

# 2010

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended December 31, 2010



City of Grand Junction, Colorado

Becoming the Most Livable Community West of the Rockies

***About our cover...***

Rocket Park, located in the heart of Grand Junction, is a 2.6 acre park serving a large neighborhood and community-wide population. The park was initially developed in 1955 and because of its rich history, central location, and functional amenities, Rocket Park is one of the most well-loved and well-used parks in the City of Grand Junction's parks system. From years of significant use, Rocket Park's play structures and facilities were in desperate need of replacement and repair.

Thanks to a generous Great Outdoor Colorado grant (a Colorado Lottery funded program) and community support, Rocket Park underwent a major redevelopment in 2009 and 2010. The redevelopment project included a new playground with accessible play features, pour-in-place surfacing, and 4,300 square feet of concrete paths. This beautiful redevelopment earned the City of Grand Junction the 2010 Colorado Lottery Starburst Community Award. This award recognizes excellence in the use of lottery profits for projects that promote community building, partnership, conservation and commitment to the recreational needs of Colorado residents.

The Rocket Park project was supported by a plethora of community organizations and commissions especially those providing services to people with disabilities. The Rocket Park project will serve as a catalyst for all future park redevelopments making accessibility a top priority.



# Comprehensive Annual Financial Report

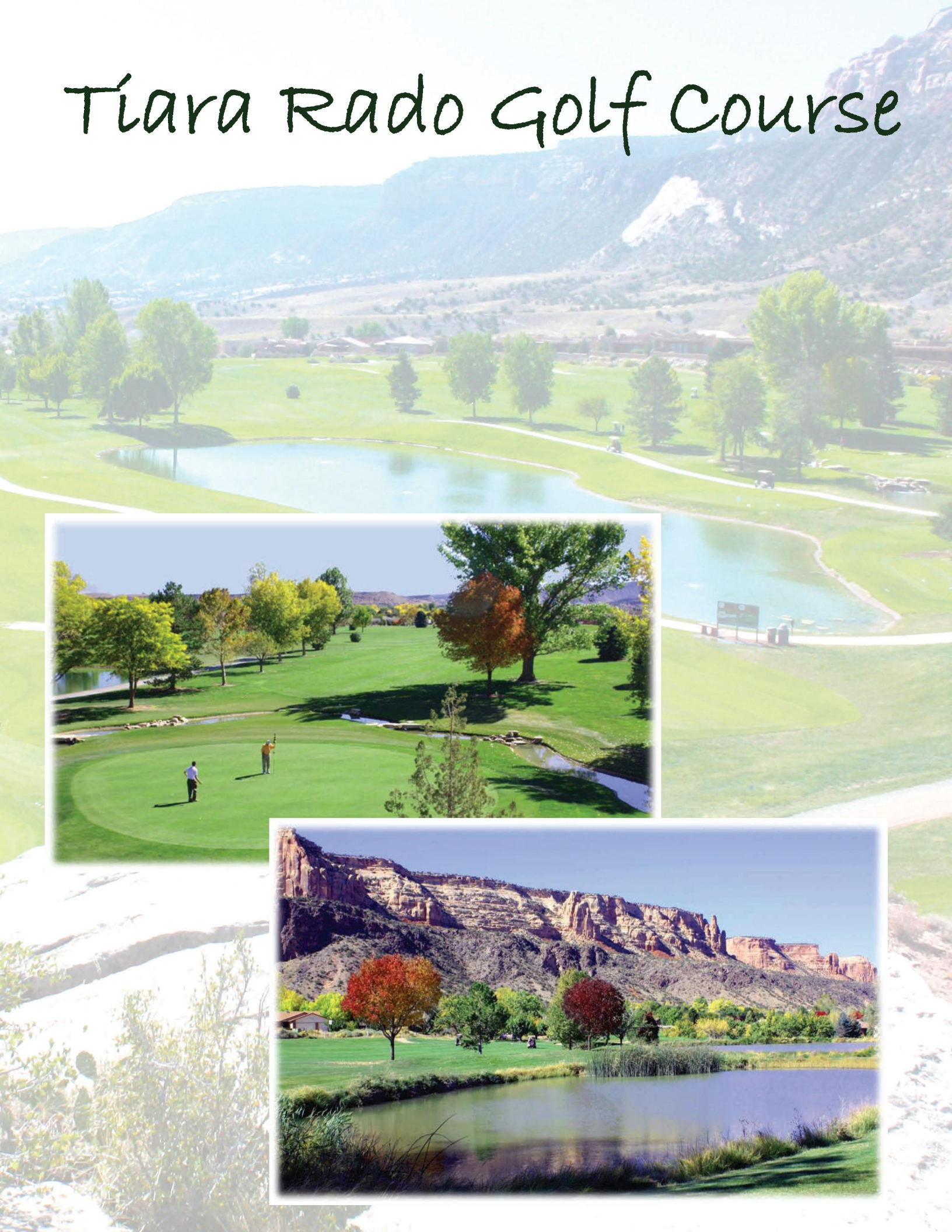
For Fiscal Year Ended December 31, 2010

Prepared by:

Administration Department  
Financial Operations

Jodi Romero  
Financial Operations Manager

# Tiara Rado Golf Course



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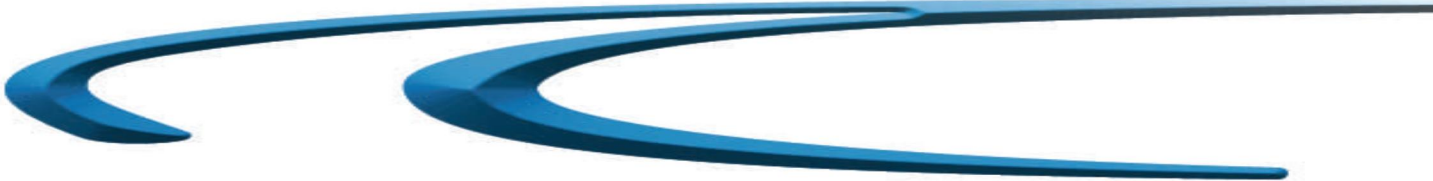
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# **INTRODUCTORY SECTION**



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**Financial Operations Division**

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June 28, 2011

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, 2010, 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, 2010, 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, 2010, 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, 2010, 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.

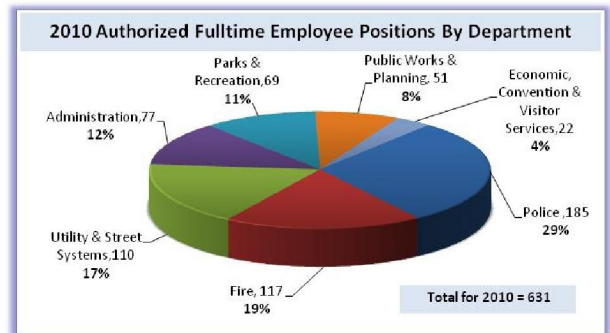
The independent audit of the financial statements of the City of Grand Junction was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only 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, Grand Junction West Water and Sanitation District, and Grand Junction Public Finance Corporation are reported as debt service funds of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Downtown Development Authority is reported as a discretely presented component unit.

The City of Grand Junction currently occupies a land area of 38.05 square miles and serves an estimated population of 58,500. The City of Grand Junction is granted the authority to levy a property tax on both real and personal business properties located within its boundaries and to establish and collect its own sales and use tax. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

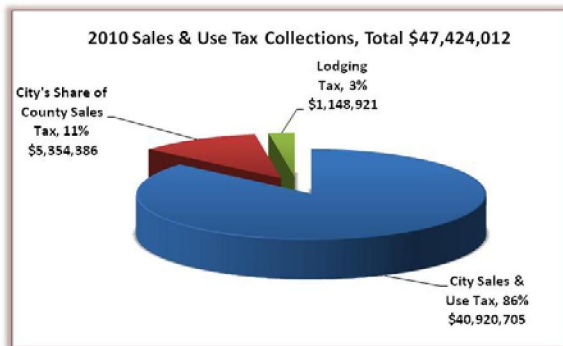
Policy-making and legislative authority are vested in a City Council consisting of seven members, one of which is elected mayor each year. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing boards and commissions, and hiring the City Manager, City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

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

Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 38 as part of the basic financial statements for the governmental funds. For other major governmental funds (and non-major) this comparison is presented in the governmental fund subsection of this report, which starts on page 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, social services, and public safety for a large and diverse population. A diversity of industrial, recreational and service activities along with oil and gas exploration provides a strong economic base. This base, generated by community economic development and private enterprise marketing, has brought steady, consistent growth to the area for many years prior to the recent recession.



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 taxes, effective January 1, 1988, provides funds for capital expenditures and economic development. The sales and use tax revenues, allocated to the General Fund, account for 57% of its revenues (excluding capital transfers).

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 2001. As shown, these tax revenues increased by 1.2% from 2009 to 2010.

The area has historically experienced economic cycles of about ten to fifteen years, moving from strong economic growth to mild to significant decline. The Grand Junction Metropolitan Statistical Area (MSA), which is the greater metro area inside Mesa County, has experienced a population growth averaging nearly 3% since its inception in 1995. In 2008, the Grand Junction MSA was growing in population, jobs, personal income, and gross metropolitan product.



However, as a result of the national recession, a significant reduction of oil and gas exploration in the area, and a substantial decline in development and construction, Grand Junction experienced a 14 percent job loss by the end of 2010 since its peak levels in October 2008. This job loss dramatically restricted consumer spending resulting in significant declines in retail activity and sales and use tax revenues. Compounding the loss of local revenues, is a decline in the state shared revenues including severance taxes and federal mineral leasing revenues.

The City continues to pursue grant opportunities and was successful in leveraging over \$5.4 million in grant funds to complete nearly \$10 million in projects in 2010 including public safety technology and transportation infrastructure. In the fall of 2010 the City was able to finalize long term financing to begin addressing public safety facility needs. By pooling resources with the Grand Junction Emergency Telephone Safety Authority Board, the City was able to begin construction on a new Public Safety Complex including a new police station and the Grand Junction Regional E-911 Communication Center, as well as the remodel of an existing fire station. Similarly, the City was able to partner with Grand Junction Baseball Committee Inc. to secure financing for improvements to the City-owned baseball and football stadium which is used by several community partners throughout the year.

The City has continued to work toward diversifying its economic base and business climate. The excellent quality of life offered in Grand Junction, which is critical to the attraction, motivation and retention of skilled and talented workers, is appealing to businesses, individuals and tourists alike. Spectacular scenery and recreational opportunities, excellent

climate and air quality, low crime rates, higher education opportunities, and quality medical services make the Grand Junction area an easy choice for relocation.

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

- In 2010 the City began the \$32 million public safety project which includes the new construction and remodel of existing buildings. This project will continue through 2012 and is the first part of a longer term 20 year public safety needs plan.
- The City continued construction of the 29 Road Viaduct which began in 2009. This project is the next step, after the recently completed \$110 million Riverside Parkway, in the overall transportation beltway system. The viaduct is a \$32 million joint project with Mesa County and is to be completed in 2011. It is a key connection in the valley's transportation network providing direct access from the southeast residential area to the businesses, jobs, and services located in the central and northwest areas of the City.
- In continued partnership with the Downtown Development Authority (DDA), the first phase of the Main Street Uplift was completed. This is an essential part of an overall structural design and improvement plan for the downtown area including the 7<sup>th</sup> Street and Colorado Avenue beautification projects completed in 2007 and 2009. The Main Street "Uplift" project is funded by DDA tax increment dollars. The final phase of the project will be completed in 2011.
- The City continued to make strides in energy and conservations efforts. Construction of a compressed natural gas (CNG) fueling station began in the fall of 2010. The City was awarded grant funding for 75% of the project costs. The construction of the fueling station, the formation of a public-private partnership to operate the fueling station, and the addition of four refuse trucks powered by CNG fuel to the City's fleet was completed in early 2011.
- In 2010, the City continued with the implementation of numerous public safety information technology projects that will benefit citizens in Mesa County as well as surrounding communities. This system infrastructure will centralize and allow for shared use of criminal justice records across valley law enforcement agencies; allow local agencies and first responders to directly and immediately communicate with each other and state and local organizations; and upgrade the computer aided dispatch system in the Regional E-911 Communication Center which manages all public safety service delivery for 22 user agencies.
- As part of a local stimulus effort the City pushed forward many utility projects while taking advantage of recessionary construction costs. Over \$9 million in aging water, sewer, and irrigation lines were replaced.

## **FUTURE OUTLOOK**

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

During 2009 and 2010, the City has experienced the most significant decline in resources in the last 25 years forcing major reductions in spending and personnel. By year end 2010, the City had reduced general government spending by 33% since 2008 and the number of full-time positions by 12% since the beginning of 2009. Despite the loss of revenues, the City continues to see sustained population growth, estimated to double over the next 25 years. The City's challenge is to continue to provide essential services to this growing population within existing resources.

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

The Comprehensive Plan was formally adopted in 2010 after a three-year staff and community effort and 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 be reviewing the Comprehensive Plan, the adopted Downtown Plan and the proposed South Downtown Plan to remove barriers

to development opportunities which will allow for consistent implementation of the vision as established by the City and County in the Comprehensive Plan.

The City continues to take a lead role in promoting and funding economic development in the area. Incentives and area promotion have brought numerous businesses to the valley. The City plans to continue the support of these efforts to maintain and stabilize growth. The City works closely with the Grand Junction Economic Partnership, Mesa County, Colorado Mesa University, the Business Incubator Center and other local entities to further this economic development goal. Furthermore the City has a department dedicated to economic, convention, and visitor services. The 3% lodging tax is utilized for advertising the community, promoting tourism, and attracting conferences and conventions. Promoting economic development is an important component of ensuring that Grand Junction protects and continues to enjoy the benefit of its regional position.

The higher educational opportunities provided by Colorado Mesa University (CMU) is pivotal to the economic diversity and quality of life enjoyed by the residents of Grand Junction and the surrounding community. In the last 10 years, CMU (formerly known as Mesa State College) has embarked on a multi-year, multi-million dollar campus expansion and renovation project. The City of Grand Junction has supported this project with a financial backing of nearly \$3 million through 2010. As CMU begins the next phase of this long term expansion, the City intends to integrate the Comprehensive Plan with CMU's vision in order to plan for the impacts and provide a means for thoughtful transitions as the University campus develops.

The City has a long standing record of collaborative management and resource sharing with other agencies in the community, and is committed to continuing and growing those relationships in the future. There are numerous examples of these alliances that result in added value to services as well as the highest and best use of resources. Public Safety: the City is the manager and a major partner agency in the E911 Regional Communication Center which serves more than twenty-two law enforcement, fire and emergency medical service responder agencies; the City of Grand Junction Police Department joins forces with the Mesa County Sheriff's Office and the Federal Drug Enforcement Agency on the Western Colorado Drug Task Force, a partnership designed to fight the battles of drugs and drug related crimes on the frontlines; the City, Mesa County, the City of Fruita and School District #51 provide a School Resource Officer Program to the schools in the valley. Public Utility: the City and Mesa County have a jointly owned and managed sewer system that provides wastewater services to the larger urban area. Public Parks: the City, Mesa County, School District #51, and Colorado Mesa University make use of and contribute towards improvements of the stadium (football, baseball, special events) 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 nearly 1 million passenger trips per year.

