation		<u>(156,876)</u>	438,844

Expenditures for compensated absences and longevity are measured by the amount of financial resources used (essentially, the amounts actually paid to employees), whereas in the statement of activities, they are measured as the benefits are earned by employees during the year. 544

Change in net position of the Component Unit - Downtown Development Authority (page 33) \$ (1,266,552)

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
DDA TAX INCREMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes	\$ 1,255,634	\$ 1,263,494	\$ 1,278,428	\$ -	\$ 1,278,428	\$ 14,934
Intergovernmental	349,725	489,868	459,085	-	459,085	(30,783)
Investment income (loss)	7,000	7,000	(1,852)	-	(1,852)	(8,852)
Total revenues	<u>1,612,359</u>	<u>1,760,362</u>	<u>1,735,661</u>	<u>-</u>	<u>1,735,661</u>	<u>(24,701)</u>
EXPENDITURES						
Current:						
Urban development and housing	<u>25,115</u>	<u>25,115</u>	<u>22,738</u>	<u>-</u>	<u>22,738</u>	<u>2,377</u>
Excess of revenues over expenditures	1,587,244	1,735,247	1,712,923	-	1,712,923	(22,324)
OTHER FINANCING USES						
Transfers out	<u>(504,104)</u>	<u>(774,486)</u>	<u>(1,839,457)</u>	<u>1,062,594</u>	<u>(776,863)</u>	<u>(2,377)</u>
Net change in fund balance	1,083,140	960,761	(126,534)	1,062,594	936,060	(24,701)
Fund balances - beginning	<u>126,534</u>	<u>126,534</u>	<u>126,534</u>	<u>-</u>	<u>126,534</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,209,674</u>	<u>\$ 1,087,295</u>	<u>\$ -</u>	<u>\$ 1,062,594</u>	<u>\$ 1,062,594</u>	<u>\$ (24,701)</u>

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
DOWNTOWN DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	\$ 296,591	\$ 298,011	\$ 1,420
Charges for services	4,000	7,524	3,524
Miscellaneous	79,300	78,442	(858)
Investment income (loss)	3,000	(1,109)	(4,109)
Total revenues	<u>382,891</u>	<u>382,868</u>	<u>(23)</u>
EXPENDITURES			
Current:			
Urban development and housing	<u>641,337</u>	<u>426,789</u>	<u>214,548</u>
Deficiency of revenues under expenditures	(258,446)	(43,921)	214,525
OTHER FINANCING SOURCES			
Sale of capital assets	<u>-</u>	<u>1,083</u>	<u>1,083</u>
Net change in fund balance	(258,446)	(42,838)	215,608
Fund balances - beginning	609,430	609,430	-
Fund balances - ending	<u>\$ 350,984</u>	<u>\$ 566,592</u>	<u>\$ 215,608</u>

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
DDA TIF DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

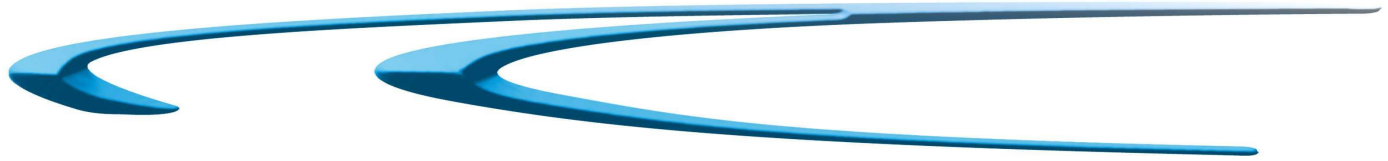
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Principal retirement	365,000	595,000	595,000	-
Interest and fiscal charges	276,464	316,846	316,846	-
Total expenditures	<u>641,464</u>	<u>911,846</u>	<u>911,846</u>	<u>-</u>
Deficiency of revenues under expenditures	(641,464)	(911,846)	(911,846)	-
OTHER FINANCING SOURCES				
Transfers in	<u>504,104</u>	<u>774,486</u>	<u>1,839,457</u>	<u>1,064,971</u>
Net change in fund balance	(137,360)	(137,360)	927,611	1,064,971
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ (137,360)</u>	<u>\$ (137,360)</u>	<u>\$ 927,611</u>	<u>\$ 1,064,971</u>

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
DDA CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ 198,000	\$ 197,739	\$ (261)
Investment income (loss)	-	-	(6,834)	(6,834)
Total revenues	<u>-</u>	<u>198,000</u>	<u>190,905</u>	<u>(7,095)</u>
EXPENDITURES				
Capital projects	<u>1,522,833</u>	<u>2,849,005</u>	<u>2,848,305</u>	<u>700</u>
Deficiency of revenues under expenditures	(1,522,833)	(2,651,005)	(2,657,400)	(6,395)
Fund balances - beginning	<u>3,067,813</u>	<u>3,067,813</u>	<u>3,067,813</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,544,980</u>	<u>\$ 416,808</u>	<u>\$ 410,413</u>	<u>\$ (6,395)</u>



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STATISTICAL SECTION

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

Contents	Pages
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the City’s financial condition has changed over time.	125-129
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the City’s largest revenue source, sales tax.	130-133
<u>Debt Capacity</u> These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	134-138
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	139-140
<u>Operating Information</u> These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	141-142



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TABLE 1

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net investment in capital assets	\$ 224,544,344	\$ 256,934,469	\$ 326,336,540	\$ 408,037,121	\$ 498,158,781	\$ 529,106,956	\$ 555,543,770	\$ 581,854,487	\$ 607,986,872	\$ 617,381,868
Restricted	5,325,181	5,598,639	7,504,598	4,548,128	15,726,010	18,544,790	21,495,852	30,951,878	13,618,901	14,511,996
Unrestricted	38,061,750	48,107,386	59,014,985	60,693,788	40,514,664	28,682,910	28,430,021	26,937,580	26,568,548	23,367,630
Total governmental activities net position	<u>\$ 267,931,275</u>	<u>\$ 310,640,494</u>	<u>\$ 392,856,123</u>	<u>\$ 473,279,037</u>	<u>\$ 554,399,455</u>	<u>\$ 576,334,656</u>	<u>\$ 605,469,643</u>	<u>\$ 639,743,945</u>	<u>\$ 648,174,321</u>	<u>\$ 655,261,494</u>
Business-type Activities										
Net investment in capital assets	\$ 34,071,610	\$ 33,697,216	\$ 36,518,897	\$ 39,673,423	\$ 44,539,563	\$ 46,087,527	\$ 47,807,739	\$ 45,541,828	\$ 45,880,136	\$ 45,720,564
Restricted	905,137	-	610,844	-	-	-	-	-	-	-
Unrestricted	3,350,735	5,286,462	4,114,096	4,176,474	(271,321)	(2,881,656)	(4,987,177)	(4,277,701)	(4,545,053)	(4,148,827)
Total business-type activities net position	<u>\$ 38,327,482</u>	<u>\$ 38,983,678</u>	<u>\$ 41,243,837</u>	<u>\$ 43,849,897</u>	<u>\$ 44,268,242</u>	<u>\$ 43,205,871</u>	<u>\$ 42,820,562</u>	<u>\$ 41,264,127</u>	<u>\$ 41,335,083</u>	<u>\$ 41,571,737</u>
Primary Government										
Net investment in capital assets	\$ 258,615,954	\$ 290,631,685	\$ 362,855,437	\$ 447,710,544	\$ 542,698,344	\$ 575,194,483	\$ 603,351,509	\$ 627,396,315	\$ 653,867,008	\$ 663,102,432
Restricted	6,230,318	5,598,639	8,115,442	4,548,128	15,726,010	18,544,790	21,495,852	30,951,878	13,618,901	14,511,996
Unrestricted	41,412,485	53,393,848	63,129,081	64,870,262	40,243,343	25,801,254	23,442,844	22,659,879	22,023,495	19,218,803
Total primary governmental net position	<u>\$ 306,258,757</u>	<u>\$ 349,624,172</u>	<u>\$ 434,099,960</u>	<u>\$ 517,128,934</u>	<u>\$ 598,667,697</u>	<u>\$ 619,540,527</u>	<u>\$ 648,290,205</u>	<u>\$ 681,008,072</u>	<u>\$ 689,509,404</u>	<u>\$ 696,833,231</u>
Component Unit:										
Net investment in capital assets	\$ 877,836	\$ 2,196,484	\$ 1,873,613	\$ 1,968,943	\$ 5,999,915	\$ 6,222,119	\$ 5,697,948	\$ 4,870,916	\$ 4,295,348	\$ 4,542,743
Restricted	850,062	1,340,387	1,325,219	834,551	3,334,219	2,810,117	1,462,300	1,278,049	955,845	1,890,167
Unrestricted	1,948,887	1,341,467	2,213,997	34,939	(5,713,208)	(5,147,792)	(5,468,141)	(6,144,689)	(4,189,009)	(6,637,278)
Total component unit net position	<u>\$ 3,676,785</u>	<u>\$ 4,878,338</u>	<u>\$ 5,412,829</u>	<u>\$ 2,838,433</u>	<u>\$ 3,620,926</u>	<u>\$ 3,884,444</u>	<u>\$ 1,692,107</u>	<u>\$ 4,276</u>	<u>\$ 1,062,184</u>	<u>\$ (204,368)</u>