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

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

As indicated by surveys and through dialogue with the Grand Junction community, public safety is recognized as one of the key foundations to a livable community and one of the primary responsibilities of local government. With the first phase of public safety facility needs being addressed through the construction of the Public Safety Complex and reconstruction of Fire Station #1, the City Council remains committed towards addressing future public safety needs as well and in particular the need for neighborhood fire stations. The City is in the process of developing a 20 year public safety plan in order to ensure that essential public safety services will be enhanced and delivered into the future.

The City continues the commitment to parks and trails development. A riverfront park area and trail system along the Colorado River is backed by the City through resources of personnel time, direct funding and facilitating grants from federal, state and private sources. The City has purchased land for this park and the riverfront trail system. Much of this property was the site of wrecking yards, which have now been removed. The park objectives are to provide additional recreational facilities, beautify the entrance to the City and improve flood control for the area. Several trails have been completed and are open to the public. In addition, the City Council has committed to 2012 funding for major maintenance and improvement projects for the City's existing 30 developed parks.

The purchase and development of the 103-acre regional Canyon View Park began in 1996 with major softball and soccer facilities. Development continued with the construction of a baseball field in 1998, new tennis courts in 2008 and new restroom facilities in 2009. This park serves as the main venue for team sporting events for school and community leagues of all ages; with over 320 days of use a year, an average of 10 events per day, and 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. An additional site was purchased in 1996 for future development of another regional park. This site covers over 207 acres and was fully paid for in 2006. While the site is currently under a farming lease contract, various trails are open to the public for non-motorized use.

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 new area of particular focus is the City's Compressed Natural Gas (CNG) Project. The City's CNG Project is threefold: transitioning the City's fleet into natural gas vehicles, constructing a CNG fueling station, and the Persigo Wastewater Treatment Plant component which began in 2006 and is the concept of converting methane into CNG. As a byproduct of treating the wastewater, excess digester gas (methane) is generated daily and currently being flared into the atmosphere. After conducting extensive studies, it has been determined that this excess gas can be captured and converted into compressed natural gas (CNG) that can be used as a vehicle fuel. Great strides were made in 2010 with two of the three pieces of the project under way. The Persigo component continues to be explored in partnership with Xcel Energy.

## **FINANCIAL POLICIES**

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The City Council provides policy direction to the City Manager who guides the financial decisions of the organization. For the last two years and continuing into the future, City Council's policy direction is to provide economic activity and local stimulus through capital projects; operate within existing revenues; continue to provide the essential services of public safety; and preserve at least \$20 million in General Fund reserves. City management has been successful in following City Council's policy direction through responsive, conservative, and sound financial decisions. The City has financial policies and practices that guide budget, investments, debt, revenue, purchasing, risk management and reserves.

The City Council has formally established an investment policy which includes steps to properly manage the risk, safety, and life of investments. Investment income decreased in 2010 due to lower yields. The net average yield on investments was 1%, down from 2.5% in 2009.

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

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

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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 2010, 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**

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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, 2009. This was the twenty-sixth 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.

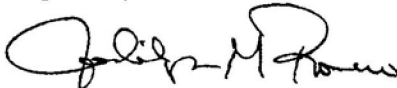
## **ACKNOWLEDGEMENTS**

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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 Division. 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, 2010.

Respectfully submitted,



Jodi Romero  
Financial Operations Manager



# Downtown Grand Junction

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Grand Junction  
Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

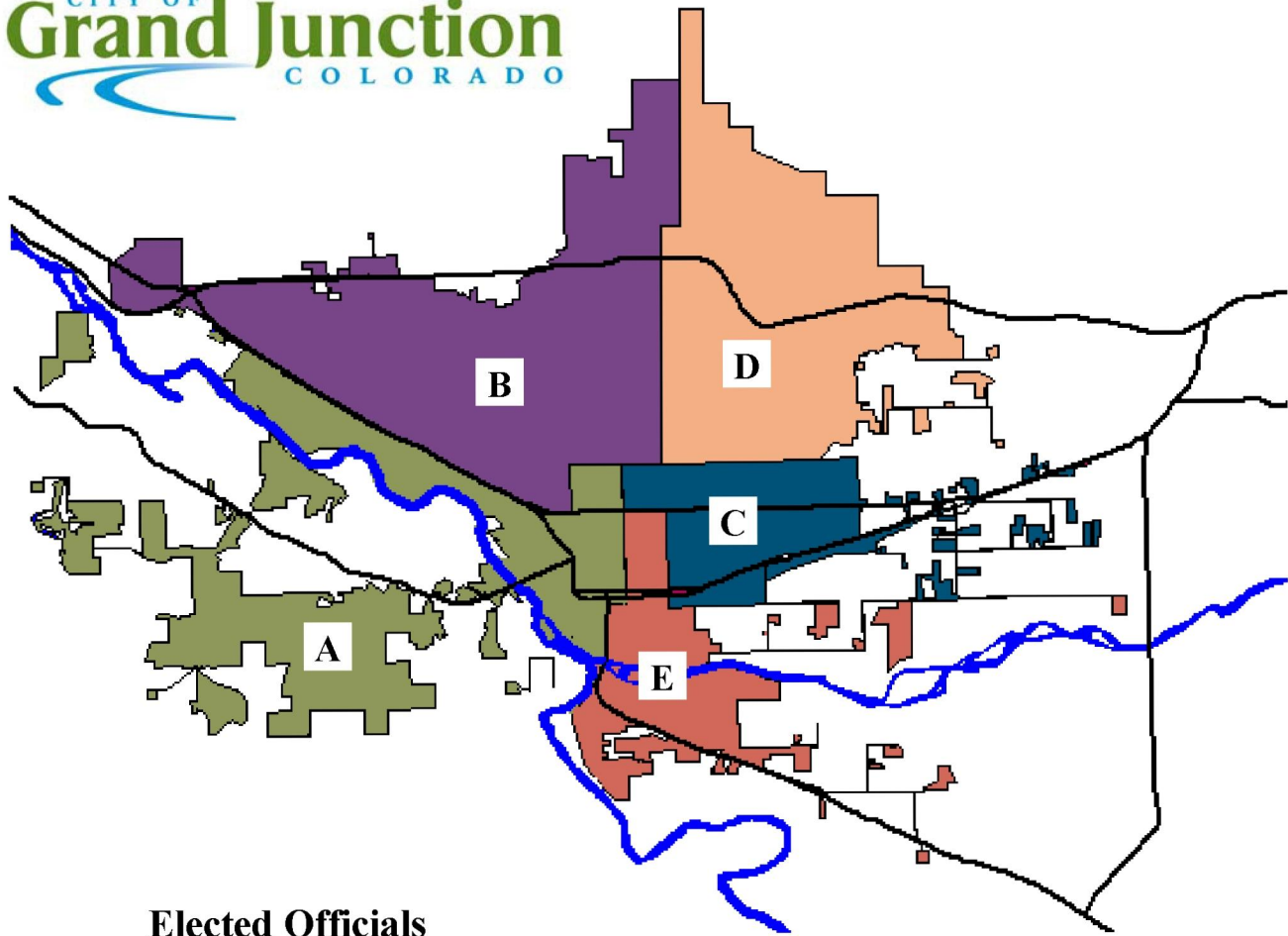
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director





**Elected Officials**

<b><u>City Council</u></b>	<b><u>Expires</u></b>
Tom Kenyon, Mayor – District A .....	May 2013
Bill Pitts, Mayor Pro Tem – At Large .....	May 2013
Teresa Coons – District E .....	May 2013
Laura Luke – District D .....	May 2013
Sam Susuras – District B.....	May 2015
Bennett Boeschstein – District C.....	May 2015
Jim Doody – At Large .....	May 2015

**Election District Boundaries**

**Appointed Officials**

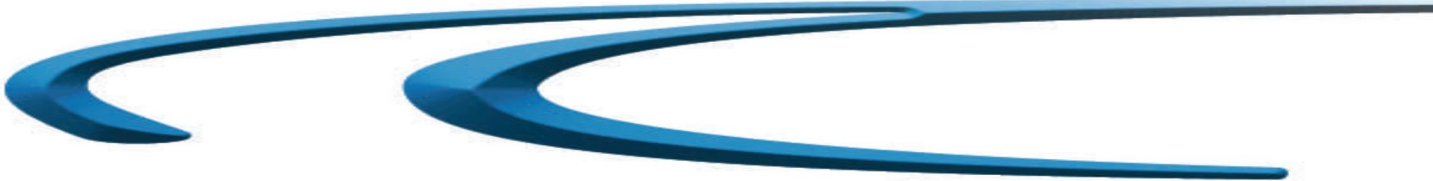
Laurie M. Kadrich	City Manager
John P. Shaver	City Attorney
Caré McInnis	Municipal Judge

**Department Directors**

Rich Englehart, Deputy City Manager – Administration  
 Debbie Kovalik – Economic, Convention & Visitor Services  
 Ken Watkins – Fire Chief  
 Rob Schoeber – Parks & Recreation  
 John Camper – Police Chief  
 Tim Moore – Public Works & Planning  
 Greg Trainor – Utilities, Streets & Facilities



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# **FINANCIAL SECTION**



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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 23, 2011

To the City Council

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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the City Council  
June 23, 2011

The management's discussion and analysis (immediately following this report) and Schedule of Funding Progress (immediately following the notes to the financial statements) are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City'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 tables are presented for the 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued reports dated June 23, 2011 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*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, 2010. 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

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- The City of Grand Junction had a slight increase in General Fund revenues in 2010, however this increase did not begin to overcome the unprecedented declines in revenue since the recession began in late 2008. Due to fiscally conservative budgeting and planning, overall the City remains in good financial condition.
- General Fund revenues increased by 1.6% in 2010 after increases in some revenues (property, sales, and use taxes) and decreases in others (severance taxes and investment earnings). In total, General Fund revenues were \$60.8 million, still significantly below 2008 but showing minor recovery since 2009.
- As a result of the significant decline in resources over the last two years, the City of Grand Junction continued to implement major spending reductions, including elimination of full-time positions, operating budget cuts, and deferral of capital maintenance. These measures resulted in an 8% reduction in spending in 2010 compared to 2009.
- The assets of the City of Grand Junction exceeded its liabilities at the close of 2010 by \$649 million (net assets) primarily due to annexations. Of this amount, \$27 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- At the end of 2010, the unreserved and undesignated fund balance for the General Fund was \$14.9 million, or 28.8% of the total General Fund expenditures. This is up \$5.8 million from 2009 which was 16.2% of General Fund expenditures. The General Fund Balance increased in part due to better than expected sales and use tax revenues and higher than expected budget savings which is attributable to prudent spending by departments during 2010.
- The City invested over \$19.8 million in capital projects in 2010. These projects included street construction, machinery, buildings, park development, and communications systems.
- At the close of 2010, the City had \$15.1 million accumulated for the early retirement of the Riverside Parkway Revenue Bonds. The retirement amount of the bonds is \$45 million and it is projected this amount will be accumulated by 2017.

### OVERVIEW OF FINANCIAL STATEMENTS

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

#### Government-Wide Financial Statements

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

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

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

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

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**

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

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

The City of Grand Junction maintains 22 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 17 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 102 of this report.

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

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

The second type is internal service funds which are an accounting device used to accumulate and allocate costs internally among the City of Grand Junction's various functions. The City uses internal service funds for data processing, equipment maintenance, self insurance and the communication center operations. Because these

services primarily benefit governmental activities, they have been included with governmental activities in the government-wide financial statements.

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47 through 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 Other Post Employment Healthcare Plan found on page 77 of this report. It also presents other supplement information concerning the City’s Local Highway Finance Report. This supplement information can be found on pages 165-166 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 assets may serve, over time, as a useful indicator of a government’s financial position. In the case of the City of Grand Junction, assets exceed liabilities by \$649 million at the close of fiscal year 2010.

By far, the largest portion (85.8%) of the City of Grand Junction’s total net assets reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 115,776	\$ 70,136	\$ (3,691)	\$ (975)	\$ 112,085	\$ 69,161
Capital assets	624,184	601,715	54,009	48,677	678,193	650,392
<b>Total assets</b>	<b>739,960</b>	<b>671,851</b>	<b>50,318</b>	<b>47,702</b>	<b>790,278</b>	<b>719,553</b>
Long-term debt outstanding	118,686	79,374	6,886	3,268	125,572	82,642
Other liabilities	15,190	15,846	611	1,228	15,801	17,074
<b>Total liabilities</b>	<b>133,876</b>	<b>95,220</b>	<b>7,497</b>	<b>4,496</b>	<b>141,373</b>	<b>99,716</b>
Net assets:						
Invested in capital assets, net of related debt	555,543	529,107	47,808	46,088	603,351	575,195
Restricted	18,540	15,918	-	-	18,540	15,918
Unrestricted	32,001	31,606	(4,987)	(2,882)	27,014	28,724
<b>Total net assets</b>	<b>\$606,084</b>	<b>\$576,631</b>	<b>\$42,821</b>	<b>\$43,206</b>	<b>\$648,905</b>	<b>\$619,837</b>

An additional portion of the City of Grand Junction's net assets, 2.9%, represents resources that are subject to external restrictions on how they may be used.

**Changes in Net Assets**

The City's total revenues of \$125.5 million exceeded program expenses of \$96.4 million for an increase in net assets of \$29.1 million.

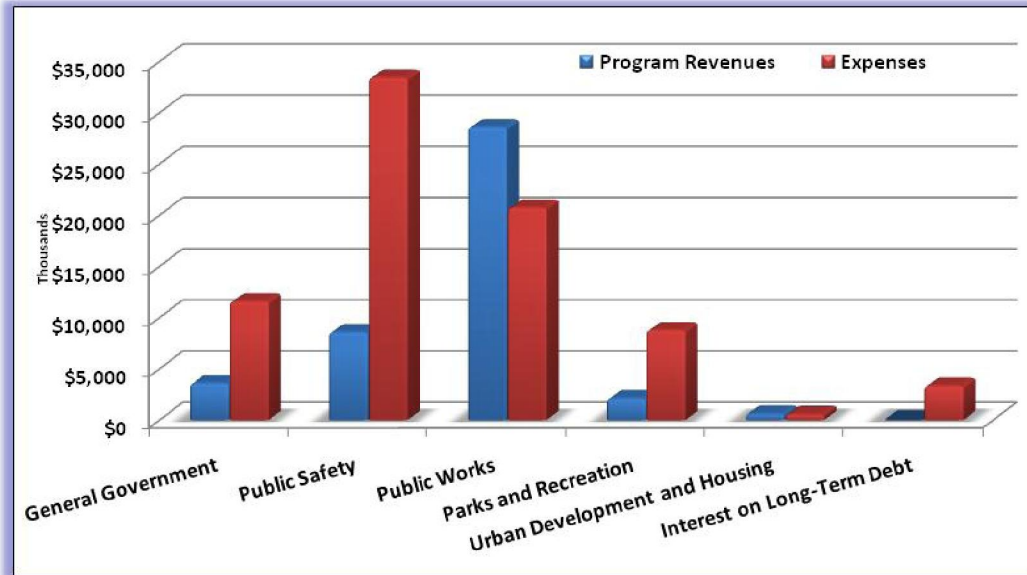
**CHANGES IN NET ASSETS**  
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 14,500	\$ 12,354	\$ 15,958	\$ 17,136	\$ 30,458	\$ 29,490
Operating grants	2,185	1,661	595	-	2,780	1,661
Capital grants	26,801	23,964	496	407	27,297	24,371
General revenues:						
Property taxes	10,146	8,702	-	-	10,146	8,702
Sales and use taxes	47,424	46,857	-	-	47,424	46,857
Other taxes	6,698	8,397	-	-	6,698	8,397
Other general revenues	636	1,374	38	84	674	1,458
<b>Total revenues</b>	<b>108,390</b>	<b>103,309</b>	<b>17,087</b>	<b>17,627</b>	<b>125,477</b>	<b>120,936</b>
<b>Expenses:</b>						
General government	11,592	14,022	-	-	11,592	14,022
Public safety	33,424	32,884	-	-	33,424	32,884
Public works	20,728	21,353	-	-	20,728	21,353
Parks and recreation	8,771	8,925	-	-	8,771	8,925
Urban development and housing	562	573	-	-	562	573
Interest on long-term debt	3,327	3,234	-	-	3,327	3,234
Water	-	-	5,419	5,284	5,419	5,284
Convention Center	-	-	2,858	3,396	2,858	3,396
Solid Waste Removal	-	-	3,463	4,196	3,463	4,196
Swimming pools	-	-	1,038	1,025	1,038	1,025
Golf	-	-	2,266	2,473	2,266	2,473
Parking	-	-	480	532	480	532
Irrigation systems	-	-	307	300	307	300
Ambulance transport	-	-	2,174	2,308	2,174	2,308
<b>Total expenses</b>	<b>78,404</b>	<b>80,991</b>	<b>18,005</b>	<b>19,514</b>	<b>96,409</b>	<b>100,505</b>
Excess before transfers	29,986	22,318	(918)	(1,887)	29,068	20,431
Transfers	(533)	(825)	533	825	-	-
<b>Increase in net assets</b>	<b>29,453</b>	<b>21,493</b>	<b>(385)</b>	<b>(1,062)</b>	<b>29,068</b>	<b>20,431</b>
<b>Net assets 1/1/10</b>	<b>576,631</b>	<b>555,138</b>	<b>43,206</b>	<b>44,268</b>	<b>619,837</b>	<b>599,406</b>
<b>Net assets 12/31/10</b>	<b>\$606,084</b>	<b>\$576,631</b>	<b>\$42,821</b>	<b>\$43,206</b>	<b>\$648,905</b>	<b>\$619,837</b>

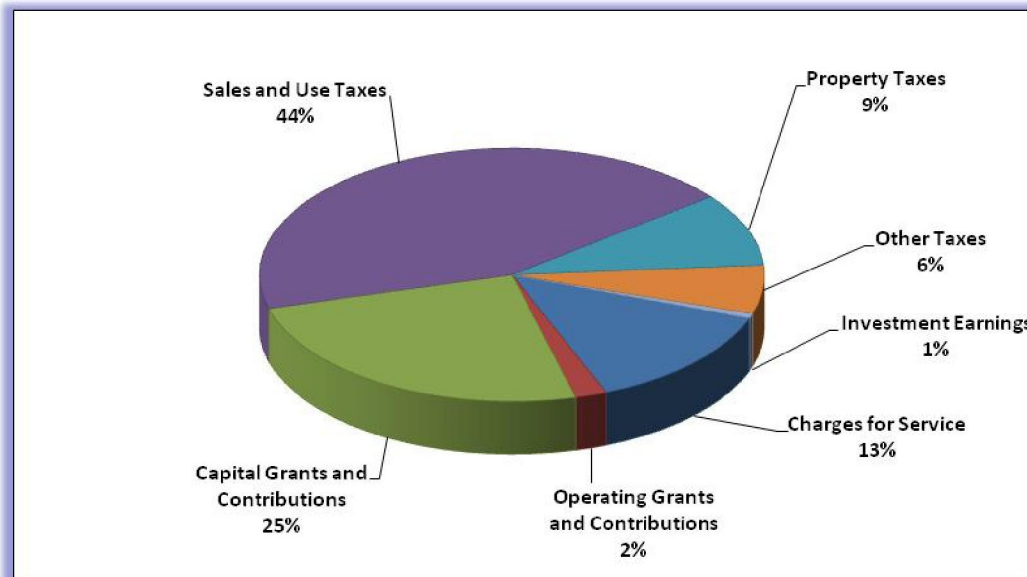
## Governmental Activities

Governmental Activities increased the City of Grand Junction’s net assets by \$29.5 million. Following are illustrative summaries of Governmental Activities breaking out revenues and expenses.

**EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES**



**REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES**



Sales and use tax revenue increased by 1.2% compared to 2009. It is hopeful there will be continued improvement in consumer confidence and the resulting discretionary spending.

Property tax revenue increased by \$1.4 million, or 1.7%, during the year. This growth was attributed to increasing valuations of existing properties and additional construction. The mill levy has remained constant since 1992.

**Business-type Activities**

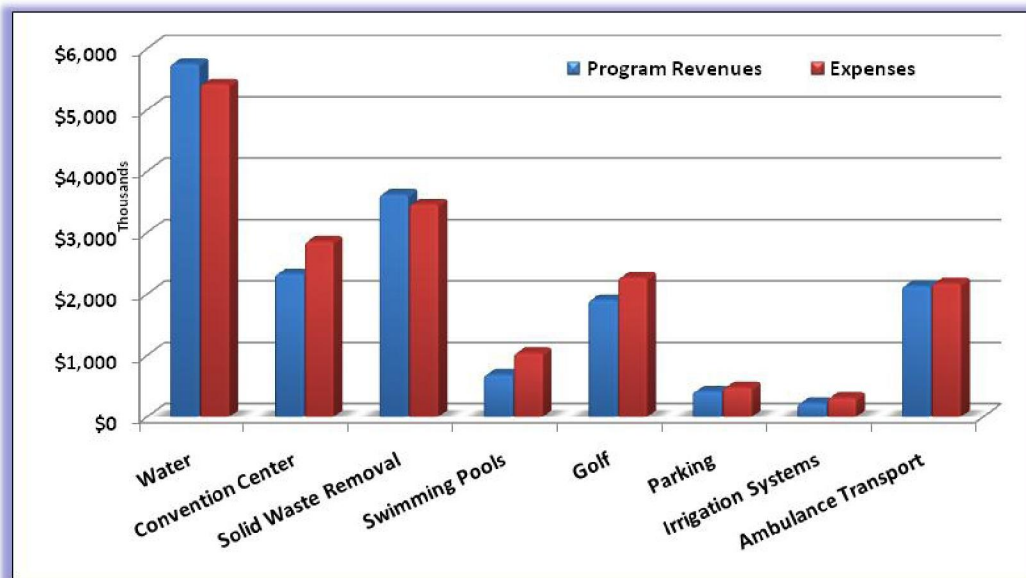
Net assets in the Business-type activities decreased by \$385 thousand because operating expenditures, including depreciation, exceeded charges for service revenue. Business-type activities include Water, Convention Center, Solid Waste, Pools, Golf Courses, Parking, Irrigation and Ambulance Transport.

The Two Rivers Convention Center and the Pools Fund received transfers from the Visitors and Convention Bureau Fund and General Fund to subsidize operations.

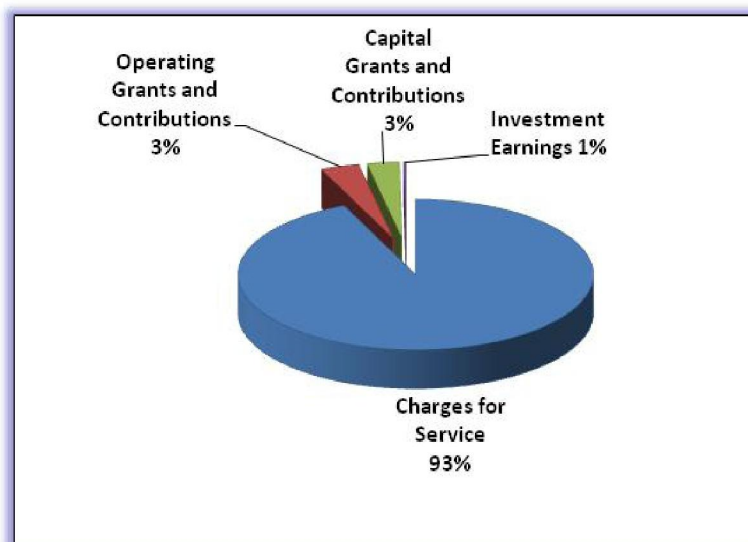
Unrestricted net assets at the end of the year for business-type activities amounted to (\$5) million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Grand Junction business-type activities.

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

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



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





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

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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, 2010, the City's governmental funds (general, special revenue, debt service, capital projects and permanent) reported combined fund balances of \$90 million. This represents an increase of \$50.2 million over last year's ending balances, mainly attributed to the issuance of \$42.7 million in certificates of participation in the Major Capital Improvements Fund for the construction and renovation of Suplezio Field and Public Safety Buildings. The majority of this construction will be completed in 2011.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

---

During the year, General Fund spending was reduced in response to continued declines in revenue in the first half of the year. All recommended revisions for budget changes came through the Financial Operations Division 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 requires a public hearing and the opportunity for public discussion. The City does allow small intra-departmental budget changes that modify line items within departments within the same fund.

The original General Fund 2010 budget appropriation totaled \$65.1 million and was reduced to a final spending budget of \$60 million, and thus, did not require a formal supplemental appropriation ordinance. Therefore, the original (adopted) budget presented on page 38 is also the final (adopted) budget.

For the General Fund, the original budget for revenues was \$63 million while the final actual revenues, on a budgetary basis, for 2010 came in nearly \$2.4 million less at \$60.6 million. Actual General Fund expenditures (including transfers) totaled \$56 million. The year-end budgetary basis fund balance of \$27.3 million was \$7.7 million above the final budgeted amount.

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 \$8.8 million during the year. The General Fund's total fund balance increased \$7.3 million from last year. An analysis for this fund balance shows that it represents over 44% of projected revenues for the new fiscal year which ends December 31, 2011.

Taxes continue to be the largest source of revenue in the General Fund and represent 84% of total general fund revenues. The largest element of taxes is sales taxes, as it has been for many years. It represents 67% of total tax revenues and represents 57% of total general fund revenues.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2010, 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, 2010.

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$293,932	\$281,760	\$ 4,902	\$ 4,943	\$298,834	\$286,703
Buildings and systems	40,190	40,498	41,370	38,830	81,560	79,328
Improvements other than buildings	16,239	16,507	5,220	1,966	21,459	18,473
Vehicles, machinery & equipment	12,977	13,047	2,265	1,373	15,242	14,420
Infrastructure	244,982	239,222	-	-	244,982	239,222
Construction in progress	15,851	10,681	100	1,565	15,951	12,246
Intangible assets	13	-	152	-	165	-
Total	\$624,184	\$601,715	\$54,009	\$48,677	\$678,193	\$650,392

Major capital additions during 2010 include:

	2010
29 Road Viaduct	\$3,878,361
Water Line Replacements	3,689,573
Tiara Rado Golf Course Irrigation Renovation	2,183,181
Street and Sidewalk Improvements	2,138,403
100' Ladder Truck (Fire)	912,939
Equipment Replacement Program	790,162
D Road Bridge	551,885
CAD System (Communication Center)	505,463
800MHz Radio Infrastructure	442,490
26 ½ Road and F.6 Bridge Replacement	303,163

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 and a pay-as-you-go approach, the City of Grand Junction has been able to maintain and improve its infrastructure while avoiding unreasonable debt burdens. To take advantage of favorable rates and to shorten construction time however, the City did issue \$22.9 million in General Fund Revenue bonds in 2007 to continue construction on the Riverside Parkway project. Standard and Poor's gave the

City the rating of AA- on the revenue bond issue while the City's general obligation bond ratings are A+. In 2006 Standard & Poor's upgraded the revenue bond rating to AA.

As of December 31, 2010, the City of Grand Junction had \$116.8 million in outstanding debt. Of this amount, \$110.6 million represents General Government debt. The largest portion, \$67.7 million, is the liability from the Riverside Parkway revenue bonds issued in 2004 and 2007. \$42.3 million is the liability from the issuance of certificates of participation for the Stadium Improvements Project and the Public Safety Buildings Project. Special taxing districts have a combined total of \$595 thousand in debt. The remaining \$6.2 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 million in 2011 represents 5.8% of total operating expenditures. Additional information on the City's long-term debt can be found in Note 7 on pages 61 through 63.

The table below provides a summary of total debt at December 31, 2010.

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation (backed by by special tax revenue)	\$ 595	\$ 770	\$ -	\$ -	\$ 595	\$ 770
Revenue bonds and notes (backed by tax and fee revenue)	67,723	71,838	-	-	67,723	71,838
Certificates of participation (backed by the constructed assets)	42,248	-	-	-	42,248	-
Lease purchase agreement	39	-	-	-	39	-
Loans (backed by fee revenue)	-	-	6,201	2,589	6,201	2,589
<b>Total</b>	<b>\$110,605</b>	<b>\$72,608</b>	<b>\$6,201</b>	<b>\$2,589</b>	<b>\$116,806</b>	<b>\$75,197</b>

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

City-wide reserves are at levels required in the City's Budget Policy. The local economy has 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 are showing some signs of recovery during the first part of 2011, however overall these revenues are still only at a level comparable to 2006. 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 the relative stability of our local economy. All of these factors will position Grand Junction for recovery when job creation begins, and the credit and real estate markets begin to normalize.

General Fund balances are above the minimum working capital recommended in the City's Budget Policy. The City's investment in infrastructure continues to be significant as work continues on the transportation loop including the Riverside Parkway Project, 29 Road, I-70 Business Loop and Interstate 70.

Rates in the Utility Funds are set to cover operating and capital costs. In 2011, there will not be a rate increase for the utility funds. The 2011 Budget includes funding for the subsidy of the Swimming Pools fund.

**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 Division at City of Grand Junction, 250 N. 5<sup>th</sup> Street, Grand Junction, CO 81501.