Source: Current and prior years' financial statements

TABLE 2

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities:										
General Government	\$ 9,548,713	\$ 9,596,763	\$ 8,775,975	\$ 12,412,910	\$ 16,143,424	\$ 14,022,155	\$ 11,591,395	\$ 12,583,783	\$ 12,735,595	\$ 16,206,096
Public Safety	23,823,248	22,904,850	24,638,801	28,167,497	32,088,791	32,487,535	33,423,757	33,105,266	41,301,254	40,054,201
Public Works	10,223,079	15,386,497	19,400,979	15,521,625	19,680,247	21,353,413	20,728,384	6,512,483	19,980,846	20,093,321
Parks and Recreation	6,684,183	5,175,343	4,743,303	7,419,519	7,955,933	8,924,292	8,771,342	8,425,816	10,281,037	7,279,163
Urban Development and Housing	347,218	415,306	110,694	565,373	545,715	572,726	561,457	645,572	477,886	591,545
Interest of Long-Term Debt	3,015,337	2,544,479	2,474,655	3,233,840	3,332,614	3,188,419	3,645,322	5,443,771	4,713,532	3,952,399
Total Governmental Activities Expense	53,641,778	56,023,238	60,144,407	67,320,764	79,746,724	80,548,540	78,721,657	66,716,691	89,490,150	88,176,725
Business-Type Activities:										
Water	4,158,777	4,222,594	4,349,852	4,671,765	5,067,168	5,283,655	5,419,125	4,881,038	5,405,744	5,420,503
Convention Center	2,130,427	2,641,066	2,805,768	2,968,119	3,514,396	3,396,100	2,857,866	2,600,896	2,881,584	2,591,225
Solid Waste Removal	2,302,588	2,340,292	2,632,219	2,820,253	2,907,325	4,196,468	3,462,854	3,113,744	3,179,267	3,130,852
Swimming Pools	826,992	919,684	1,015,665	991,685	1,014,976	1,025,401	1,038,563	983,212	-	-
Golf	2,040,033	1,898,642	1,966,353	2,123,769	2,285,777	2,472,997	2,266,394	2,181,540	2,072,890	2,064,247
Parking	244,869	321,282	693,381	402,916	1,829,547	531,711	480,383	415,355	405,744	405,157
Irrigation Systems	279,556	273,642	298,439	289,528	318,708	300,130	306,572	298,694	302,106	315,178
Ambulance Transport	-	-	865,138	2,252,275	2,350,943	2,308,421	2,173,362	1,961,509	-	-
Total Business-Type Activities Expense	11,983,242	12,617,202	14,626,815	16,520,310	19,288,840	19,514,883	18,005,119	16,435,988	14,247,335	13,927,162
Total Primary Government Expenses	\$ 65,625,020	\$ 68,640,440	\$ 74,771,222	\$ 83,841,074	\$ 99,035,564	\$ 100,063,423	\$ 96,726,776	\$ 83,152,679	\$ 103,737,485	\$ 102,103,887
Total Component Unit Expenses	\$ 464,709	\$ 386,262	\$ 1,378,932	\$ 4,633,804	\$ 2,117,208	\$ 2,636,069	\$ 4,826,697	\$ 4,622,211	\$ 1,511,186	\$ 3,753,663
Program Revenues										
Governmental Activities:										
Charge for Service:										
General Government	\$ 2,072,365	\$ 2,201,868	\$ 2,350,160	\$ 5,451,358	\$ 2,929,275	\$ 2,639,601	\$ 3,274,890	\$ 3,224,426	\$ 3,002,193	\$ 2,725,767
Public Safety	4,270,121	4,636,026	4,503,743	4,774,346	5,895,984	6,406,830	7,104,163	8,071,588	10,741,763	10,718,690
Public Works	1,137,608	1,100,555	2,595,528	3,325,868	5,554,332	1,884,073	2,659,523	1,895,207	1,927,747	3,200,996
Parks and Recreation	1,187,450	1,294,737	1,070,852	3,199,673	2,286,100	1,423,145	1,461,584	1,456,400	2,069,864	2,051,380
Operating Grants and Contributions	492,464	718,425	565,044	1,182,795	1,548,954	1,661,118	2,184,680	3,608,414	3,204,209	3,950,533
Capital Grants and Contributions	20,628,819	34,104,271	66,735,306	56,633,477	63,431,598	23,963,787	26,800,939	12,816,892	9,936,906	7,190,063
Total Governmental Activities Program Revenues	29,788,827	44,055,882	77,820,633	74,567,517	81,646,243	37,978,554	43,485,779	31,072,927	30,882,682	29,837,429
Business-Type Activities:										
Water	4,397,730	4,476,728	4,670,635	4,987,126	5,293,379	5,527,333	5,231,378	4,913,952	5,271,849	5,303,609
Convention Center	1,603,083	2,114,443	2,437,970	2,544,726	2,840,966	2,657,327	2,322,730	2,279,695	2,385,684	1,998,488
Solid Waste Removal	2,260,492	2,427,094	2,500,954	2,841,130	3,051,483	2,976,883	3,251,274	3,324,152	3,311,362	3,337,992
Swimming Pools	394,625	628,073	691,810	697,770	680,496	760,756	590,332	532,456	-	-
Golf	1,648,009	1,802,903	1,956,584	2,106,921	2,221,204	2,147,161	1,901,601	1,949,258	1,980,120	1,748,166
Parking	355,546	326,381	338,286	343,471	504,766	540,054	412,578	487,517	491,203	454,184
Irrigation Systems	172,016	178,709	179,837	191,854	204,956	212,043	219,820	219,367	216,915	229,676
Ambulance Transport	-	-	1,107,880	2,313,432	2,461,174	2,315,001	2,027,458	2,117,997	-	-
Operating Grants and Contributions	159,346	-	-	-	-	-	595,361	148,215	85,190	79,894
Capital Grants and Contributions	110,044	237,705	654,170	1,998,637	523,422	406,834	496,259	211,850	221,151	339,734
Total Business-Type Activities Program Revenues	11,100,891	12,192,036	14,538,126	18,025,067	17,781,846	17,543,392	17,048,791	16,184,459	13,963,474	13,491,743
Total Primary Government Program Revenues	\$ 40,889,718	\$ 56,247,918	\$ 92,358,759	\$ 92,592,584	\$ 99,428,089	\$ 55,521,946	\$ 60,534,570	\$ 47,257,386	\$ 44,846,156	\$ 43,329,172
Total Component Unit Program Revenues	\$ 298,779	\$ 247,614	\$ 315,417	\$ 411,870	\$ 712,232	\$ 601,094	\$ 439,960	\$ 752,974	\$ 563,206	\$ 742,790

TABLE 2 (Continued)