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# **BASIC FINANCIAL STATEMENTS**



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City of Grand Junction  
**STATEMENT OF NET ASSETS**  
December 31, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>ASSETS</b>				
Cash and investments	\$ 42,606,432	\$ 4,669,572	\$ 47,276,004	\$ 1,715,351
Other receivables, net of allowance for uncollectibles	19,202,040	2,320,017	21,522,057	2,016,901
Internal balances	10,737,687	(10,737,687)	-	-
Prepays	134,431	11,205	145,636	231,081
Inventories	200,169	45,840	246,009	-
Bond issue costs	1,011,375	-	1,011,375	57,865
Restricted cash and investments	41,883,439	-	41,883,439	-
Capital assets (net of accumulated depreciation):				
Land	293,932,358	4,901,443	298,833,801	2,145,497
Buildings and systems	40,190,466	41,370,349	81,560,815	3,185,504
Improvements other than buildings	16,238,980	5,219,639	21,458,619	-
Equipment	12,977,074	2,264,975	15,242,049	401,456
Infrastructure	244,981,595	-	244,981,595	-
Construction in progress	15,850,988	100,065	15,951,053	331,474
Intangible assets	12,750	152,318	165,068	-
Total assets	<u>739,959,784</u>	<u>50,317,736</u>	<u>790,277,520</u>	<u>10,085,129</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	4,107,785	552,137	4,659,922	32,187
Accrued interest payable	1,310,810	59,153	1,369,963	7,888
Unearned revenue	9,771,200	-	9,771,200	1,977,722
Noncurrent liabilities:				
Due within one year	6,050,381	370,937	6,421,318	3,110,533
Due in more than one year	112,635,190	6,514,947	119,150,137	3,206,827
Total liabilities	<u>133,875,366</u>	<u>7,497,174</u>	<u>141,372,540</u>	<u>8,335,157</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	555,543,770	47,807,739	603,351,509	5,697,948
Restricted for :				
Perpetual care:				
Nonexpendable	1,273,706	-	1,273,706	-
Debt service	15,266,134	-	15,266,134	-
Emergency reserves	2,000,000	-	2,000,000	-
Unrestricted	32,000,808	(4,987,177)	27,013,631	(3,947,976)
Total net assets	<u>\$ 606,084,418</u>	<u>\$ 42,820,562</u>	<u>\$ 648,904,980</u>	<u>\$ 1,749,972</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, 2010

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 11,591,395	\$ 3,274,890	\$ 221,272	\$ 90,703
Public safety	33,423,757	7,104,163	691,700	778,257
Public works	20,728,384	2,659,523	104,954	25,813,420
Parks and recreation	8,771,342	1,461,584	557,942	118,559
Urban development and housing	561,457	-	608,812	-
Interest on long-term debt	3,327,080	-	-	-
Total governmental activities	<u>78,403,415</u>	<u>14,500,160</u>	<u>2,184,680</u>	<u>26,800,939</u>
Business-type Activities:				
Water	5,419,125	5,231,378	429,772	90,265
Convention Center	2,857,866	2,322,730	2,992	-
Solid Waste Removal	3,462,854	3,251,274	69,448	303,467
Swimming Pools	1,038,563	590,332	93,149	-
Golf	2,266,394	1,901,601	-	-
Parking	480,383	412,578	-	-
Irrigation Systems	306,572	219,820	-	-
Ambulance Transport	2,173,362	2,027,458	-	102,527
Total business-type activities	<u>18,005,119</u>	<u>15,957,171</u>	<u>595,361</u>	<u>496,259</u>
Total primary government	<u>\$ 96,408,534</u>	<u>\$ 30,457,331</u>	<u>\$ 2,780,041</u>	<u>\$ 27,297,198</u>
<b>Component unit:</b>				
Downtown Development Authority	<u>\$ 4,855,605</u>	<u>\$ 132,558</u>	<u>\$ 67,154</u>	<u>\$ 240,248</u>

General revenues:  
Sales & use taxes  
Property taxes  
Franchise taxes  
Highway users tax  
Other shared taxes  
Investment earnings  
Transfers  
Total general revenues  
Change in net assets  
Net assets - beginning  
Prior period adjustment  
Net assets - beginning as restated  
Net assets - ending

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



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

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Downtown Development Authority
\$ (8,004,530)	\$ -	\$ (8,004,530)	\$ -
(24,849,637)	-	(24,849,637)	-
7,849,513	-	7,849,513	-
(6,633,257)	-	(6,633,257)	-
47,355	-	47,355	-
<u>(3,327,080)</u>	<u>-</u>	<u>(3,327,080)</u>	<u>-</u>
<u>(34,917,636)</u>	<u>-</u>	<u>(34,917,636)</u>	<u>-</u>
-	332,290	332,290	-
-	(532,144)	(532,144)	-
-	161,335	161,335	-
-	(355,082)	(355,082)	-
-	(364,793)	(364,793)	-
-	(67,805)	(67,805)	-
-	(86,752)	(86,752)	-
-	(43,377)	(43,377)	-
<u>-</u>	<u>(956,328)</u>	<u>(956,328)</u>	<u>-</u>
\$ <u>(34,917,636)</u>	\$ <u>(956,328)</u>	\$ <u>(35,873,964)</u>	\$ <u>-</u>
-	-	-	(4,415,645)
47,424,012	-	47,424,012	-
10,146,009	-	10,146,009	2,192,121
2,527,530	-	2,527,530	-
2,262,898	-	2,262,898	-
1,907,422	-	1,907,422	-
635,807	38,206	674,013	57,279
<u>(532,813)</u>	<u>532,813</u>	<u>-</u>	<u>-</u>
<u>64,370,865</u>	<u>571,019</u>	<u>64,941,884</u>	<u>2,249,400</u>
29,453,229	(385,309)	29,067,920	(2,166,245)
576,631,189	43,205,871	619,837,060	3,971,217
-	-	-	(55,000)
<u>576,631,189</u>	<u>43,205,871</u>	<u>619,837,060</u>	<u>3,916,217</u>
\$ <u>606,084,418</u>	\$ <u>42,820,562</u>	\$ <u>648,904,980</u>	\$ <u>1,749,972</u>

City of Grand Junction  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2010

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Major Capital Improvements Capital Projects Fund	General Debt Service Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and investments	\$ 11,254,602	\$ -	\$ 40,254,623	\$ 1,628,878	\$ 15,100,529	\$ 6,072,113	\$ 74,310,745
Interest receivable	70,885	-	-	-	-	-	70,885
Accounts receivable, net of allowances							
for uncollectibles	395,333	966	-	-	-	734,319	1,130,618
Taxes receivable	12,623,465	1,223,821	-	-	-	330,543	14,177,829
Special assessments receivable	-	113,175	-	-	-	-	113,175
Due from other funds	2,376,698	-	-	-	-	-	2,376,698
Prepaid Items	19,503	-	-	-	-	-	19,503
Inventories	200,169	-	-	-	-	-	200,169
Advances to other funds	8,987,789	-	-	-	-	-	8,987,789
Intergovernmental receivables	2,021,883	654,825	-	-	-	234,467	2,911,175
Total assets	<u>\$ 37,950,327</u>	<u>\$ 1,992,787</u>	<u>\$ 40,254,623</u>	<u>\$ 1,628,878</u>	<u>\$ 15,100,529</u>	<u>\$ 7,371,442</u>	<u>\$ 104,298,586</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 1,073,752	\$ 898,547	\$ 282,588	\$ -	\$ -	\$ 478,329	\$ 2,733,216
Accrued liabilities	754,191	3,249	-	-	-	18,212	775,652
Due to other funds	-	871,190	-	-	-	136,915	1,008,105
Deferred revenue	9,464,521	113,175	-	-	-	212,733	9,790,429
Total liabilities	<u>11,292,464</u>	<u>1,886,161</u>	<u>282,588</u>	<u>-</u>	<u>-</u>	<u>846,189</u>	<u>14,307,402</u>
Fund balances:							
Reserved for:							
Prepays and Inventories	219,672	-	-	-	-	-	219,672
Advances	8,987,789	-	-	-	-	-	8,987,789
Perpetual care	-	-	-	-	-	1,273,706	1,273,706
Debt service	533,500	-	-	1,628,878	15,100,529	165,605	17,428,512
Emergency	2,000,000	-	-	-	-	-	2,000,000
Unreserved:							
Designated for subsequent year's expenditures-							
Special revenue funds	-	-	-	-	-	620,585	620,585
Capital projects funds	-	-	21,498,141	-	-	138,243	21,636,384
Undesignated, reported in:							
General fund	14,916,902	-	-	-	-	-	14,916,902
Special revenue funds	-	-	-	-	-	3,465,951	3,465,951
Capital projects funds	-	106,626	18,473,894	-	-	861,163	19,441,683
Total fund balances	<u>26,657,863</u>	<u>106,626</u>	<u>39,972,035</u>	<u>1,628,878</u>	<u>15,100,529</u>	<u>6,525,253</u>	<u>89,991,184</u>
Total liabilities and fund balances	<u>\$ 37,950,327</u>	<u>\$ 1,992,787</u>	<u>\$ 40,254,623</u>	<u>\$ 1,628,878</u>	<u>\$ 15,100,529</u>	<u>\$ 7,371,442</u>	<u>\$ 104,298,586</u>

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

City of Grand Junction  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET ASSETS**  
 December 31, 2010

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

Total fund balance - governmental funds (page 34)	\$ 89,991,184
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	609,671,420
Long-term assets are not available to pay current expenditures, and therefore, are deferred in the funds.	83,155
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 \$29,770,992 and liabilities (\$3,268,926) of the internal service funds are included in governmental activities in the statement of net assets.	21,143,226
Interfund for internal service fund allocated to business-type activities.	381,305
Long-term liabilities including bonds and notes payable, capital leases, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds.	
General obligation bonds	\$ (595,000)
Revenue bonds	(65,400,000)
Bond premium (to be amortized over life of debt)	(2,323,497)
Certificates of participation	(42,670,000)
Discount on certificates of participation (to be amortized over life of lease)	422,392
Deferred charge for issue costs (to be amortized over life of debt)	647,327
Deferred charge for issue costs (to be amortized over life of lease)	364,048
Net pension obligation	(761,743)
Accrued interest payable	(1,310,810)
Compensated absences	(2,905,870)
Other Post Employment Benefit Obligation	<u>(652,719)</u>
	(115,185,872)
<b>Total net assets - governmental activities (page 31)</b>	<b><u><u>\$ 606,084,418</u></u></b>

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, 2010

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Major Capital Improvements Capital Projects Fund	General Debt Service Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
<b>Taxes:</b>							
Property	\$ 9,918,153	\$ -	\$ -	\$ -	\$ -	\$ 227,856	\$ 10,146,009
Sales and use	34,641,496	11,020,080	-	-	-	1,762,436	47,424,012
Franchise	2,527,530	-	-	-	-	-	2,527,530
Severance	1,023,720	-	-	-	-	-	1,023,720
Other	3,146,600	-	-	-	-	-	3,146,600
Licenses and permits	118,128	-	-	-	-	-	118,128
Intergovernmental revenues	1,406,990	1,978,327	-	-	-	1,091,476	4,476,793
Charges for services	6,368,375	51,576	-	-	-	3,503,746	9,923,697
Fines and forfeitures	1,225,946	-	-	-	-	8,864	1,234,810
Special assessments	-	49,372	-	-	-	-	49,372
Investment earnings	315,554	10,595	62	-	145,519	81,970	553,700
Other income	41,915	-	-	-	-	88,723	130,638
Other contributions	79,315	2,500	-	-	-	94,792	176,607
Total revenues	<u>60,813,722</u>	<u>13,112,450</u>	<u>62</u>	<u>-</u>	<u>145,519</u>	<u>6,859,863</u>	<u>80,931,616</u>
<b>EXPENDITURES</b>							
<b>Current:</b>							
General government	7,480,915	-	-	300	-	2,820,755	10,301,970
Public safety	27,193,471	-	-	-	-	-	27,193,471
Public works	9,686,215	-	-	-	-	-	9,686,215
Parks and recreation	7,067,698	-	-	-	-	-	7,067,698
Urban development and housing	174,726	-	-	-	-	386,731	561,457
<b>Debt service:</b>							
Principal retirement	188,479	-	-	3,710,000	-	175,000	4,073,479
Interest and fiscal charges	-	-	-	3,270,388	-	46,970	3,317,358
Bond issuance costs	-	-	364,048	-	-	-	364,048
<b>Capital outlay:</b>							
Construction	-	6,908,136	282,709	-	-	2,726,062	9,916,907
Total expenditures	<u>51,791,504</u>	<u>6,908,136</u>	<u>646,757</u>	<u>6,980,688</u>	<u>-</u>	<u>6,155,518</u>	<u>72,482,603</u>
Excess (deficiency) of revenues over (under) expenditures	9,022,218	6,204,314	(646,695)	(6,980,688)	145,519	704,345	8,449,013
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	2,752,694	1,620,836	-	6,980,688	2,768,033	877,923	15,000,174
Transfers out	(4,280,472)	(7,817,848)	-	-	-	(3,554,010)	(15,652,330)
Certificates of participation issued	-	-	41,041,122	1,628,878	-	-	42,670,000
Discount on certificates of participation	-	-	(422,392)	-	-	-	(422,392)
Sale of capital assets	-	99,324	-	-	-	-	99,324
Total other financing sources and uses	<u>(1,527,778)</u>	<u>(6,097,688)</u>	<u>40,618,730</u>	<u>8,609,566</u>	<u>2,768,033</u>	<u>(2,676,087)</u>	<u>41,694,776</u>
Net change in fund balances	7,494,440	106,626	39,972,035	1,628,878	2,913,552	(1,971,742)	50,143,789
Fund balances -- beginning	19,163,423	-	-	-	12,186,977	8,496,995	39,847,395
Fund balances -- ending	<u>\$ 26,657,863</u>	<u>\$ 106,626</u>	<u>\$ 39,972,035</u>	<u>\$ 1,628,878</u>	<u>\$ 15,100,529</u>	<u>\$ 6,525,253</u>	<u>\$ 89,991,184</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, 2010

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)	\$	50,143,789
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$11,341,636) exceeded capital outlays \$10,236,826 in the current period.		(1,104,810)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales and disposals) is to decrease net assets.		(1,010,339)
The net effect of the donation of capital assets is to increase net assets.		24,256,746
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		63,225

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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Certificates of participation issued	\$	(42,670,000)	
Discount on certificates of participation (net of current amortization)		422,392	
Bond issuance costs		364,048	
Debt principal payments		3,885,000	
Bond Premium (to be amortized over the life of debt)		404,542	
Deferred charge for bond issuance cost		(45,806)	
Increase in accrued interest		(179,979)	
Decrease in net pension obligation		117,089	
Decrease in compensated absences		120,579	
Increase in other post employment benefit obligation		(225,611)	
		(37,807,746)	(37,807,746)

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	\$	3,055,763	
Expenses due to external customers		(4,030,600)	
Gain (Loss) on disposition of property		(7,478)	
Investment income		82,107	
Operating loss from operations		(4,187,428)	
		(5,087,636)	(5,087,636)

Change in net assets of governmental activities (page 33)	\$	29,453,229
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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, 2010