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/ Revenue										
Governmental Activities	\$ (23,852,951)	\$ (11,967,356)	\$ 17,676,226	\$ 7,246,753	\$ 1,899,519	\$ (42,569,986)	\$ (35,235,878)	\$ (35,643,764)	\$ (58,607,468)	\$ (58,339,296)
Business-Type Activities	(882,351)	(425,166)	(88,689)	1,504,757	(1,506,994)	(1,971,491)	(956,328)	(251,529)	(283,861)	(435,419)
Total Primary Government Net Expense	\$ (24,735,302)	\$ (12,392,522)	\$ 17,587,537	\$ 8,751,510	\$ 392,525	\$ (44,541,477)	\$ (36,192,206)	\$ (35,895,293)	\$ (58,891,329)	\$ (58,774,715)
Total Component Unit Net Expense	\$ (165,930)	\$ (138,648)	\$ (1,063,515)	\$ (4,221,934)	\$ (1,404,976)	\$ (2,034,975)	\$ (4,386,737)	\$ (3,869,237)	\$ (947,980)	\$ (3,010,873)
Governmental Activities:										
Taxes										
Sales & Use Taxes	\$ 39,298,456	\$ 42,825,135	\$ 50,373,971	\$ 56,583,254	\$ 59,447,697	\$ 46,856,622	\$ 47,424,012	\$ 50,312,521	\$ 50,702,973	\$ 50,468,227
Property Taxes	4,619,651	4,722,839	5,618,112	5,926,469	8,440,775	8,701,650	10,146,009	10,608,818	8,976,292	8,837,970
Franchise Taxes	1,804,821	2,008,706	2,159,287	2,147,224	2,456,659	2,432,704	2,527,530	2,572,877	2,528,419	2,743,512
Highway Users Tax	1,537,963	1,519,215	1,763,231	1,732,774	1,718,004	1,940,291	2,262,898	2,261,503	2,186,732	2,167,518
Other Taxes	2,930,290	2,525,925	3,544,629	3,388,467	5,978,962	4,024,160	1,907,422	2,403,354	2,648,647	1,811,980
Investment Income (Loss)	2,000,765	1,961,415	3,093,381	4,185,692	2,789,072	1,299,123	635,807	435,929	329,469	77,084
Gain on Sale of Capital Assets	54,451	26,713	81,053	88,000	85,329	75,592	-	-	-	-
Transfers	(745,711)	(913,373)	(2,094,261)	(875,719)	(1,695,599)	(824,955)	(532,813)	1,323,064	(334,688)	(679,822)
Total Governmental Activities	\$ 51,500,686	\$ 54,676,575	\$ 64,539,403	\$ 73,176,161	\$ 79,220,899	\$ 64,505,187	\$ 64,370,865	\$ 69,918,066	\$ 67,037,844	\$ 65,426,469
Business-Type Activities:										
Investment Income (Loss)	142,378	167,989	254,587	225,584	229,740	84,165	38,206	18,158	20,129	(7,749)
Gain (Loss) on Sale of Capital Assets	(5,095)	-	-	-	-	-	-	-	-	-
Transfers	745,711	913,373	2,094,261	875,719	1,695,599	824,955	532,813	(1,323,064)	334,688	679,822
Total Business-Type Activities	\$ 882,994	\$ 1,081,362	\$ 2,348,848	\$ 1,101,303	\$ 1,925,339	\$ 909,120	\$ 571,019	\$ (1,304,906)	\$ 354,817	\$ 672,073
Total Primary Government Activities	\$ 52,383,680	\$ 55,757,937	\$ 66,888,251	\$ 74,277,464	\$ 81,146,238	\$ 65,414,307	\$ 64,941,884	\$ 68,613,160	\$ 67,392,661	\$ 66,098,542
Component Unit Activities:										
Property Taxes	1,167,670	1,327,496	1,445,856	1,498,752	2,081,840	2,179,436	2,192,121	2,203,253	1,984,461	1,576,439
Investment Income (Loss)	99,749	58,474	152,150	198,530	105,629	119,057	57,279	(21,847)	21,427	(9,795)
Gain (Loss) on Sale of Capital Assets	-	(45,769)	-	(49,744)	-	-	-	-	-	177,677
Total Component Unit Activities	\$ 1,267,419	\$ 1,340,201	\$ 1,598,006	\$ 1,647,538	\$ 2,187,469	\$ 2,298,493	\$ 2,249,400	\$ 2,181,406	\$ 2,005,888	\$ 1,744,321
Change In Net Position										
Governmental Activities	\$ 27,647,735	\$ 42,709,219	\$ 82,215,629	\$ 80,422,914	\$ 81,120,418	\$ 21,935,201	\$ 29,134,987	\$ 34,274,302	\$ 8,430,376	\$ 7,087,173
Business-Type Activities	643	656,196	2,260,159	2,606,060	418,345	(1,062,371)	(385,309)	(1,556,435)	70,956	236,654
Total Primary Government	\$ 27,648,378	\$ 43,365,415	\$ 84,475,788	\$ 83,028,974	\$ 81,538,763	\$ 20,872,830	\$ 28,749,678	\$ 32,717,867	\$ 8,501,332	\$ 7,323,827
Total Component Unit: Downtown Development Authority	\$ 1,101,489	\$ 1,201,553	\$ 534,491	\$ (2,574,396)	\$ 782,493	\$ 263,518	\$ (2,137,337)	\$ (1,687,831)	\$ 1,057,908	\$ (1,266,552)

Source: Current and prior year's financial statements

TABLE 3

City of Grand Junction, Colorado
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,329,598	\$ 7,498,417	\$ 7,474,266
Restricted	-	-	-	-	-	-	-	6,825,911	4,945,478	4,651,828
Assigned	-	-	-	-	-	-	-	1,802,875	7,362,016	2,258,043
Unassigned	-	-	-	-	-	-	-	13,193,886	10,535,731	10,198,700
Reserved	2,146,185	2,105,728	6,391,927	7,958,173	9,135,472	9,589,625	11,740,961	-	-	-
Unreserved	13,084,091	17,146,236	20,157,996	26,430,185	18,320,471	9,573,798	14,916,902	-	-	-
Total General Fund	15,230,276	19,251,964	26,549,923	34,388,358	27,455,943	19,163,423	26,657,863	30,152,270	30,341,642	24,582,837
All Other Governmental Funds										
Nonspendable, reported in:										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,605	\$ 9,276	\$ 9,189
Permanent Funds	-	-	-	-	-	-	-	1,289,972	1,309,993	1,329,102
Capital Projects Funds	-	-	-	-	-	-	-	20,157	91,149	-
Restricted, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	4,095,089	3,192,341	2,390,993
Debt Service Funds	-	-	-	-	-	-	-	19,245,569	4,238,829	6,483,403
Capital Projects Funds	-	-	-	-	-	-	-	23,437,299	3,598,365	78,328
Committed, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	1,353,572	1,299,165	1,235,568
Capital Projects Funds	-	-	-	-	-	-	-	571,214	924,099	236,967
Assigned, reported in:										
Capital Projects Funds	-	-	-	-	-	-	-	458,557	253,027	2,217,442
Reserved	54,425,376	37,456,559	6,659,252	1,517,413	10,916,914	14,581,790	18,168,718	-	-	-
Unreserved, reported in:										
Special Revenue Funds	3,447,242	4,362,767	5,640,048	4,716,567	5,378,544	4,569,216	4,086,536	-	-	-
Debt Service Funds	-	-	-	150	(3,420)	-	-	-	-	-
Capital Projects Funds	12,818,435	15,981,722	19,384,444	11,513,358	2,482,529	1,532,966	41,078,067	-	-	-
Total All Other Governmental Funds	70,691,053	57,801,048	31,683,744	17,747,488	18,774,567	20,683,972	63,333,321	50,485,034	14,916,244	13,980,992
Total Governmental Funds	\$ 85,921,329	\$ 77,053,012	\$ 58,233,667	\$ 52,135,846	\$ 46,230,510	\$ 39,847,395	\$ 89,991,184	\$ 80,637,304	\$ 45,257,886	\$ 38,563,829

Note: The City of Grand Junction implemented GASB 54 as of December 31, 2011

Source: Current and prior year's financial statements.