	<u>Original and Final 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>
<b>REVENUES</b>					
<b>Taxes:</b>					
Property	\$ 10,194,920	\$ 9,918,153	\$ -	\$ 9,918,153	\$ (276,767)
Sales and use	38,669,434	34,641,496	(229,329)	34,412,167	(4,257,267)
Franchise	2,052,650	2,527,530	-	2,527,530	474,880
Severance	-	1,023,720	-	1,023,720	1,023,720
Other	2,956,478	3,146,600	14,307	3,160,907	204,429
Licenses and permits	108,745	118,128	-	118,128	9,383
Intergovernmental revenues	1,719,430	1,406,990	-	1,406,990	(312,440)
Charges for services	5,806,464	6,368,375	-	6,368,375	561,911
Fines and forfeitures	909,000	1,225,946	-	1,225,946	316,946
Investment earnings	500,000	315,554	18,723	334,277	(165,723)
Other income	35,000	41,915	-	41,915	6,915
Other contributions	33,840	79,315	-	79,315	45,475
Total revenues	<u>62,985,961</u>	<u>60,813,722</u>	<u>(196,299)</u>	<u>60,617,423</u>	<u>(2,368,538)</u>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General government:					
Administration	5,253,729	4,900,810	-	4,900,810	352,919
Community development	3,630,691	2,580,105	-	2,580,105	1,050,586
Total general government	<u>8,884,420</u>	<u>7,480,915</u>	<u>-</u>	<u>7,480,915</u>	<u>1,403,505</u>
Public safety:					
Police protection	17,782,818	16,739,540	-	16,739,540	1,043,278
Fire protection	11,683,398	10,453,931	-	10,453,931	1,229,467
Total public safety	<u>29,466,216</u>	<u>27,193,471</u>	<u>-</u>	<u>27,193,471</u>	<u>2,272,745</u>
Public works					
Parks and recreation	10,308,432	9,686,215	-	9,686,215	622,217
Urban development and housing	7,648,800	7,067,698	-	7,067,698	581,102
	316,376	174,726	-	174,726	141,650
Debt service:					
Principal retirement	188,479	188,479	-	188,479	-
Total debt service	<u>188,479</u>	<u>188,479</u>	<u>-</u>	<u>188,479</u>	<u>-</u>
Total expenditures	<u>56,812,723</u>	<u>51,791,504</u>	<u>-</u>	<u>51,791,504</u>	<u>5,021,219</u>
Excess (deficiency) of revenues over (under) expenditures	6,173,238	9,022,218	(196,299)	8,825,919	2,652,681
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,670,848	2,752,694	-	2,752,694	1,081,846
Transfers out	(8,307,097)	(4,280,472)	-	(4,280,472)	4,026,625
Sale of Capital assets	4,000	-	-	-	(4,000)
Total other financing sources and uses	<u>(6,632,249)</u>	<u>(1,527,778)</u>	<u>-</u>	<u>(1,527,778)</u>	<u>5,104,471</u>
Net change in fund balances	(459,011)	7,494,440	(196,299)	7,298,141	7,757,152
Fund balances -- beginning	20,026,694	19,163,423	863,271	20,026,694	-
Fund balances -- ending	<u>\$ 19,567,683</u>	<u>\$ 26,657,863</u>	<u>\$ 666,972</u>	<u>\$ 27,324,835</u>	<u>\$ 7,757,152</u>

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

City of Grand Junction, Colorado  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
December 31, 2010

Business-Type Activities - Enterprise Funds

	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 3,088,805	\$ -	\$ 51,150	\$ 1,032,446	\$ 497,171	\$ 4,669,572	\$ 10,179,126
Accounts receivable, net of allowance	370,132	192,943	7,071	2,175	1,561,659	2,133,980	2,469
Intergovernmental receivable	153,297	-	-	-	32,740	186,037	731,963
Prepaid items	11,205	-	-	-	-	11,205	114,928
Inventory	-	-	45,840	-	-	45,840	-
Total current assets	<u>3,623,439</u>	<u>192,943</u>	<u>104,061</u>	<u>1,034,621</u>	<u>2,091,570</u>	<u>7,046,634</u>	<u>11,028,486</u>
Noncurrent assets:							
Capital assets:							
Land	2,506,211	153,001	891,356	1,350,875	-	4,901,443	-
Buildings, improvements, plant and system	43,578,747	9,141,572	7,358,526	5,200,888	8,289,268	73,569,001	2,553,449
Equipment	1,021,636	590,304	168,528	316,278	2,236,306	4,333,052	28,380,582
Construction in progress	69,127	-	-	-	30,938	100,065	3,088,945
Intangible assets	152,318	-	-	-	-	152,318	-
Less accumulated depreciation	<u>(15,364,176)</u>	<u>(2,797,607)</u>	<u>(2,804,124)</u>	<u>(816,631)</u>	<u>(7,264,552)</u>	<u>(29,047,090)</u>	<u>(19,510,185)</u>
Total capital assets (net of accumulated depreciation)	<u>31,963,863</u>	<u>7,087,270</u>	<u>5,614,286</u>	<u>6,051,410</u>	<u>3,291,960</u>	<u>54,008,789</u>	<u>14,512,791</u>
Total noncurrent assets	<u>31,963,863</u>	<u>7,087,270</u>	<u>5,614,286</u>	<u>6,051,410</u>	<u>3,291,960</u>	<u>54,008,789</u>	<u>14,512,791</u>
Total assets	<u>35,587,302</u>	<u>7,280,213</u>	<u>5,718,347</u>	<u>7,086,031</u>	<u>5,383,530</u>	<u>61,055,423</u>	<u>25,541,277</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	117,591	122,609	64,527	1,130	120,042	425,899	474,308
Accrued liabilities	38,348	24,468	9,793	2,144	51,485	126,238	96,701
Accrued interest payable	59,153	-	-	-	-	59,153	-
Compensated absences payable	19,067	4,883	7,267	674	17,760	49,651	27,908
Claims payable	-	-	-	-	-	-	1,412,082
Current portion of promissory notes payable	321,286	-	-	-	-	321,286	-
Current portion of capital leases payable	-	-	-	-	-	-	18,639
Due to other funds	-	59,082	221,352	206,586	881,573	1,368,593	-
Total current liabilities	<u>555,445</u>	<u>211,042</u>	<u>302,939</u>	<u>210,534</u>	<u>1,070,860</u>	<u>2,350,820</u>	<u>2,029,638</u>
Noncurrent liabilities:							
Compensated absences payable	243,925	62,467	92,966	8,618	227,207	635,183	357,028
Claims payable	-	-	-	-	-	-	1,990,789
Advances from other funds - general fund	-	-	3,417,415	4,557,947	1,012,427	8,987,789	-
Promissory notes payable	5,879,764	-	-	-	-	5,879,764	-
Capital leases payable	-	-	-	-	-	-	20,596
Total noncurrent liabilities	<u>6,123,689</u>	<u>62,467</u>	<u>3,510,381</u>	<u>4,566,565</u>	<u>1,239,634</u>	<u>15,502,736</u>	<u>2,368,413</u>
Total liabilities	<u>6,679,134</u>	<u>273,509</u>	<u>3,813,320</u>	<u>4,777,099</u>	<u>2,310,494</u>	<u>17,853,556</u>	<u>4,398,051</u>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	25,762,813	7,087,270	5,614,286	6,051,410	3,291,960	47,807,739	14,473,556
Unrestricted	3,145,355	(80,566)	(3,709,259)	(3,742,478)	(218,924)	(4,605,872)	6,669,670
Total net assets	<u>\$ 28,908,168</u>	<u>\$ 7,006,704</u>	<u>\$ 1,905,027</u>	<u>\$ 2,308,932</u>	<u>\$ 3,073,036</u>	<u>\$ 43,201,867</u>	<u>\$ 21,143,226</u>

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

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

Current year:	(271,204)
Prior years:	(110,101)
Total net assets - business-type activities (page 31)	<u>\$ 42,820,562</u>

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

City of Grand Junction, Colorado  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2010

Business-Type Activities - Enterprise Funds							Governmental
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Activities- Internal Service Funds
<b>Operating revenues:</b>							
Charges for sales and services	\$ 5,231,378	\$ 2,322,730	\$ 1,901,601	\$ 412,578	\$ 6,088,884	\$ 15,957,171	\$ 10,301,924
Other income	-	-	-	-	-	-	126,797
Total operating revenues	<u>5,231,378</u>	<u>2,322,730</u>	<u>1,901,601</u>	<u>412,578</u>	<u>6,088,884</u>	<u>15,957,171</u>	<u>10,428,721</u>
<b>Operating expenses:</b>							
Personnel services	2,613,058	1,352,466	1,020,025	120,319	3,397,288	8,503,156	6,695,898
Costs of sales and services	1,670,538	1,239,969	977,989	63,556	3,036,633	6,988,685	7,799,155
Depreciation and amortization	909,255	256,376	180,857	144,074	404,033	1,894,595	2,382,458
Total operating expenses	<u>5,192,851</u>	<u>2,848,811</u>	<u>2,178,871</u>	<u>327,949</u>	<u>6,837,954</u>	<u>17,386,436</u>	<u>16,877,511</u>
Operating income (loss)	<u>38,527</u>	<u>(526,081)</u>	<u>(277,270)</u>	<u>84,629</u>	<u>(749,070)</u>	<u>(1,429,265)</u>	<u>(6,448,790)</u>
<b>Nonoperating revenues (expenses):</b>							
Intergovernmental	162,249	-	-	-	499,143	661,392	569,633
Miscellaneous	267,523	2,992	-	-	69,448	339,963	326,345
Investment income	20,150	-	-	11,354	6,702	38,206	82,107
Gain (loss) on disposition of property and equipment	-	(1,398)	-	-	-	(1,398)	(7,478)
Interest expense	<u>(138,424)</u>	<u>-</u>	<u>(42,913)</u>	<u>(148,953)</u>	<u>(15,791)</u>	<u>(346,081)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>311,498</u>	<u>1,594</u>	<u>(42,913)</u>	<u>(137,599)</u>	<u>559,502</u>	<u>692,082</u>	<u>970,607</u>
<b>Income (loss) before contributions and transfers</b>							
<b>operating transfers</b>	350,025	(524,487)	(320,183)	(52,970)	(189,568)	(737,183)	(5,478,183)
Capital contributions - tap fees	44,350	-	-	-	-	44,350	-
Contributed capital	45,915	-	-	-	-	45,915	-
Transfers in	-	270,985	-	65,000	196,828	532,813	1,775,912
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,656,569)</u>
Change in net assets	440,290	(253,502)	(320,183)	12,030	7,260	(114,105)	(5,358,840)
Total net assets - beginning	<u>28,467,878</u>	<u>7,260,206</u>	<u>2,225,210</u>	<u>2,296,902</u>	<u>3,065,776</u>	<u>43,315,972</u>	<u>26,502,066</u>
Total net assets - ending	<u>\$ 28,908,168</u>	<u>\$ 7,006,704</u>	<u>\$ 1,905,027</u>	<u>\$ 2,308,932</u>	<u>\$ 3,073,036</u>	<u>\$ 43,201,867</u>	<u>\$ 21,143,226</u>

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

Change in net assets-enterprise funds	(114,105)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:	(271,204)
Change in net assets of business-type activities (page 33)	<u>\$ (385,309)</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, 2010

Business-Type Activities - Enterprise Funds

	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
<b>Cash flows from operating activities:</b>							
Cash received from interfund	\$ 675,467	\$ -	\$ -	\$ -	\$ -	\$ 675,467	\$ 8,605,947
Cash received from customers and users	4,543,993	2,339,157	1,990,376	413,151	6,113,849	15,400,526	1,689,557
Cash paid to interfund	(861,518)	(75,093)	(437,475)	(34,139)	(1,251,384)	(2,659,609)	(545,914)
Cash paid to suppliers	(815,497)	(1,159,373)	(457,810)	(30,570)	(1,963,901)	(4,427,151)	(6,340,340)
Cash paid to employees	(2,651,545)	(1,368,116)	(1,039,262)	(122,637)	(3,372,389)	(8,553,949)	(6,632,138)
Miscellaneous receipts	267,523	2,992	-	-	-	270,515	837,962
Net cash provided (used) by operating activities	<u>1,158,423</u>	<u>(260,433)</u>	<u>55,829</u>	<u>225,805</u>	<u>(473,825)</u>	<u>705,799</u>	<u>(2,384,926)</u>
<b>Cash flows from noncapital financing activities:</b>							
Transfers from other funds	-	270,985	-	65,000	196,828	532,813	1,775,912
Transfers to other funds	-	-	-	-	-	-	(1,656,569)
Increase (decrease) in amount due other funds	-	(5,038)	50,382	(35,360)	278,782	288,766	(135,967)
Intergovernmental receipts	203,556	-	-	-	103,899	307,455	-
Net cash provided by noncapital financing activities	<u>203,556</u>	<u>265,947</u>	<u>50,382</u>	<u>29,640</u>	<u>579,509</u>	<u>1,129,034</u>	<u>(16,624)</u>
<b>Cash flows from capital and related financing activities:</b>							
Tap fees	44,350	-	-	-	-	44,350	-
Principal payments:							
Capital leases	-	-	-	-	-	-	(22,757)
Promissory notes	(191,613)	-	-	-	-	(191,613)	-
Advances (Repayment) of interfund capital loans	-	-	2,157,965	(165,209)	(212,154)	1,780,602	-
Note proceeds	3,656,202	-	-	-	-	3,656,202	-
Interest paid	(124,584)	-	(42,913)	(148,953)	(15,791)	(332,241)	-
Proceeds from disposition of capital assets	-	-	-	-	-	-	7,533
Purchase of capital assets	(4,363,683)	(5,514)	(2,382,435)	-	(685,098)	(7,436,730)	(2,528,830)
Intergovernmental receipts	-	-	-	-	408,714	408,714	1,023,434
Miscellaneous capital receipts	-	-	-	-	-	-	326,345
Net cash used in capital and related financing activities	<u>(979,328)</u>	<u>(5,514)</u>	<u>(267,383)</u>	<u>(314,162)</u>	<u>(504,329)</u>	<u>(2,070,716)</u>	<u>(1,194,275)</u>
<b>Cash flows from investing activities:</b>							
Investment income received	20,150	-	-	11,354	6,702	38,206	82,107
Net cash provided by investing activities	<u>20,150</u>	<u>-</u>	<u>-</u>	<u>11,354</u>	<u>6,702</u>	<u>38,206</u>	<u>82,107</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	402,801	-	(161,172)	(47,363)	(391,943)	(197,677)	(3,513,718)
Cash and cash equivalents, January 1	2,686,004	-	212,322	1,079,809	889,114	4,867,249	13,692,844
Cash and cash equivalents, December 31	<u>\$ 3,088,805</u>	<u>\$ -</u>	<u>\$ 51,150</u>	<u>\$ 1,032,446</u>	<u>\$ 497,171</u>	<u>\$ 4,669,572</u>	<u>\$ 10,179,126</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>							
Operating income (loss)	\$ 38,527	\$ (526,081)	\$ (277,270)	\$ 84,629	\$ (749,070)	\$ (1,429,265)	\$ (6,448,790)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	909,255	256,376	180,857	144,074	404,033	1,894,595	2,382,458
(Increase) decrease in accounts receivable	(11,918)	16,427	88,775	573	(322,047)	(228,190)	704,745
Increase in allowance for uncollectible accounts	-	-	-	-	347,012	347,012	-
(Increase) decrease in inventory	-	-	76,393	-	-	76,393	-
(Increase) decrease in prepaid items	(11,205)	-	-	-	152,097	140,892	(114,928)
Increase (decrease) in accounts payable	4,601	5,503	(178,192)	(1,153)	(404,173)	(573,414)	(113,846)
Increase (decrease) in claims payable	-	-	-	-	-	-	1,275,941
Increase (decrease) in accrued liabilities and compensated absences payable	(38,487)	(15,650)	(19,237)	(2,318)	24,899	(50,793)	63,760
(Increase) decrease in accounts payable due to the purchase of capital assets on account	127	-	184,503	-	73,424	258,054	(134,266)
Total adjustments	<u>1,119,896</u>	<u>265,648</u>	<u>333,099</u>	<u>141,176</u>	<u>275,245</u>	<u>2,135,064</u>	<u>4,063,864</u>
Net cash provided (used) by operating activities	<u>\$ 1,158,423</u>	<u>\$ (260,433)</u>	<u>\$ 55,829</u>	<u>\$ 225,805</u>	<u>\$ (473,825)</u>	<u>\$ 705,799</u>	<u>\$ (2,384,926)</u>
<b>Noncash Investing, Capital and Financing Activities</b>							
Purchase of capital assets on account	\$ 68,518	\$ -	\$ 4,005	\$ -	\$ 6,630	\$ 79,153	\$ 193,075
Capital Contributions	45,915	-	-	-	-	45,915	-
Borrowing under capital lease	-	-	-	-	-	-	61,992

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

City of Grand Junction, Colorado  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
December 31, 2010

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund	Agency Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 40,449	\$ 43,122	\$ 12,893,850	\$ 981,279
Investments				
Short term investments	899,036	-	-	-
Fixed income investments	2,441,288	-	-	-
Global equity investments	6,593,761	-	-	-
Real assets investments	376,400	-	-	-
Absolute return investments	50,924	-	-	-
Private capital investments	1,618,333	-	-	-
Opportunistic investments	72,939	-	-	-
Securities lending investment pool	642,214	-	-	-
Accounts receivable, net of allowance	-	-	-	600
Total assets	<u>12,735,344</u>	<u>43,122</u>	<u>12,893,850</u>	<u>981,879</u>
<b>LIABILITIES</b>				
Due to other governments	-	-	-	\$ <u>981,879</u>
<b>NET ASSETS</b>				
Held in trust for:				
External investment pool participants	-	-	12,893,850	
Pension benefits	12,735,344	-	-	
Individuals, organizations and others	-	43,122	-	
Total net assets	<u>\$ 12,735,344</u>	<u>\$ 43,122</u>	<u>\$ 12,893,850</u>	

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

City of Grand Junction, Colorado  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
For the Year Ended December 31, 2010

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund
<b>ADDITIONS</b>			
Additions by participants	\$ -	\$ 76,360	\$ 9,053,393
Employer contributions	618,941	-	-
Total contributions	<u>618,941</u>	<u>76,360</u>	<u>9,053,393</u>
Investment earnings:			
Interest	291,929	409	243,220
Net increase (decrease) in fair value of investments	<u>1,323,501</u>	<u>-</u>	<u>-</u>
Net investment earnings	<u>1,615,430</u>	<u>409</u>	<u>243,220</u>
Total additions	<u>2,234,371</u>	<u>76,769</u>	<u>9,296,613</u>
<b>DEDUCTIONS</b>			
Distributions to participants	-	104,077	11,182,679
Benefits and refunds	1,712,515	-	-
Administrative expenses	91,741	3,219	-
Total deductions	<u>1,804,256</u>	<u>107,296</u>	<u>11,182,679</u>
Change in net assets	430,115	(30,527)	(1,886,066)
Net assets available - beginning	<u>12,305,229</u>	<u>73,649</u>	<u>14,779,916</u>
Net assets available - ending	<u>\$ 12,735,344</u>	<u>\$ 43,122</u>	<u>\$ 12,893,850</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 central stores facility and a communications center. The communications center 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, although legally separate entities, are in substance part of the City's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

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

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

*The Grand Junction West Water and Sanitation District* was annexed into the City and dissolved as a separate district in 1993. The District continued in existence solely to provide for the payment of the District's outstanding debt with a special levy of property taxes and sanitary sewer fees collected only within the District. The District's outstanding debt has been paid in full and the fund has been terminated as of December 31, 2010.

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

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

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

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

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

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

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

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

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

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.



The City reports the following major governmental funds:

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

The **Sales Tax Capital Improvements Fund** is a capital projects fund used to account for the financing and construction of projects financed completely or partially with the  $\frac{3}{4}$  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 Stadium Improvement Project and the Public Safety Building Improvement Project, funded completely or partially with proceeds from the issuance of certificates of participation.

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 assets held on behalf of the City of Grand Junction/Mesa County Joint Sewer System in the City's cash pool. The Joint Sewer System is not part of the City's financial reporting entity.

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

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

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

Amounts reported as program revenues include:

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

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

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

The Ambulance Transport Enterprise Fund has 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.

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

#### **D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**

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

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

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

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

The City Council has formally established an investment policy allowing investments to have maturities beyond 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 2010 taxes collectible in 2011 and are also shown as deferred revenue. Following are details of the property tax calendar:

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

### *4. Special Assessments Receivable*

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

### *5. Inventories and prepaid items*

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

## 6. *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. *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.

## 9. *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.

## 10. *Long-Term Liabilities*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable

governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

#### *11. Fund Equity*

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

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

The details of the budget calendar follow:

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

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

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

Supplemental appropriation ordinances during 2010 resulted in budget amendments as follows:

Fund	Original Amount	Amended Amount
<b><i>Primary Government - City of Grand Junction:</i></b>		
<b><i>Governmental Activities</i></b>		
Special Revenue Funds:		
Enhanced 911	\$ 2,532,118	\$ 2,954,737
Community Development	546,201	616,537
Capital Projects Funds:		
Storm Drainage Development	79,603	156,539
Major Capital Improvements	-	665,956
Street Assessment Capital	1,494,782	2,586,175
<b><i>Business-Type Activities</i></b>		
Enterprise Funds:		
Water	9,150,646	9,663,192
Solid Waste	3,576,750	3,723,777
Ambulance Transport	2,437,383	2,504,988
Internal Service Funds:		
Equipment	3,953,851	4,083,371
Self Insurance	2,267,552	3,870,523
<b><i>Component Unit - Downtown Development Authority:</i></b>		
Special Revenue Funds:		
DDA Operations Special Revenue	384,760	789,861
Capital Projects Funds:		
DDA Capital Improvements	3,156,091	3,850,000

During 2010, an appropriation of \$10,506 was adopted for a public art fund that was later determined to be unnecessary to account for these expenditures. This fund is not presented in the financial statements.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

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

### NOTE 3. DEPOSITS AND INVESTMENTS

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

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

#### Cash Deposits

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

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

The composition of all cash held by the City cash pool at December 31, 2010, is as follows:

	<b>Bank Balance</b>	<b>Carrying Balance</b>
Cash on hand	\$ -	\$ 11,146
Insured deposits	250,000	250,000
Deposits collateralized in single institutional pools	8,065,636	6,423,591
	<u>\$8,315,636</u>	<u>\$6,684,737</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, 2010, the City had the following investments:

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>
Corporate stock	Not rated	\$23,959	0.00
Federal Agency Securities	AAA	7,359,189	14.99
FDIC (Govt Backed Corporate)	AAA	6,102,695	29.49
Pass Through Securities (GNMA/CMO)	AAA	6,763,889	99.66
Commercial Paper	A-1+	5,985,903	5.52
State investment pools	AAA	71,872,673	0.03
Pension trust fund	Not rated	12,735,344	0.00
<b>Total</b>		<b>\$110,843,652</b>	<b>14.96</b>

*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, 2010, is as follows:

General Fund	\$5,349
Enterprise Funds:	
Water	\$ 1,054
Solid Waste Removal	274
Two Rivers Convention Center	2,898
Ambulance Transport	395,980
	<u>\$ 400,206</u>
Internal Service Funds:	
Communications Center	\$ 817



## NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

### Primary Government - City of Grand Junction:

	Beginning Balance	Increase	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$281,759,977	\$ 13,178,323	\$ 1,005,942	\$293,932,358
Construction in progress	10,681,331	7,552,923	2,383,266	15,850,988
Intangible assets	-	12,750	-	12,750
Total capital assets, not being depreciated	292,441,308	20,743,996	3,389,208	309,796,096
<i>Capital assets, being depreciated:</i>				
Buildings	50,430,221	1,196,363	-	51,626,584
Improvements other than buildings	28,638,919	939,008	-	29,577,927
Equipment	34,685,094	2,957,270	1,268,527	36,373,837
Infrastructure	322,796,504	13,762,780	85,897	336,473,387
Total capital assets, being depreciated	436,550,738	18,855,421	1,354,424	454,051,735
<i>Less accumulated depreciation for:</i>				
Buildings	9,931,972	1,504,146	-	11,436,118
Improvements other than buildings	12,131,739	1,207,208	-	13,338,947
Equipment	21,638,389	3,010,953	1,252,579	23,396,763
Infrastructure	83,574,951	8,001,787	84,946	91,491,792
Total accumulated depreciation	127,277,051	13,724,094	1,337,525	139,663,620
Total capital assets, being depreciated, net	309,273,687	5,131,327	16,899	314,388,115
Governmental activities capital assets, net	\$601,714,995	\$25,875,323	\$ 3,406,107	\$624,184,211
<b>Business-type Activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,942,989	\$ -	\$ 41,546	\$ 4,901,443
Construction in progress	1,565,122	6,142,940	7,607,997	100,065
Intangible assets	-	152,318	-	152,318
Total capital assets, not being depreciated	6,508,111	6,295,258	7,649,543	5,153,826
<i>Capital assets, being depreciated:</i>				
Buildings and systems	62,381,750	4,084,658	723,977	65,742,431
Improvements other than buildings	4,376,240	3,450,330	-	7,826,570
Equipment	3,294,967	1,154,661	116,576	4,333,052
Total capital assets, being depreciated	70,052,957	8,689,649	840,553	77,902,053
<i>Less accumulated depreciation for:</i>				
Buildings and systems	23,551,863	1,433,422	613,203	24,372,082
Improvements other than buildings	2,410,413	196,518	-	2,606,931
Equipment	1,922,072	261,185	115,180	2,068,077
Total accumulated depreciation	27,884,348	1,891,125	728,383	29,047,090
Total capital assets, being depreciated, net	42,168,609	6,798,524	112,170	48,854,963
Business-type activities capital assets, net	\$ 48,676,720	\$ 13,093,782	\$7,761,713	\$ 54,008,789

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

<b>Governmental Activities</b>	
General government	\$ 960,984
Public safety	672,342
Public works	8,481,978
Parks and recreation	1,226,332
Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets	<u>2,382,458</u>
<b>Total depreciation expense – governmental activities</b>	<b><u>\$13,724,094</u></b>
<b>Business-Type Activities</b>	
Water	\$ 905,785
Solid waste	47,028
Meeting and convention center	256,376
Swimming pools	203,412
Golf courses	180,857
Parking	144,074
Irrigation	88,048
Ambulance Transport	<u>65,545</u>
<b>Total depreciation expense – business-type activities</b>	<b><u>\$1,891,125</u></b>

***Discretely Presented Component Unit***

Activity for the ***Downtown Development Authority*** for the year ended December 31, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,445,240	\$ 700,257	\$ -	\$ 2,145,497
Construction in progress	793,292	2,995,381	3,457,199	331,474
Total capital assets, not being depreciated	<u>2,238,532</u>	<u>3,695,638</u>	<u>3,457,199</u>	<u>2,476,971</u>
<i>Capital assets, being depreciated:</i>				
Buildings and systems	4,279,788	2,953,757	2,953,757	4,279,788
Improvements other than buildings	369,676	-	369,676	-
Equipment	572,080	164,357	22,800	713,637
Total capital assets, being depreciated	<u>5,221,544</u>	<u>3,118,114</u>	<u>3,346,233</u>	<u>4,993,425</u>
<i>Less accumulated depreciation for:</i>				
Buildings	965,893	128,391	-	1,094,284
Improvements other than buildings	9,242	-	9,242	-
Equipment	262,822	66,159	16,800	312,181
Total accumulated depreciation	<u>1,237,957</u>	<u>194,550</u>	<u>26,042</u>	<u>1,406,465</u>
Total capital assets, being depreciated, net	<u>3,983,587</u>	<u>2,923,564</u>	<u>3,320,191</u>	<u>3,586,960</u>
DDA capital assets, net	<u>\$ 6,222,119</u>	<u>\$6,619,202</u>	<u>\$6,777,390</u>	<u>\$ 6,063,931</u>

### *Construction Commitments*

The City and its component unit have several ongoing construction projects as of December 31, 2010 composed of the following:

	Spent to <u>12/31/2010</u>	Projected cost <u>of completion</u>
<b>Primary Government</b>		
Street projects	\$ 9,817,934	\$ 18,837,018
Drainage projects	91,714	291,714
Park development	290,093	8,639,722
Facilities/equipment/other	5,751,312	22,263,089
<b>Component Unit</b>		
Development projects	\$ 331,474	\$ 3,531,474

The development projects for the Downtown Development Authority Component Unit are funded with debt backed by tax increment financing proceeds.

### **NOTE 6. CAPITAL LEASES**

#### **Certificates of Participation**

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

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

The interest rate is 4.76% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2010, follows:

Year ending December 31,	Schedule of Base Rents
2011	\$ 529,219
2012	531,750
2013	532,650
2014	533,450
2015	532,000
2016-2020	2,649,306
2021-2025	2,658,300
2026-2030	2,652,250
2031-2035	2,650,500
Total base rentals	<u>13,269,425</u>
Less amounts representing interest	<u>(5,499,425)</u>
Present value of minimum lease payments	<u>\$ 7,770,000</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, 2010, follows:

Year ending December 31,	Schedule of Base Rents
2011	\$ 2,398,130
2012	3,024,810
2013	3,028,110
2014	3,028,923
2015	3,027,122
2016-2020	15,127,900
2021-2025	14,741,525
2026-2030	14,094,800
2031-2035	13,219,665
2036-2040	12,090,655
Total base rentals	83,781,640
Less amounts representing interest	(48,881,640)
Present value of minimum lease payments	\$ 34,900,000

### **Lease with Option to Purchase**

The City entered into a lease with the option to purchase agreement dated March 10, 2010, with Fleetwood Leasing, LLC for emergency response recording equipment. The lease agreement is in accordance with Colorado law as to being subject to annual appropriation by the City. The annualized interest rate is 4.98%. Payments are due annually from April 1, 2010 through March 31, 2012. In accordance with generally accepted accounting principles, the lease is capitalized for financial reporting purposes at the present value of future lease payments.