TABLE 4

City of Grand Junction, Colorado
CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 50,191,182	\$ 53,601,820	\$ 63,459,234	\$ 69,778,188	\$ 78,042,097	\$ 63,955,427	\$ 64,267,871	\$ 68,159,073	\$ 67,043,063	\$ 66,029,207
Licenses, Fees, and Permits	111,452	114,921	101,165	113,224	129,993	121,783	118,128	116,930	110,618	108,206
Intergovernmental	3,065,737	2,002,220	3,535,141	4,260,519	12,009,672	4,955,308	4,476,793	5,131,948	5,096,820	7,541,086
Charges for Services	5,884,254	6,077,290	11,513,267	8,633,619	8,997,208	8,311,362	9,923,697	9,940,383	12,462,603	13,956,659
Fines and Forfeitures	701,941	546,162	1,001,569	1,152,790	1,094,388	945,666	1,234,810	1,296,959	1,533,575	896,190
Special Assessments	148,289	65,949	75,103	146,610	24,493	92,198	49,372	32,868	15,814	14,708
Investment Earnings	1,547,469	1,622,584	2,982,954	3,270,125	1,968,465	984,031	553,700	423,863	289,435	96,784
Other Income	1,237,322	2,646,942	1,185,987	902,798	283,116	136,935	130,638	47,399	45,683	50,755
Other Contributions	192,283	49,232	70,874	1,063,174	873,869	196,833	176,607	456,452	1,273,521	779,898
Total Revenues	<u>63,079,929</u>	<u>66,727,120</u>	<u>83,925,294</u>	<u>89,321,047</u>	<u>103,423,301</u>	<u>79,699,543</u>	<u>80,931,616</u>	<u>85,605,875</u>	<u>87,871,132</u>	<u>89,473,493</u>
Expenditures										
General Government	\$ 8,716,681	\$ 9,207,102	\$ 10,404,115	\$ 12,336,103	\$ 15,596,506	\$ 13,793,482	\$ 10,301,970	\$ 10,692,566	\$ 10,922,302	\$ 11,576,206
Public Safety	19,977,861	20,490,870	22,930,060	25,791,977	29,657,426	29,092,018	27,193,471	28,691,061	33,791,689	35,406,743
Public Works	8,049,960	8,185,303	8,865,640	9,562,091	10,779,300	9,954,111	9,686,215	10,035,622	9,752,185	10,014,670
Parks and Recreation	5,378,915	5,302,211	5,795,820	6,432,863	7,273,190	7,347,609	7,067,698	7,083,898	8,421,297	8,456,460
Urban Development and Housing	347,218	593,786	249,847	565,373	545,715	572,726	561,457	645,572	477,886	591,545
Debt Service										
Advance Refunding Escrow	-	-	-	-	-	-	-	-	17,812,681	-
Principal Retirement	869,787	1,914,672	2,216,032	2,584,661	3,907,232	3,883,479	4,073,479	4,275,000	5,130,000	5,380,000
Interest and Fiscal Charges	1,538,367	2,829,739	2,757,618	3,254,707	3,693,947	3,508,632	3,317,358	5,858,657	5,268,794	4,432,045
Bond Issuance Costs	723,626	-	-	163,569	-	-	364,048	-	146,923	-
Capital Outlay: Construction	19,983,688	25,615,550	46,927,452	55,168,305	36,484,253	16,879,724	9,916,907	26,126,955	28,376,550	17,516,041
Total Expenditures	<u>65,586,103</u>	<u>74,139,233</u>	<u>100,146,584</u>	<u>115,859,649</u>	<u>107,937,569</u>	<u>85,031,781</u>	<u>72,482,603</u>	<u>93,409,331</u>	<u>120,100,307</u>	<u>93,373,710</u>
Other Financing Sources (Uses)										
Transfers In	8,278,967	7,907,490	13,272,934	25,222,052	41,941,154	24,695,090	15,000,174	13,823,542	13,491,409	16,759,243
Transfers Out	(7,949,841)	(9,651,371)	(16,525,848)	(28,794,574)	(43,974,059)	(25,745,967)	(15,652,330)	(15,453,966)	(16,792,117)	(19,553,083)
Bonds Issued	57,075,000	-	654,860	22,925,000	-	-	-	-	30,645,000	-
Bond Premium	3,652,683	-	-	997,936	-	-	-	-	5,512,594	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	(36,007,129)	-
Certificates of Participation Issued	-	-	-	-	-	-	42,670,000	-	-	-
Discount on Certificates of Participation	-	-	-	-	-	-	(422,392)	-	-	-
Sale of Capital Assets	-	-	-	90,367	641,837	-	99,324	80,000	-	-
Total Other Financing Sources(Uses)	<u>61,056,809</u>	<u>(1,743,881)</u>	<u>(2,598,054)</u>	<u>20,440,781</u>	<u>(1,391,068)</u>	<u>(1,050,877)</u>	<u>41,694,776</u>	<u>(1,550,424)</u>	<u>(3,150,243)</u>	<u>(2,793,840)</u>
Net Change In Fund Balances	<u>\$ 58,550,635</u>	<u>\$ (9,155,994)</u>	<u>\$ (18,819,344)</u>	<u>\$ (6,097,821)</u>	<u>\$ (5,905,336)</u>	<u>\$ (6,383,115)</u>	<u>\$ 50,143,789</u>	<u>\$ (9,353,880)</u>	<u>\$ (35,379,418)</u>	<u>\$ (6,694,057)</u>
Debt Service as a Percentage of Noncapital Expenditures	5.3%	9.8%	9.3%	9.7%	10.8%	10.9%	11.9%	18.7%	11.3%	12.9%

Source: Current and prior year's financial statements.

TABLE 5

City of Grand Junction, Colorado
SALES TAX REVENUE BY TYPE OF INDUSTRY ¹
 Last Ten Fiscal Years

Fiscal Year	Auto & Campers	Building Materials	Clothing/ Department Stores	Drug Stores	Furniture & Appliances	Grocery Stores	Liquor Stores	Motels & Hotels	Other	Restaurants	Service Stations	Total Sales Tax	Total Direct Tax Rate
2004	4,281,235	3,813,959	7,109,518	139,758	398,699	606,240	580,068	811,876	11,230,952	3,274,269	247,399	32,493,973	2.75%
2005	4,588,778	4,075,360	7,531,171	147,299	481,625	599,540	627,954	940,652	12,097,267	3,526,455	294,708	34,910,809	2.75%
2006	5,671,555	4,847,206	8,340,443	193,003	533,528	636,540	699,893	1,083,818	14,843,131	3,817,821	340,162	41,007,100	2.75%
2007	6,330,907	5,850,932	8,976,739	259,764	566,242	694,839	790,822	1,335,710	16,074,066	4,242,729	366,202	45,488,952	2.75%
2008	6,413,694	5,867,638	8,876,297	258,197	497,265	737,283	885,924	1,502,984	17,004,461	4,548,239	434,299	47,026,281	2.75%
2009	4,864,852	4,073,914	7,879,172	211,381	358,332	728,805	919,756	1,169,215	13,363,210	4,287,052	377,156	38,232,845	2.75%
2010	5,231,731	3,631,602	7,861,591	177,262	326,914	733,309	919,192	1,123,008	14,303,709	4,173,373	328,080	38,809,771	2.75%
2011	5,208,289	3,814,687	8,158,366	185,270	421,465	834,335	952,648	1,171,954	14,422,094	4,334,807	386,957	39,890,872	2.75%
2012	5,381,939	3,645,309	8,129,361	167,731	566,656	890,774	996,043	1,217,866	14,352,409	4,572,975	380,283	40,301,346	2.75%
2013	5,465,000	3,878,061	8,082,849	180,998	525,740	1,079,819	1,036,588	1,202,160	14,186,887	4,684,851	406,159	40,729,112	2.75%

¹ Excludes use tax and the city's share of county sales tax. Refer to Table 8 for total sales and use tax collections.

Source: City Financial Operations Department: Sales Tax Reports

2013 Sales Tax Revenue by Type of Industry

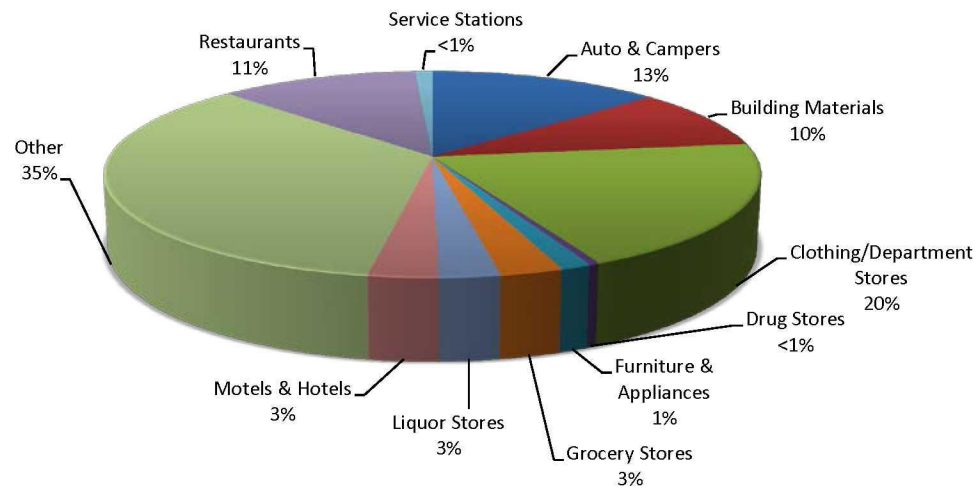


TABLE 6

City of Grand Junction, Colorado
DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Fiscal Years

Fiscal Year	City Direct Rate		Overlapping Rates		Total Overlapping Sales Tax Rate
	City of Grand Junction	Total Direct Sales Tax Rate	Mesa County	State of Colorado	
2004	2.75%	2.75%	2.00%	2.90%	7.65%
2005	2.75%	2.75%	2.00%	2.90%	7.65%
2006	2.75%	2.75%	2.00%	2.90%	7.65%
2007	2.75%	2.75%	2.00%	2.90%	7.65%
2008	2.75%	2.75%	2.00%	2.90%	7.65%
2009	2.75%	2.75%	2.00%	2.90%	7.65%
2010	2.75%	2.75%	2.00%	2.90%	7.65%
2011	2.75%	2.75%	2.00%	2.90%	7.65%
2012	2.75%	2.75%	2.00%	2.90%	7.65%
2013	2.75%	2.75%	2.00%	2.90%	7.65%

Notes: The City's sales tax rate may be increased only by a majority vote of the City's residents.