The assets acquired through capital lease are as follows:

	Internal Service Funds
Equipment	\$ 61,992
Less accumulated depreciation	(6,199)
Total	\$ 55,793

A schedule, by years, of future minimum lease payments under the lease agreement, together with the present value of the net minimum lease payments as of December 31, 2010, follows:

Year ending December 31,	Equipment Lease
2011	\$ 22,757
2012	22,757
Total minimum lease payments	45,514
Less amounts representing interest	(6,279)
Present value of minimum lease payments	\$ 39,235

## NOTE 7. LONG-TERM DEBT

The following is a summary of long-term liability activity of the City for the year ended December 31, 2010:

### Primary Government - City of Grand Junction:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds:					
<i>Ridges</i>	\$ 770,000	\$ -	\$ 175,000	\$ 595,000	\$ 185,000
Revenue bonds:					
<i>Parkway</i>	69,110,000	-	3,710,000	65,400,000	3,905,000
<i>Premium</i>	2,728,039	-	404,542	2,323,497	359,084
Capital Leases:					
<i>Certificates of Participation</i>	-	42,670,000	-	42,670,000	185,000
<i>Discount on Certificates of Participation</i>	-	(422,392)	-	(422,392)	(14,424)
<i>Lease Purchase Agreement</i>	-	61,992	22,757	39,235	18,639
Net pension obligation:					
<i>Police Defined Benefit Plan</i>	707,668	298,048	410,383	595,333	-
<i>Fire Defined Benefit Plan</i>	171,164	179,999	184,753	166,410	-
Claims payable	2,126,930	2,622,708	1,346,767	3,402,871	1,412,082
Compensated absences	3,589,382	4,367,012	4,438,445	3,517,949	255,051
Other Post Employment Benefits	427,108	547,623	322,012	652,719	-
Governmental activity long-term liabilities	<u>\$79,630,291</u>	<u>\$50,324,990</u>	<u>\$11,014,659</u>	<u>\$118,940,622</u>	<u>\$6,305,432</u>
<b>Business-Type Activities</b>					
Loans payable					
<i>Water Systems</i>	\$2,634,486	\$3,800,000	\$191,613	\$6,242,873	\$324,767
Less deferred amounts:					
For loan discount	(45,293)	3,470	-	(41,823)	(3,481)
Compensated absences	678,965	850,118	844,249	684,834	49,651
Business-type activity long-term liabilities	<u>\$3,268,158</u>	<u>\$4,653,588</u>	<u>\$1,035,862</u>	<u>\$6,885,884</u>	<u>\$370,937</u>

### Component Unit – Downtown Development Authority:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Tax increment bonds	\$9,325,000	\$ -	\$ 3,015,000	\$6,310,000	\$3,110,000
Compensated absences	6,112	14,271	13,023	7,360	533
Total	<u>\$9,331,112</u>	<u>\$ 14,271</u>	<u>\$ 3,028,023</u>	<u>\$6,317,360</u>	<u>\$3,110,533</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 \$384,936 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, 2010, 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 \$595,000 unpaid principal at December 31, 2010, payable over the following term:

Year	Principal	Interest	Total
2011	\$185,000	\$36,295	\$221,295
2012	200,000	25,010	225,010
2013	210,000	12,810	222,810
	<u>\$595,000</u>	<u>\$74,115</u>	<u>\$669,115</u>

**REVENUE BONDS:**

\$80,000,000 of approved General Fund Revenue Bonds Series 2004 and 2007 bearing interest at 2% to 5% payable March 1 and September 1 annually through March 1, 2024 were issued to finance the construction of the Riverside Parkway project. There was \$65,400,000 unpaid principal at December 31, 2010, payable over the following term:

Year	Principal	Interest	Total
2011	\$3,905,000	\$3,080,012	\$6,985,012
2012	4,105,000	2,879,762	6,984,762
2013	4,315,000	2,669,262	6,984,262
2014	3,735,000	2,468,012	6,203,012
2015	3,925,000	2,276,512	6,201,512
2016-2020	22,815,000	8,202,720	31,017,720
2021-2024	22,600,000	2,210,650	24,810,650
	<u>\$65,400,000</u>	<u>\$23,786,930</u>	<u>\$89,186,930</u>

**INTERGOVERNMENTAL AGREEMENT:**

The City of Grand Junction entered into an intergovernmental agreement dated September 24, 2008 with Mesa County Valley School District No. 51 for public use of the Chipeta Elementary School gymnasium and multipurpose room, which is owned and maintained by the District. The City has agreed to pay the District the sum of \$565,436 for current and future public use of these facilities. The agreement provides for three interest free installments of \$188,479 to be made on October 1 of each year beginning October 1, 2008. There was no unpaid principal at December 31, 2010. The expense will be recognized when the obligation is due.

**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, 2010 was \$2,467,473 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2011	\$172,400	\$104,213	\$276,613
2012	177,787	99,530	277,317
2013	183,175	94,700	277,875
2014	188,562	89,554	278,116
2015	193,950	84,082	278,032
2016-2020	1,055,949	326,989	1,382,938
2021-2022	495,650	56,964	552,614
	<u>\$2,467,473</u>	<u>\$ 856,032</u>	<u>\$3,323,505</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, 2010 was \$3,775,400 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2011	\$152,367	\$93,439	\$245,806
2012	156,200	89,606	245,806
2013	160,130	85,676	245,806
2014	164,158	81,648	245,806
2015	168,288	77,518	245,806
2016-2020	907,112	321,919	1,229,031
2021-2025	1,027,097	201,934	1,229,031
2026-2030	1,040,048	66,079	1,106,127
	<u>\$3,775,400</u>	<u>\$ 1,017,819</u>	<u>\$4,793,219</u>

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

***TAX INCREMENT BONDS:***

During 2009, the Downtown Development Authority issued \$10,000,000 Tax Increment Financing Bonds. The bonds bear an interest rate of 3% and are payable on June 15 and December 15 of each year through 2012. The unpaid principal at December 31, 2010 was \$6,310,000 payable over the following term:

Year	Principal	Interest	Total
2011	\$3,110,000	\$189,300	\$3,299,300
2012	3,200,000	96,000	3,296,000
	<u>\$6,310,000</u>	<u>\$ 285,300</u>	<u>\$6,595,300</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				
<b>Enterprise Funds:</b>						
Water	\$9,150,646	\$9,663,192	\$5,331,275	\$ 3,639,694	\$8,970,969	\$ 692,223
Solid Waste Removal Two Rivers	3,576,750	3,723,777	3,353,873	369,904	3,723,777	-
Convention Center	2,823,832	2,823,832	2,848,811	(253,502)	2,595,309	228,523
Swimming Pools	1,057,044	1,057,044	1,033,306	(152,997)	880,309	176,735
Golf Courses	4,745,304	4,745,304	2,221,784	2,053,003	4,274,787	470,517
Parking Authority	586,328	586,328	476,902	58,987	535,889	50,439
Irrigation	248,254	248,254	304,066	(89,772)	214,294	33,960
Ambulance Transport	2,437,383	2,504,988	2,162,500	294,656	2,457,156	47,832
<b>Internal Service Funds:</b>						
Data Processing	4,890,358	4,890,358	3,750,752	291,006	4,041,758	848,600
Equipment	3,953,851	4,083,371	3,660,595	(371,278)	3,289,317	794,054
Self-Insurance	2,267,552	3,870,523	5,023,706	(1,837,078)	3,186,628	683,895
Communications Center	8,113,193	8,113,193	6,099,027	328,106	6,427,133	1,686,060

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

The composition of interfund balances as of December 31, 2010, is as follows:

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

	Due from Other Funds	Due to Other Funds
General Fund	\$2,376,698	\$ -
Community Development Special Revenue Fund to cover the cost of operations	-	132,639
Sales Tax Capital Projects Fund to cover the cost of capital	-	871,190
Storm Drainage Development Capital Projects Fund to cover the cost of capital	-	4,276
Parking Enterprise Fund to pay current portion of advance	-	206,586
Two River Convention Center Enterprise Fund to cover the cost of operations	-	59,082
Swimming Pools Enterprise Fund to cover the cost of operations	-	16,686
Ambulance Transport Enterprise Fund to cover the cost of operations	-	778,203
Solid Waste Removal Enterprise Fund to pay current portion of advance	-	86,684
Tiara Rado Golf Course Enterprise Fund to pay current portion of advance	-	221,352
Total	\$2,376,698	\$2,376,698



*Advances to/from other funds:*

	Advance to Other Funds	Advance from Other Funds
General Fund	\$8,987,789	\$ -
Solid Waste Removal Enterprise Fund to cover the cost of operations	-	1,012,427
Tiara Rado Golf Enterprise Fund to cover the cost of new irrigation system	-	3,417,415
Parking Enterprise Fund to cover partial cost of new parking garage	-	4,557,947
Total	<u>\$8,987,789</u>	<u>\$8,987,789</u>

*Interfund Transfers:*

Transfers Out:	General Fund	Sales Tax CIP	General Debt Service Fund	Parkway Debt Retirement Fund	Two Rivers Convention Center	Parking Fund	Nonmajor Governmental	Internal Service	Nonmajor Proprietary	Total
General Fund	\$ -	\$1,264,715	\$ -	\$2,768,033	\$ -	\$ -	\$ 111,276	\$ -	\$ 136,448	\$4,280,472
Sales Tax CIP	-	-	6,980,688	-	5,513	65,000	766,647	-	-	7,817,848
Nonmajor Governmental	1,096,125	356,121	-	-	265,472	-	-	1,775,912	60,380	3,554,010
Internal Service	1,656,569	-	-	-	-	-	-	-	-	1,656,569
Total Transfers In	<u>\$2,752,694</u>	<u>\$1,620,836</u>	<u>\$6,980,688</u>	<u>\$2,768,033</u>	<u>\$270,985</u>	<u>\$65,000</u>	<u>\$877,923</u>	<u>\$1,775,912</u>	<u>\$196,828</u>	<u>\$17,308,899</u>

Transfers into the General Fund were to assist with cemetery operations (\$14,846); to reimburse administrative costs of the Community Development Block Grant; to cover the Chipeta Elementary School intergovernmental agreement (\$188,479); (\$1,242,389) to cover general fund operations; and a fund equity transfer (\$1,156,569) from the self insurance fund to help cover the costs associated with the retiree health program. Transfers out of the General Fund were for economic development projects, capital construction, to subsidize pool operations, 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 (\$6,980,688).

Transfers into the Two Rivers Convention Center Fund were to subsidize operations.

Transfers into the Parking Fund were to contribute the proceeds from the sale of a city owned parking lot to help fund the cost of parking operations.

Transfers into the Internal Service Fund of \$1,775,912 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, 2010, was \$43,240,787. Covered wages and contributions in 2010 were as follows:

<u>General Employee Plan</u>	
Covered wages	\$22,960,836
City contribution	1,377,651
Employee contribution	1,377,651

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 2010 were as follows:

<u>New Hire – Police &amp; Fire</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Covered wages	\$6,982,848	\$6,310,595
City contribution	743,668	672,076
Employee contribution	743,668	672,076

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 2010, 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.* 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 2010, there were no active policemen covered by the Police Old Hire Plan and 20 retirees and beneficiaries receiving benefits. There were no active firefighters contributing to the Fire Old Hire Plan and 37 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, 2010, were as follows:

	Police Old Hire Plan	Fire Old Hire Plan	Total
City contribution	\$410,383	\$184,753	\$595,136
State contribution	-	-	-
Total	<u>\$410,383</u>	<u>\$184,753</u>	<u>\$595,136</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.

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

	Police Old Hire Plan	Fire Old Hire Plan
Annual required contribution (ARC)	\$312,934	\$192,143
Interest on net pension obligation (NPO)	24,923	20,333
Adjustment to ARC	<u>(39,809)</u>	<u>(32,477)</u>
Annual pension cost	298,048	179,999
Contributions made	<u>410,383</u>	<u>184,753</u>
Increase (Decrease) in NPO	(112,335)	(4,754)
NPO – January 1, 2010	<u>707,668</u>	<u>171,164</u>
NPO – December 31, 2010	<u>\$595,333</u>	<u>\$166,410</u>
Actuarial valuation date	1/1/10	1/1/10
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	8.00%	8.00%
Projected salary increases	4.75%	4.75%
Includes inflation at	3.50%	3.50%
Cost of living adjustment	3.00% - 4.00%	3.00% - 4.00%

Three-year trend information is as follows:

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Police Old Hire Plan	12/31/08	\$693,156	121.57%	\$459,857
	12/31/09	691,024	64.14%	707,668
	12/31/10	298,048	137.69%	595,333
Fire Old Hire Plan	12/31/08	\$292,760	107.17%	\$196,611
	12/31/09	180,046	114.13%	171,164
	12/31/10	179,999	102.64%	166,410

*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)
<b>Police Old Hire Plan</b>				
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%
1/1/06	2,407,072	6,524,614	4,117,542	37%
<b>Fire Old Hire Plan</b>				
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%
1/1/06	11,668,292	14,497,968	2,829,676	80%

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 2015. 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 \$121,957 or approximately 27.47 percent of the total premiums, through their required contribution of \$400.89 per month for spouse coverage and \$661.46 for family coverage. Only the retiree's premium is paid by the city.

*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)	\$ 543,738
Interest on net OPEB obligation	12,755
Adjustment to ARC	<u>(8,870)</u>
Annual OPEB cost (expense)	547,623
Contributions made	<u>(322,012)</u>
Increase in net OPEB obligation	225,611
Net OPEB obligation – January 1, 2010	<u>427,108</u>
Net OPEB obligation – December 31, 2010	<u>\$ 652,719</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$414,985	57.99%	\$174,355
2009	\$448,405	43.63%	\$427,108
2010	\$547,623	58.80%	\$652,719

*Funded Status and Funding Progress.* As of June 30, 2010, the most recent actuarial valuation date, the plan was unfunded. The unfunded actuarial accrued liability (UAAL) for benefits was \$7.8 million. The covered payroll (annual payroll of active employees covered by the plan) was \$35,958,809 and the ratio of the UAAL to the covered payroll was 21.7 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, 2010 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.91 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 16 percent initially, reduced by decrements to an ultimate rate of 5 percent after five years. The UAAL is being amortized on a level-dollar basis. The remaining amortization period at December 31, 2010, was 27 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, 2010 and for the year then ended, are as follows:

<u>Statement of Net Assets</u>	
<b>Assets:</b>	
Current assets	\$ 14,008,082
Noncurrent assets	744,916
Net property, plant, and equipment	<u>63,243,064</u>
<b>Total assets</b>	<b><u>\$ 77,996,062</u></b>
<b>Liabilities:</b>	
Current liabilities	\$ 1,728,671
Long-term debt	<u>11,680,573</u>
<b>Total liabilities</b>	<b><u>13,409,244</u></b>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	50,452,629
Unrestricted	<u>14,134,189</u>
<b>Total net assets</b>	<b><u>\$ 64,586,818</u></b>

**Statement of Revenue and Expenses**

Operating revenue	\$ 7,945,850
Operating expenses	<u>8,445,525</u>
<b>Operating income (loss)</b>	<b>(499,675)</b>
Net nonoperating revenue and expenses	(379,325)
Capital contributions	<u>1,470,517</u>
<b>Change in net assets</b>	<b>591,517</b>
<b>Total net assets - beginning</b>	<u>63,995,301</u>
<b>Total net assets - ending</b>	<b><u>\$ 64,586,818</u></b>

Since the City operates the Joint Sewer System, all cash balances are included in the City sponsored Cash Pool. The Joint Sewer System is an external participant in that pool. The Joint Sewer System's share of the pool is \$12,893,850 reported as an Investment Trust Fund in the City's reporting entity. See Note 3 for disclosure of all investing policies concerning the pool.