Source: City Financial Operations Department: Sales Tax Reports

TABLE 7

City of Grand Junction, Colorado
PRINCIPAL SALES TAX PAYERS
 Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Aggregate Top Ten Filers ^{1,2}	\$ 8,587,499	\$ 9,200,730	\$ 10,330,320	\$ 10,843,864	\$ 11,216,552	\$ 9,889,256	\$ 9,964,913	\$ 9,809,972	\$ 9,742,148	\$ 9,811,983
Aggregate All Other Filers ²	23,906,474	25,710,079	30,676,780	34,645,088	35,809,729	28,343,589	28,844,858	30,080,900	30,559,198	30,917,129
Total Sales Tax	\$ 32,493,973	\$ 34,910,809	\$ 41,007,100	\$ 45,488,952	\$ 47,026,281	\$ 38,232,845	\$ 38,809,771	\$ 39,890,872	\$ 40,301,346	\$ 40,729,112
Top Ten Filers as a Percentage of Total Sales Tax	26.43%	26.35%	25.19%	23.84%	23.85%	25.87%	25.68%	24.59%	24.17%	24.09%

¹ Colorado State Statutes and the City of Grand Junction Ordinances prohibit disclosure of individual sales tax returns, therefore the current year top ten filers are listed in alphabetical order as follows: Best Buy, Cabela's, Home Depot, Lowes, Mesa County Colorado, Sams Club, Target Stores, Walmart-North Avenue, Walmart-Rimrock and Xcel Energy.

² Excludes use tax and the city's share of county sales tax. Refer to Table 8 for total sales and use tax collections.

Source: City Financial Operations Department: Sales Tax Reports

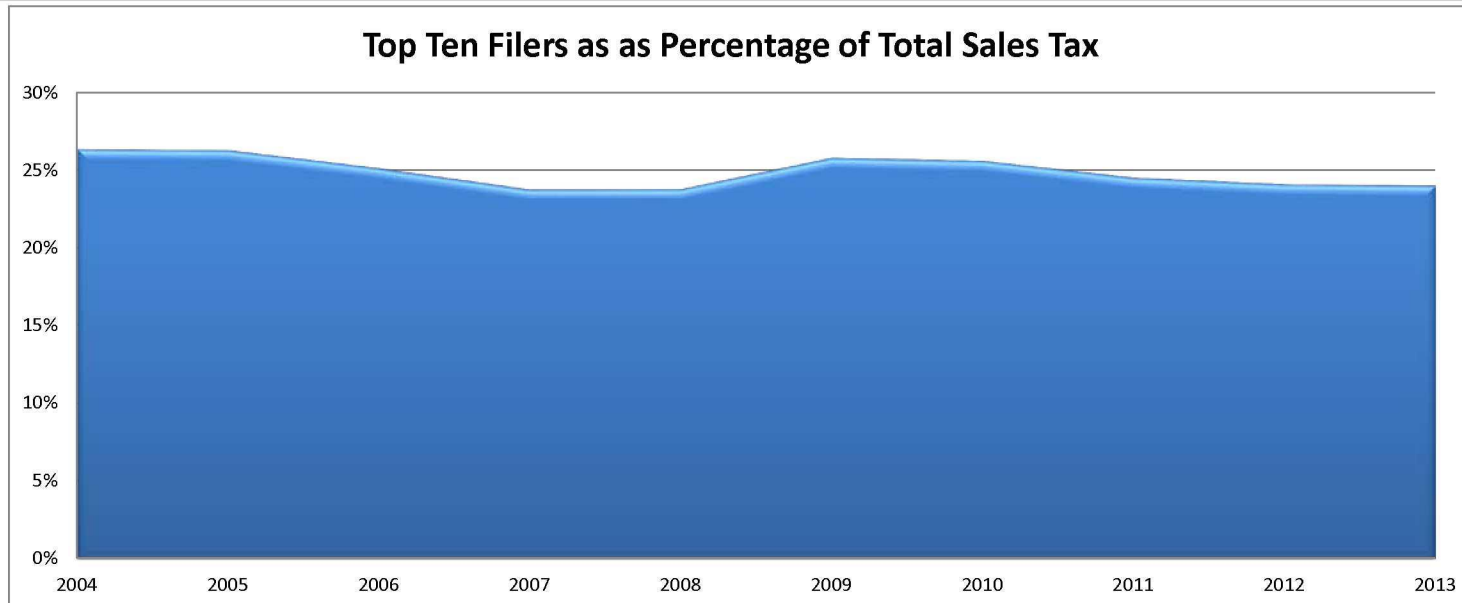


TABLE 8

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

Fiscal Year	City Sales Tax	City Use Tax	City Share of County Sales Tax	Lodging Tax	Total
2004	32,493,973	1,183,845	4,830,477	790,161	39,298,456
2005	34,910,809	1,599,762	5,386,015	928,549	42,825,135
2006	41,007,100	2,165,095	6,120,684	1,081,096	50,373,975
2007	45,488,952	2,690,355	7,080,141	1,323,806	56,583,254
2008	47,026,281	3,696,770	7,216,665	1,507,981	59,447,697
2009	38,232,845	1,711,356	5,721,514	1,190,907	46,856,622
2010	38,809,771	2,110,934	5,354,386	1,148,921	47,424,012
2011	39,890,872	3,560,160	5,727,861	1,133,628	50,312,521
2012	40,301,346	3,230,026	5,959,563	1,212,038	50,702,973
2013	40,729,112	2,636,987	5,896,129	1,205,999	50,468,227

Source: City Financial Operations Department: Sales Tax Reports

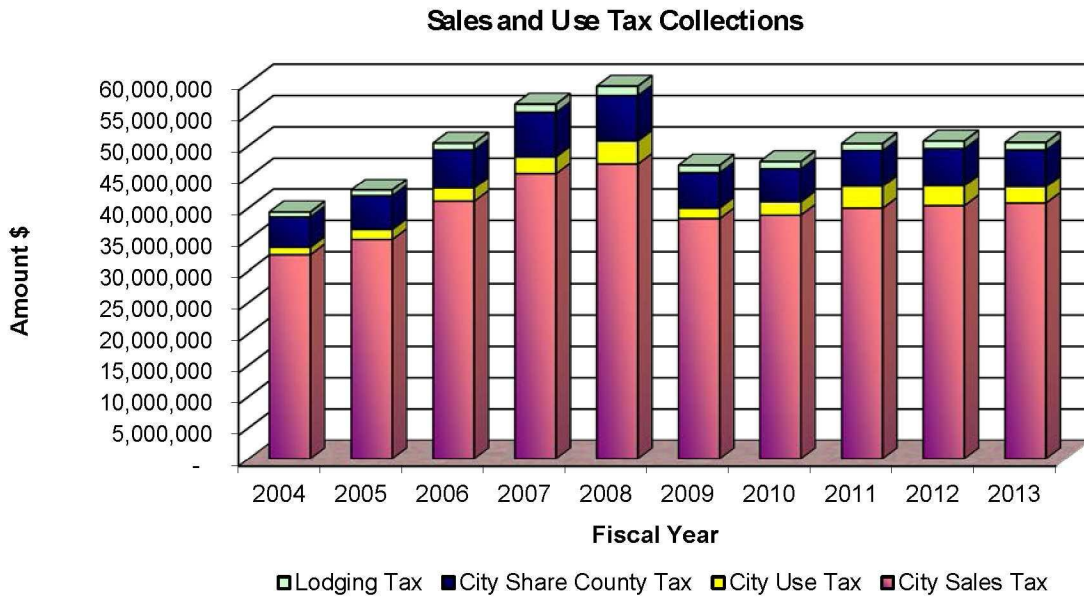


TABLE 9

City of Grand Junction, Colorado
RATIO OF OUTSTANDING DEBT BY TYPE
TO PERSONAL INCOME AND OUTSTANDING DEBT PER CAPITA¹
 Last Ten Fiscal Years

Fiscal Year	Popu- lation ^A	Personal Income In Thousands ^C	Governmental Activities				Business-Type Activities		Total Primary Government	Ratio of Outstanding Debt to Personal Income	Outstanding Debt Per Capita
			General Obligation Bonds ¹	Revenue Bonds	Promissory Notes	Capital Leases	Promissory Notes	Loan Payable			
2004	48,325	1,318,403	1,927,348	60,604,780	133,134	1,283,063	107,346	3,347,672	67,403,343	4.97%	1,355
2005	49,420	1,425,965	1,668,791	59,359,891	104,448	655,636	98,812	3,200,316	65,087,894	4.45%	1,283
2006	51,569	1,656,035	1,389,950	57,867,070	72,893	-	89,850	3,052,921	62,472,684	3.69%	1,184
2007	53,662	1,874,682	1,090,000	79,664,693	38,181	-	80,441	2,900,164	83,773,479	4.41%	1,541
2008	55,189	2,060,868	935,000	75,815,801	-	-	70,561	2,747,362	79,568,724	3.82%	1,425
2009	56,446	1,963,813	770,000	71,838,039	-	-	-	2,589,193	75,197,232	3.79%	1,319
2010	58,566	2,084,423	595,000	67,723,497	-	42,286,843	-	6,201,050	116,806,390	5.58%	1,984
2011	58,702	2,038,310	410,000	63,459,413	-	42,097,628	-	5,864,020	111,831,061	5.47%	1,898
2012	60,170	^B 2,169,008	^D 210,000	43,920,951	-	41,266,270	-	5,534,201	90,931,422	4.18%	1,508
2013	60,317	^B 2,193,669	^D -	38,850,946	-	40,426,335	-	5,198,101	84,475,382	3.85%	1,401

¹ The general obligation bonds consist of the Ridges Metropolitan District debt and the Grand Junction West Water and Sanatation District debt which are excluded from our ratio of outstanding debt to personal income calculation and our debt per capita calculation because they are to be paid with special property tax levys on property within these Districts only.

Source: Current and prior year's financial statements

^A Colorado DOLA Demography Section - All other City Financial Operations Department

^B Estimate, Colorado Department of Local Affairs, State Demography Office

^C Bureau of Economic Analysis

^D Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 10

City of Grand Junction, Colorado
**RATIO OF NET GENERAL BONDED DEBT
 TO PERSONAL INCOME AND NET BONDED DEBT PER CAPITA¹**
 Last Ten Fiscal Years

Fiscal Year	Popu- lation ^A	Personal Income in Thousands ^C	Revenue Bonded Debt	Debt Service Monies Avail- able	Debt Payable From Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Personal Income	Bonded Debt Per Capita
2004	48,325	1,318,403	60,604,780	52,948,731	-	7,656,049	0.58%	158
2005	49,420	1,425,965	59,359,891	36,917,477	-	22,442,414	1.57%	454
2006	51,569	1,656,035	57,867,070	6,240,215	-	51,626,855	3.12%	1,001
2007	53,662	1,874,682	79,664,693	3,568,205	-	76,096,488	4.06%	1,418
2008	55,189	2,060,868	75,815,801	9,374,254	-	66,441,547	3.22%	1,204
2009	56,446	1,963,813	71,838,039	12,186,977	-	59,651,062	3.04%	1,057
2010	58,566	2,084,423	67,723,497	15,100,529	-	52,622,968	2.52%	899
2011	58,702	2,038,310	63,459,413	19,079,054	-	44,380,359	2.18%	756
2012	60,170 ^B	2,169,008 ^D	43,920,951	4,117,083	-	39,803,868	1.84%	662
2013	60,317 ^B	2,193,669 ^D	38,850,946	6,467,441	-	32,383,505	1.48%	537

Notes: Details regarding the city's outstanding debt can be found in note 7 of the financial statements.

The general obligation bonds consist of Ridges Metropolitan District debt and the Grand Junction West Water and Sanitation District debt which are excluded because they are to be paid with special property tax levys on property within these Districts only.

Source:

- ^A Colorado DOLA Demography Section - All other City Financial Operations Department
- ^B Estimate, Colorado Department of Local Affairs, State Demography Office
- ^C Bureau of Economic Analysis
- ^D Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 11

City of Grand Junction, Colorado
COMPUTATION OF LEGAL DEBT MARGIN
December 31, 2013

Estimated actual value as determined by Assessor ^A	\$ <u>5,942,255,090</u>
Debt limit - 3% of actual value	\$ 178,267,653
Legal debt margin	\$ <u>178,267,653</u>

Source:

^A Mesa County Assessor

^B City Financial Operations Department

TABLE 12

City of Grand Junction, Colorado
COMPUTATION OF DIRECT AND OVERLAPPING DEBT ¹
 December 31, 2013

<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	\$ 75,185,000	100.00%	\$ 75,185,000
Overlapping:			
Mesa County Valley School District No. 51 ^B	95,280,000	52.20%	49,733,537
Mesa County ^C	17,285,000	52.20%	9,022,294
			<u>58,755,831</u>
Total			<u>\$ 133,940,831</u>

Notes:

¹ Computation of overlapping debt includes only the three major governmental units and excludes several special districts that partially overlap the City. For the purposes of GASB Statement 44, certificates of participation are included in the overlapping debt calculation. However, certificates of participation do not constitute a general obligation or other indebtedness or multiple fiscal year financial obligations within the meaning of any constitutional or statutory debt limitation.

Source:

- ^A City Financial Operations Department
- ^B Mesa County Valley School District No. 51 Finance Department
- ^C Mesa County Financial Services Department

TABLE 13

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	
2004	4,507,115	3,369,394	1,137,721	-	-	-	-
2005	4,616,835	3,444,021	1,172,814	-	-	-	-
2006	5,003,881	3,506,330	1,497,551	-	-	-	-
2007	5,319,132	3,794,036	1,525,096	-	-	-	-
2008	5,950,066	4,129,193	1,820,873	-	-	-	-
2009	5,977,671	4,299,638	1,678,033	-	-	-	-
2010	5,771,565	4,283,596	1,487,969	-	-	-	-
2011	5,241,766	3,860,748	1,381,018	-	-	-	-
2012	5,578,993	4,196,685	1,382,308	-	-	-	-
2013	5,452,497	4,305,490	1,147,007	-	-	-	-

Source: City Financial Operations Department

TABLE 14

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

Fiscal Year	City ^A Population	County ^A Population	Personal Income in Thousands ^C	Per Capita Income ^C	School ^B Enrollment	Unemployment Rate ^{D, E}	
						Grand Junction MSA	State of Colorado
2004	48,325	127,808	1,318,403	27,282	20,207	5.5%	5.6%
2005	49,420	129,630	1,425,965	28,854	20,660	5.0%	5.1%
2006	51,569	135,468	1,656,035	32,113	20,877	4.0%	4.3%
2007	53,662	140,416	1,874,682	34,935	21,396	3.2%	3.8%
2008	55,189	144,440	2,060,868	37,342	22,272	3.9%	4.8%
2009	56,446	147,522	1,963,813	34,791	22,147	9.3%	8.1%
2010	58,566	146,723	2,084,423	35,591	22,203	10.7%	9.0%
2011	58,702	149,556	2,038,310	34,723	22,081	9.9%	8.5%
2012	60,170	147,753	2,169,008	36,048	21,914	9.1%	7.8%
2013	60,317 ^F	148,013 ^F	2,193,669	36,369 ^G	21,714	8.1%	6.8%

Note:

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

Source:

- ^A US Census Bureau and Colorado DOLA Demography Office
- ^B Mesa County Valley School District No. 51 - District wide enrollment
- ^C Bureau of Economic Analysis
- ^D US Department of Labor, Bureau of Labor Statistics, Non Seasonally Adjusted
- ^E Prior year reports reflected unemployment rates for Mesa County; those have been replaced in the current year report with unemployment rates for the Grand Junction Metropolitan Statistical Area
- ^F Colorado Department of Local Affairs, State Demography Office
- ^G Estimate, based on prior year data and Bureau of Economic Analysis

Population, Income and School Enrollment Trend

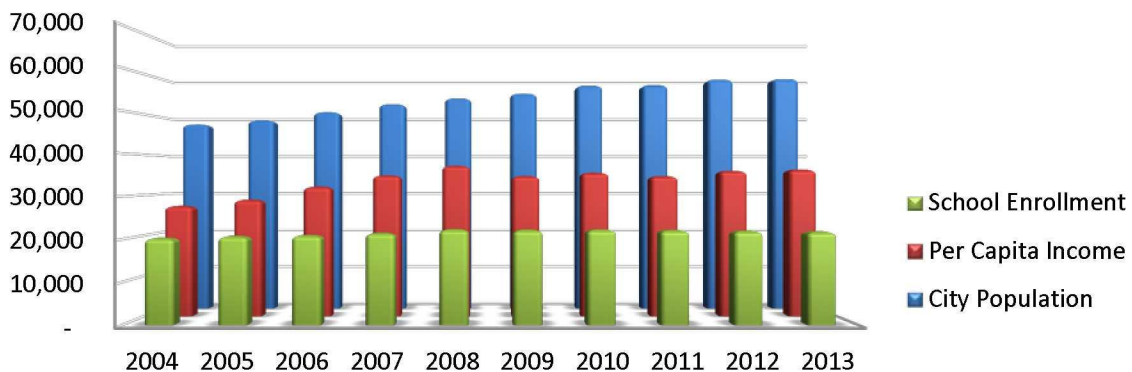


TABLE 15

City of Grand Junction, Colorado
TOP 10 PRINCIPAL EMPLOYERS
 December 31, 2013
 Last Ten Fiscal Years

Employer	Type of Business	Number of Employees 2004 ^A	Percentage of Total 2004	Number of Employees 2005 ^A	Percentage of Total 2005	Number of Employees 2006 ^A	Percentage of Total 2006	Number of Employees 2007 ^A	Percentage of Total 2007	Number of Employees 2008 ^B	Percentage of Total 2008	Number of Employees 2009 ^B	Percentage of Total 2009	Number of Employees 2010 ^B	Percentage of Total 2010	Number of Employees 2011 ^B	Percentage of Total 2011	Number of Employees 2012 ^B	Percentage of Total 2012	Number of Employees 2013 ^B	Percentage of Total 2013
School District #51	Schools	2,786	4.16%	2,429	3.38%	2,600	3.41%	3,133	3.97%	3,200	4.36%	3,000	4.29%	3,000	4.15%	2,554	3.45%	2,348	3.30%	2,401	3.38%
St. Mary's Hospital	Medical	1,985	2.96%	2,014	2.80%	2,000	2.62%	2,235	2.83%	2,235	3.04%	2,191	3.13%	2,068	2.86%	1,494	2.02%	1,548	2.18%	1,500	2.11%
Mesa County	Government	872	1.30%	927	1.29%	925	1.21%	977	1.24%	982	1.34%	978	1.40%	980	1.35%	962	1.30%	987	1.39%	987	1.39%
Star Tek USA	Services			600	0.79%	600	0.79%	625	0.79%			595	0.85%	600	0.83%			860	1.21%	900	1.27%
City of Grand Junction	Government	1,015	1.51%	900	1.25%	808	1.06%	968	1.23%	1,202	1.64%	1,219	1.74%	672	0.93%	625	0.84%	636	0.89%	642	0.90%
City Markets, Inc.	Retail	600	0.90%	400	0.56%	589	0.77%	590	0.75%	650	0.88%	677	0.97%	565	0.78%	1,656	2.24%			637	0.90%
Halliburton Energy	Services			415	0.58%	700	0.92%	800	1.01%	977	1.33%		0.00%	700	0.97%	855	1.15%			625	0.88%
State of Colorado	Government	922	1.38%	969	1.35%	982	1.29%	982	1.24%	1,197	1.63%	1,212	1.73%	995	1.38%	973	1.31%	902	1.27%	623	0.88%
Colorado Mesa University	Schools	1,440	2.15%	1,177	1.64%	1,250	1.64%	1,440	1.83%	1,259	1.71%	718	1.03%	699	0.97%					604	0.85%
VA Medical Center	Medical									574	0.78%	588	0.84%			600	0.81%	576	0.81%	648	0.91%
Hilltop Community Resources	Medical Services																	593	0.83%	569	0.00%
Community Hospital	Medical	415	0.62%	414	0.58%					574	0.78%	588	0.84%			583	0.79%	416	0.58%		0.00%
Walmart	Retail	860	1.28%	865	1.20%	910	1.19%	865	1.10%	860	1.17%	980	1.40%	859	1.19%	775	1.05%				
Rocky Mountain Health Plans	Insurance	386	0.58%																		
Other		53,259	83.17%	56,523	85.39%	60,571	85.11%	63,729	84.01%	65,767	82.12%	61,306	82.61%	58,786	84.60%	61,255	85.05%	64,572	86.63%	61,645	86.66%
Total of All Employees^B		64,540		67,033		71,935		76,344		78,903		73,464		69,924		72,332		74,086		71,133	

Source:

^A Grand Junction Chamber of Commerce (Includes Part-Time and Seasonal Employees)
^B Grand Junction Economic Partnership (Includes Part-Time and Seasonal Employees)

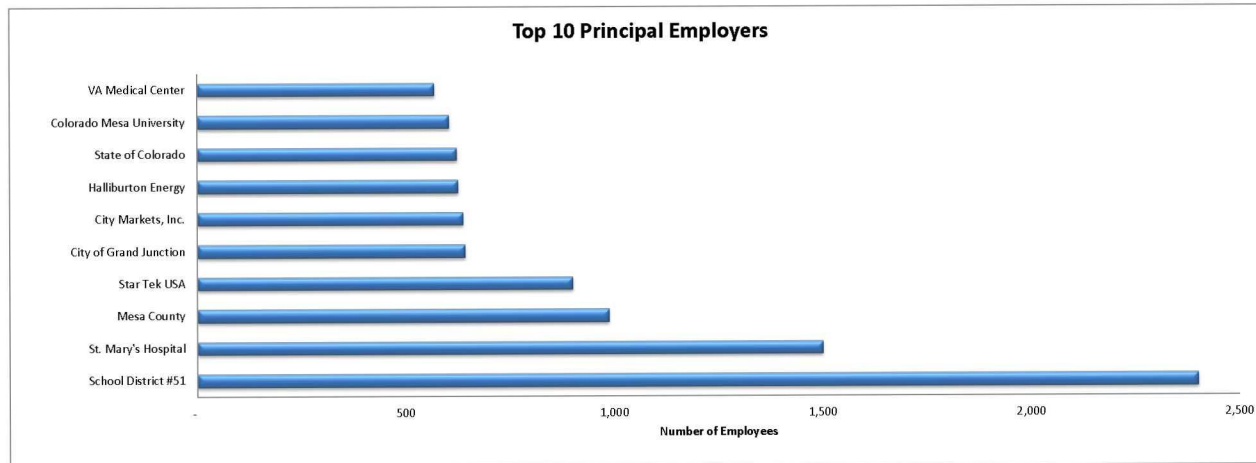


TABLE 16

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

Date of incorporation: July 19, 1882^A
 Date charter adopted: September 14, 1909^A
 Form of government: Council/Manager^A

City of Grand Junction Employees By Function (FTE's)^E

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	101	102	119	113	116	122	115	114	115	131
Fire Protection	79	83	98	98	99	99	95	96	103	112
Parks and Recreation	72	70	70	74	87	73	67	68	67	67
Police Protection										
Sworn	81	83	91	100	102	107	90	102	103	105
Non-Sworn	62	60	70	65	78	80	82	72	80	86
Public Works	175	170	161	187	197	187	160	153	156	136
Total	570	568	609	637	679	668	609	605	624	637

Building permits:^B

Year	# Issued	Value	Elections: ^A	Year	Number of Registered Voters	Number of Votes in last General Election	Percentage
2004	2,080	158,746,233		2004	25,780	8,417	32.65%
2005	2,250	234,133,308		2005	25,650	8,417	32.81%
2006	2,205	286,484,081		2006	21,677	8,756	40.39%
2007	2,183	323,358,687		2007	21,677	8,756	40.39%
2008	1,762	254,912,474		2008	34,774	27,508	79.11%
2009	984	89,935,667		2009	27,977	8,579	30.66%
2010	929	128,551,321		2010	24,558	21,463	87.40%
2011	881	96,498,756		2011	23,928	13,786	57.61%
2012	899	90,830,317		2012	29,989	29,039	96.83%
2013	988	124,166,999		2013	29,989	11,665	38.90%

Education:

Type	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Mesa County Valley School District No. 51 Enrollment: ^C										
Elementary	9,274	9,482	10,153	10,147	10,783	10,710	10,753	10,107	10,034	10,224
Middle	4,765	4,872	4,751	4,729	4,882	4,868	4,860	5,366	5,319	5,307
High	6,168	6,306	5,973	6,520	6,607	6,569	6,590	6,441	6,361	6,363
Colorado Mesa University Enrollment: ^U	5,725	6,235	5,938	6,127	6,205	6,665	7,746	8,826	9,010	9,325

Source:

- ^A City Clerk
- ^B City Planning Division/Mesa County Building Department
- ^C Mesa County Valley School District No. 51
- ^D Colorado Mesa University
- ^E City Personnel Department

TABLE 17

City of Grand Junction, Colorado
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police ^B										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicular Patrol Units	30	30	31	33	35	38	39	39	40	41
Canine Units	3	3	3	3	3	3	3	3	3	2
Motorcycles Units	4	4	6	6	6	8	8	8	8	8
Bicycles (Attached to Patrol Units)	18	18	23	23	26	20	17	22	22	20
Fire Stations ^C	5	5	5	5	5	5	5	5	5	5
Public Works ^A										
Area (Sq Miles)	34.25	34.65	35.47	36.90	37.46	37.84	38.05	39.10	39.18	39.35
Paved Streets (Centerline Miles)	304.10	318.50	333.50	342.60	353.70	357.10	360.60	361.80	362.54	368.54
Unpaved Streets (Centerline Miles)	3.70	3.70	3.80	3.50	4.20	4.20	4.20	5.40	5.44	5.52
Total Streets (Centerline Miles)	307.80	322.20	337.30	346.10	357.90	361.30	364.80	367.20	367.98	374.06
Parks and Recreation ^D										
Developed Parks (Acres)	365.22	365.22	365.22	365.22	365.22	365.22	365.22	365.22	365.22	365.22
Undeveloped Parks (Acres)	389.00	389.00	389.00	389.00	389.00	389.00	389.00	389.00	514.11	514.90
Total Parks (Acres)	754.22	754.22	754.22	754.22	754.22	754.22	754.22	754.22	879.33	880.12
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Waterslides	1	1	1	1	2	2	2	2	2	2
Tennis Courts	16	16	16	16	22	22	22	22	22	24
Shelters	18	18	18	18	18	18	18	18	19	19
Baseball Stadiums(Lighted)	1	1	1	1	1	1	1	1	1	1
Baseball Stadiums(Unlighted)	1	1	1	1	1	1	1	1	1	1
Football/Track Stadium (Lighted)	1	1	1	1	1	1	1	1	1	1
Softball Fields(Lighted)	6	6	6	6	6	6	6	6	6	6
Softball Fields(Unlighted)	2	2	2	2	2	2	2	2	2	2
Golf Courses	2	2	2	2	2	2	2	2	2	2
Golf Courses (Acres)	156	156	156	156	156	156	156	156	156	156
Outdoor Basketball Courts (Lighted)	1	1	1	1	1	1	1	1	1	2
Outdoor Basketball Courts (Unlighted)	7	7	7	7	10	10	10	10	10	10
Multi-purpose Fields (Lighted)		1	1	1	1	1	1	1	1	1
Multi-purpose Fields (Unlighted)		12	12	12	12	12	12	12	12	12
Auditorium	1	1	1	1	1	1	1	1	1	1
Senior Recreation Center	1	1	1	1	1	1	1	1	1	1
Riverfront Trail (Miles)	14.80	14.80	14.80	14.80	18.70	18.70	19.07	19.07	21.47	21.47
Skateparks	2	2	2	2	2	2	2	2	2	2
Activity Center			1	1	1	1	1	1	1	1
Utilities ^E										
Storm sewers (Miles)	136.00	166.83	135.24	216.07	138.57	161.37	185.03	186.63	192.17	205.76
Sanitary sewer (Miles)	589.00	316.14	502.57	537.64	589.70	597.81	595.27	594.68	596.35	600.57

Source:

^A City Administration GIS Department^B City Police Department^C City Fire Department^D City Parks and Recreation Department^E City Public Works Department



SINGLE AUDIT



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REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

June 24, 2014

To the City Council
City of Grand Junction, Colorado

We have audited the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of and for the year ended December 31, 2013, and our report thereon dated June 24, 2014, which expressed unmodified opinions on those financial statements, appears on page 17. Our audit was conducted for the purpose of forming opinions on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Chadwick, Steinkirchner, Davis & Co., P.C.



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City of Grand Junction, Colorado
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2013

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Award Amount	2013 Amount of Award Expended
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grants/ Entitlement Grants	14.218	\$ 1,084,543	\$ 366,361
U.S. DEPARTMENT OF JUSTICE			
Public Safety Partnership and Community Policing Grants	16.710	998,368	334,230
Public Safety Partnership and Community Policing Grants-ARRA	16.710	1,319,660	88,992
Passed Through the Colorado Department of Revenue Enforcing Underage Drinking Laws Program	16.727	40,000	675
Passed Through the Colorado Division of Criminal Justice Edward Byrne Memorial Formula Grant	16.579	56,384	<u>28,192</u>
Total U.S. Department of Justice			452,089
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Early Retiree Reinsurance Program	93.546	136,323	26,974
Passed Through Mesa County, Colorado The Drug Free Community Support Program	93.276	41,378	<u>41,378</u>
Total U.S. Department of Health and Human Services			68,352
Total Federal Award Expenditures			<u>\$ 886,802</u>

The accompanying notes are an integral part of this schedule.

City of Grand Junction, Colorado

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2013

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Grand Junction, Colorado and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE B – SUB-RECIPIENTS

Of the federal expenditures presented in the schedule the City of Grand Junction, Colorado provided federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>CFDA #</u>	<u>Amount Provided to Sub-recipient</u>
Community Development Block Grants/ Entitlement Grants	14.218	\$ 235,584
Edward Byrne Memorial Formula Grant	16.579	\$ 28,192



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

June 24, 2014

To the City Council
City of Grand Junction, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of and for the year ended December 31, 2013, and the related notes to the financial statements which collectively comprise the City of Grand Junction's basic financial statements, and have issued our report thereon dated June 24, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

To the City Council
June 24, 2014

Purpose of this Report

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

Chadwick, Steinkirchner, Davis & Co., P.C.



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

June 24, 2014

To the City Council
City of Grand Junction, Colorado

Report on Compliance for Each Major Federal Program

We have audited the City of Grand Junction, Colorado's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2013. The City of Grand Junction's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Grand Junction, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the City of Grand Junction, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

To the City Council
June 24, 2014

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses deficiencies or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Chadwick, Steinkirchner, Davis & Co., P.C.

City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:		<u>Unqualified Opinion</u>		
Internal control over financial reporting:				
Material weakness(es) identified?	_____	yes	<u>✓</u>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	<u>✓</u>	none reported
Noncompliance material to financial statements noted?	_____	yes	<u>✓</u>	no

Federal Awards

Internal Control over major programs:				
Material weakness(es) identified?	_____	yes	<u>✓</u>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	<u>✓</u>	none reported

Type of auditor's report issued on compliance for major programs:		<u>Unqualified Opinion</u>		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____	yes	<u>✓</u>	no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants – Entitlement Grants
16.710	Public Safety Partnership and Community Policing Grants - ARRA

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	<u>✓</u> yes _____ no

City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no financial statement findings.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are findings or no questioned costs required to be reported under OMB Circular A-133.

City of Grand Junction, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

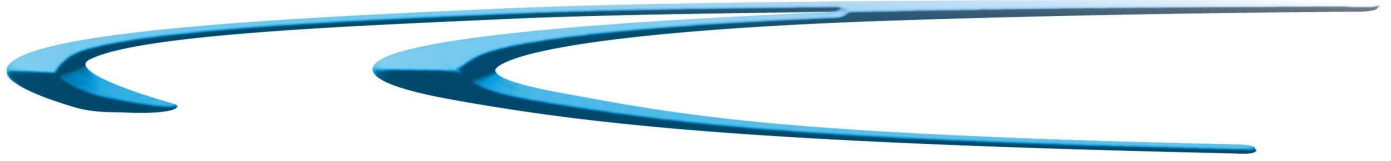
Year ended December 31, 2013

Prior year findings:

There were no prior year findings.



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OTHER SUPPLEMENTAL INFORMATION



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INDEPENDENT AUDITOR'S REPORT ON OTHER
SUPPLEMENTAL INFORMATION

June 24, 2014

To the City Council
City of Grand Junction, Colorado

We have audited the basic financial statements of the City of Grand Junction, Colorado as of and for the year ended December 31, 2013, and our report thereon dated June 24, 2014, which expressed unmodified opinions on those financial statements, appears on page 17. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grand Junction, Colorado's basic financial statements as a whole. The accompanying Local Highway Finance Report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Chadwick, Steinkirchner, Davis & Co., P.C.



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

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Grand Junction
	YEAR ENDING : December 2013

This Information From The Records Of (example - City of _ or County of _) Prepared By: _____
Phone: _____

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	8,139,230
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,814,179
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	813,276
2. General fund appropriations	11,935,577	b. Snow and ice removal	236,977
3. Other local imposts (from page 2)	1,217,081	c. Other	
4. Miscellaneous local receipts (from page 2)	2,270,434	d. Total (a. through c.)	1,050,253
5. Transfers from toll facilities		4. General administration & miscellaneous	151,247
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	12,154,909
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	1,713,475
7. Total (1 through 6)	15,423,092	b. Redemption	4,315,000
B. Private Contributions		c. Total (a. + b.)	6,028,475
C. Receipts from State government (from page 2)	2,760,292	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	18,183,384	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	6,028,475
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	18,183,384

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	38,695,000	0	4,315,000	34,380,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	18,183,384	18,183,384		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2013

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	14,298	a. Interest on investments	5,745
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	45,277
5. Specific Ownership &/or Other	1,202,783	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,202,783	h. Other	2,219,412
c. Total (a. + b.)	1,217,081	i. Total (a. through h.)	2,270,434
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,167,518	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	223,715	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)	369,059	f. Other Federal	
f. Total (a. through e.)	592,774	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	2,760,292	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs	270,763	89,469	360,232
c. Construction:			
(1). New Facilities		383,269	383,269
(2). Capacity Improvements	4,560,582	712,175	5,272,757
(3). System Preservation		1,861,420	1,861,420
(4). System Enhancement & Operation	56,016	205,536	261,552
(5). Total Construction (1) + (2) + (3) + (4)	4,616,598	3,162,400	7,778,998
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	4,887,361	3,251,869	8,139,230
			(Carry forward to page 1)

Notes and Comments:





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