Operating expense includes \$2,183,492 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, 2010 was \$7,700,000 payable over the following term from *Business activities*:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 830,000	\$ 345,589	\$ 1,175,589
2012	855,000	318,306	1,173,306
2013	885,000	290,202	1,175,202
2014	385,000	269,961	654,961
2015	395,000	257,305	652,305
2016-2020	2,180,000	1,082,891	3,262,891
2021-2024	<u>2,170,000</u>	<u>440,941</u>	<u>2,610,941</u>
	<u>\$7,700,000</u>	<u>\$3,005,195</u>	<u>\$10,705,195</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, 2010 was \$4,780,000 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2011	\$440,000	\$170,542	\$610,542
2012	445,000	164,835	609,835
2013	450,000	155,103	605,103
2014	460,000	142,714	602,714
2015	470,000	128,671	598,671
2016-2019	2,515,000	326,273	2,841,273
	<u>\$4,780,000</u>	<u>\$1,088,138</u>	<u>\$5,868,138</u>

**Downtown Housing Effort**

The Downtown Development Authority, a component unit of the City of Grand Junction, participates on a joint venture basis with the Housing Authority of the City of Grand Junction, Colorado, in the Downtown Housing Effort (DHE). The DHE was organized in 1983 to provide new and improved housing in the downtown Grand Junction, Colorado area. The Housing Authority has been given the responsibility for the day-to-day management of the DHE. The Downtown Development Authority does not have a measurable present or future claim to the net resources of the DHE, and therefore does not record an equity interest in its financial statements. Condensed financial statements of the Downtown Housing Effort at September 30, 2010, and for the year then ended are as follows:

<b>Balance Sheet</b>	
<b>Assets:</b>	
Cash	\$394,231
Loans receivable	<u>32,712</u>
<b>Total assets</b>	<b><u>\$426,943</u></b>
<b>Fund equity:</b>	
Fund balance:	
Reserved for interest and loans receivable	\$ 84,242
Unreserved, undesignated	<u>342,701</u>
<b>Total fund equity</b>	<b><u>\$426,943</u></b>

<b>Statement of Revenues and Expenditures</b>	
Interest and other income	\$ 1,477
Expenditures	<u>(3,479)</u>
<b>Excess of revenues over expenditures</b>	<b><u>\$ (2,002)</u></b>

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

**B. RELATED ORGANIZATIONS**

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

**Grand Junction Housing Authority**

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



### *Horizon Drive Business Improvement District*

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

## **NOTE 13. CONTINGENCIES**

### **A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to employee health claims; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established the Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Internal Service Fund provides coverage for up to a maximum of \$400,000 per occurrence on each worker's compensation claim for police officers and firefighters and \$350,000 per occurrence on each worker's compensation claim for all other employees and up to \$150,000 for each general liability or property damage claim. The City purchases commercial insurance for claims in excess of coverage for worker's compensation and participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for claims in excess of coverage for general liability and property. The city's share of surplus contributions held by CIRSA at December 31, 2010 was \$239,697. Settled claims have not exceeded these coverages in any of the past three fiscal years.

All funds of the City and the Joint Sewer System participate in the program and make payments to the Self-Insurance Internal Service Fund at amounts that approximate amounts which would have been paid to outside insurance providers. The claims liability of \$3,402,871 in the Self-Insurance Internal Service Fund at December 31, 2010, 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 2009 and 2010 were:

	<u>January 1 Claims Payable</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>December 31 Claims Payable</u>
2009	\$1,220,680	\$2,048,340	\$ (1,142,090)	\$ 2,126,930
2010	\$ 2,126,930	\$2,622,708	\$(1,346,767)	\$3,402,871

### **B. GRANTS**

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

### **C. 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, 2010, 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, \$11,383,613 has been reserved for payment of the debt as of December 31, 2010.

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, 2010, totaling \$2,000,000 are presented as a reservation of fund balance in the General Fund. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

#### **NOTE 17. PRIOR PERIOD ADJUSTMENT**

In 2005, the Grand Junction Downtown Development Authority ("DDA"), a component unit of the city, entered into a promissory note of \$55,000 with Two Rivers Condominiums LLC for the sale of two properties. The DDA also entered into a real estate contract with Two Rivers Condominiums LLC for the rehabilitation/renovation of the properties. The terms further stated that failure to complete the performance terms of the contract would authorize the DDA to collect on the existing promissory note. In 2009, the board of directors for the DDA deemed the terms of the contract to be satisfied, relieving Two Rivers Condominiums LLC of their obligation to pay the promissory note; however, the promissory note receivable was still recognized in the financial statements for the year ending December 31, 2009. A prior period adjustment of (\$55,000) has been recorded for the DDA TIF Capital Improvements Fund.



**REQUIRED  
SUPPLEMENTARY INFORMATION**



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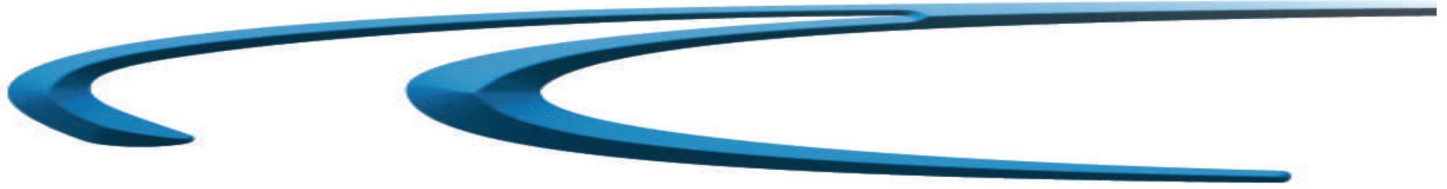
City of Grand Junction, Colorado  
 Required Supplementary Information  
**SCHEDULE OF FUNDING PROGRESS**  
 Post Employment Retiree Healthcare Plan

<u>Fiscal Year <sup>(1)</sup></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>
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2008	12/31/2008	-	5,605,779	5,605,779	0.0%	39,041,177	14.4%
2010	6/30/2010	-	7,816,003	7,816,003	0.0%	35,958,809	21.7%

<sup>(1)</sup> The City of Grand Junction implemented GASB 45 beginning in fiscal year ending December 31, 2008. Actuarial information is not available for prior periods. Actuarial studies will be performed biannually.



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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 to expenditures for specified purposes.

**Visitors and Convention Bureau** ~ to accumulate resources from a lodging tax and other taxes to operate a visitor and convention bureau that promotes conventions and tourism.

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

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

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

**Conservation Trust Fund** ~ to account for lottery proceeds received from the State Government 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.

## Capital Projects Funds (Continued)

**Major Capital Improvements Fund** ~ to account for the financing and construction of two major improvement projects, the Stadium Improvement Project and the Public Safety Building Improvement Project, funded completely or partially with proceeds from the issuance of certificates of participation.

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

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

## Permanent Funds

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

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





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City of Grand Junction  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2010

	Special Revenue					Total
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Conservation Trust	Community Development	
<b>ASSETS</b>						
Cash and investments	\$ 474,643	\$ 2,166,571	\$ 644,095	\$ 315,208	\$ -	\$ 3,600,517
Accounts receivable	2,519	407,696	-	-	-	410,215
Taxes receivable	126,556	-	-	-	-	126,556
Intergovernmental receivable	-	-	-	-	176,224	176,224
Total assets	<u>\$ 603,718</u>	<u>\$ 2,574,267</u>	<u>\$ 644,095</u>	<u>\$ 315,208</u>	<u>\$ 176,224</u>	<u>\$ 4,313,512</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities:						
Accounts payable	\$ 28,992	\$ 12,986	\$ 20	\$ -	\$ 34,127	\$ 76,125
Accrued liabilities	18,212	-	-	-	-	18,212
Due to other funds	-	-	-	-	132,639	132,639
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>47,204</u>	<u>12,986</u>	<u>20</u>	<u>-</u>	<u>166,766</u>	<u>226,976</u>
Fund balances:						
Reserved for perpetual care	-	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-
Unreserved:						
Designated for subsequent year's expenditures	62,500	558,085	-	-	-	620,585
Undesignated	494,014	2,003,196	644,075	315,208	9,458	3,465,951
Total fund balances	<u>556,514</u>	<u>2,561,281</u>	<u>644,075</u>	<u>315,208</u>	<u>9,458</u>	<u>4,086,536</u>
Total liabilities and fund balances	<u>\$ 603,718</u>	<u>\$ 2,574,267</u>	<u>\$ 644,095</u>	<u>\$ 315,208</u>	<u>\$ 176,224</u>	<u>\$ 4,313,512</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	
\$ 165,245	\$ 510	\$ 165,755	\$ -	\$ 549,778	\$ 482,672	\$ 1,032,450	\$ 1,273,391	\$ 6,072,113
8,746	-	8,746	4,276	261,013	49,754	315,043	315	734,319
203,987	-	203,987	-	-	-	-	-	330,543
-	-	-	-	58,243	-	58,243	-	234,467
<u>\$ 377,978</u>	<u>\$ 510</u>	<u>\$ 378,488</u>	<u>\$ 4,276</u>	<u>\$ 869,034</u>	<u>\$ 532,426</u>	<u>\$ 1,405,736</u>	<u>\$ 1,273,706</u>	<u>\$ 7,371,442</u>
\$ 150	\$ -	\$ 150	\$ -	\$ 330,411	\$ 71,643	\$ 402,054	\$ -	\$ 478,329
-	-	-	-	-	-	-	-	18,212
-	-	-	4,276	-	-	4,276	-	136,915
212,733	-	212,733	-	-	-	-	-	212,733
<u>212,883</u>	<u>-</u>	<u>212,883</u>	<u>4,276</u>	<u>330,411</u>	<u>71,643</u>	<u>406,330</u>	<u>-</u>	<u>846,189</u>
-	-	-	-	-	-	-	1,273,706	1,273,706
165,095	510	165,605	-	-	-	-	-	165,605
-	-	-	-	138,243	-	138,243	-	758,828
-	-	-	-	400,380	460,783	861,163	-	4,327,114
<u>165,095</u>	<u>510</u>	<u>165,605</u>	<u>-</u>	<u>538,623</u>	<u>460,783</u>	<u>999,406</u>	<u>1,273,706</u>	<u>6,525,253</u>
<u>\$ 377,978</u>	<u>\$ 510</u>	<u>\$ 378,488</u>	<u>\$ 4,276</u>	<u>\$ 869,034</u>	<u>\$ 532,426</u>	<u>\$ 1,405,736</u>	<u>\$ 1,273,706</u>	<u>\$ 7,371,442</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, 2010

	Special Revenue						Total
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Economic Development	Conservation Trust	Community Development	
<b>REVENUES</b>							
Taxes	\$ 1,762,436	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,762,436
Intergovernmental	-	-	-	-	482,664	608,812	1,091,476
Charges for services	25,819	1,877,383	-	-	-	-	1,903,202
Miscellaneous	1,010	-	103,657	-	-	-	104,667
Investment income	3,171	18,441	1,227	3,351	4,800	-	30,990
Total revenues	<u>1,792,436</u>	<u>1,895,824</u>	<u>104,884</u>	<u>3,351</u>	<u>487,464</u>	<u>608,812</u>	<u>4,892,771</u>
<b>EXPENDITURES</b>							
Current:							
General government	1,661,507	-	-	1,030,996	-	-	2,692,503
Urban development and housing	-	-	-	-	-	386,731	386,731
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>1,661,507</u>	<u>-</u>	<u>-</u>	<u>1,030,996</u>	<u>-</u>	<u>386,731</u>	<u>3,079,234</u>
Excess (deficiency) of revenues over (under) expenditures	130,929	1,895,824	104,884	(1,027,645)	487,464	222,081	1,813,537
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	500,558	-	-	500,558
Transfers out	<u>(265,471)</u>	<u>(1,775,912)</u>	<u>(224,412)</u>	<u>-</u>	<u>(308,576)</u>	<u>(222,404)</u>	<u>(2,796,775)</u>
Total other financing sources (uses)	<u>(265,471)</u>	<u>(1,775,912)</u>	<u>(224,412)</u>	<u>500,558</u>	<u>(308,576)</u>	<u>(222,404)</u>	<u>(2,296,217)</u>
Net change in fund balance	(134,542)	119,912	(119,528)	(527,087)	178,888	(323)	(482,680)
Fund balances - beginning	691,056	2,441,369	763,603	527,087	136,320	9,781	4,569,216
Fund balances - ending	<u>\$ 556,514</u>	<u>\$ 2,561,281</u>	<u>\$ 644,075</u>	<u>\$ -</u>	<u>\$ 315,208</u>	<u>\$ 9,458</u>	<u>\$ 4,086,536</u>

Debt Service				Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJWWSD	GJ Public Finance	Total	Storm Drainage Development	Street Assessment Capital Projects	Facilities Capital Projects	Total	Cemetery Perpetual Care	
\$ 227,856	\$ -	\$ -	\$ 227,856	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,990,292
-	-	-	-	-	-	-	-	-	1,091,476
-	-	-	-	-	1,581,964	-	1,581,964	18,580	3,503,746
-	-	-	-	37,958	-	49,754	87,712	-	192,379
2,486	348	-	2,834	-	35,582	-	35,582	12,564	81,970
<u>230,342</u>	<u>348</u>	<u>-</u>	<u>230,690</u>	<u>37,958</u>	<u>1,617,546</u>	<u>49,754</u>	<u>1,705,258</u>	<u>31,144</u>	<u>6,859,863</u>
4,036	124,216	-	128,252	-	-	-	-	-	2,820,755
-	-	-	-	-	-	-	-	-	386,731
175,000	-	-	175,000	-	-	-	-	-	175,000
46,970	-	-	46,970	-	-	-	-	-	46,970
-	-	-	-	132,251	2,185,001	408,810	2,726,062	-	2,726,062
<u>226,006</u>	<u>124,216</u>	<u>-</u>	<u>350,222</u>	<u>132,251</u>	<u>2,185,001</u>	<u>408,810</u>	<u>2,726,062</u>	<u>-</u>	<u>6,155,518</u>
4,336	(123,868)	-	(119,532)	(94,293)	(567,455)	(359,056)	(1,020,804)	31,144	704,345
-	-	-	-	94,293	283,072	-	377,365	-	877,923
-	-	-	-	-	-	(742,389)	(742,389)	(14,846)	(3,554,010)
-	-	-	-	94,293	283,072	(742,389)	(365,024)	(14,846)	(2,676,087)
4,336	(123,868)	-	(119,532)	-	(284,383)	(1,101,445)	(1,385,828)	16,298	(1,971,742)
160,759	123,868	510	285,137	-	823,006	1,562,228	2,385,234	1,257,408	8,496,995
<u>\$ 165,095</u>	<u>\$ -</u>	<u>\$ 510</u>	<u>\$ 165,605</u>	<u>\$ -</u>	<u>\$ 538,623</u>	<u>\$ 460,783</u>	<u>\$ 999,406</u>	<u>\$ 1,273,706</u>	<u>\$ 6,525,253</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, 2010

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 2,036,296	\$ 1,762,436	\$ (273,860)
Charges for services	40,100	25,819	(14,281)
Miscellaneous	-	1,010	1,010
Investment income	31,196	3,171	(28,025)
Total revenues	<u>2,107,592</u>	<u>1,792,436</u>	<u>(315,156)</u>
<b>EXPENDITURES</b>			
Current:			
General government:	<u>2,072,198</u>	<u>1,661,507</u>	<u>410,691</u>
Excess of revenues over expenditures	35,394	130,929	95,535
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(170,445)</u>	<u>(265,471)</u>	<u>(95,026)</u>
Net change in fund balance	(135,051)	(134,542)	509
Fund balances - beginning	691,056	691,056	-
Fund balances - ending	<u>\$ 556,005</u>	<u>\$ 556,514</u>	<u>\$ 509</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,440,000	\$ 1,938,000	\$ 1,877,383	\$ (60,617)
Investment income	32,729	28,365	18,441	(9,924)
Total revenues	<u>1,472,729</u>	<u>1,966,365</u>	<u>1,895,824</u>	<u>(70,541)</u>
<b>EXPENDITURES</b>				
	-	-	-	-
Excess of revenues over expenditures	1,472,729	1,966,365	1,895,824	(70,541)
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(2,532,118)</u>	<u>(2,954,737)</u>	<u>(1,775,912)</u>	<u>1,178,825</u>
Net change in fund balance	(1,059,389)	(988,372)	119,912	1,108,284
Fund balances - beginning	2,441,369	2,441,369	2,441,369	-
Fund balances - ending	<u>\$ 1,381,980</u>	<u>\$ 1,452,997</u>	<u>\$ 2,561,281</u>	<u>\$ 1,108,284</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, 2010

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Miscellaneous	\$ 300,000	\$ 103,657	\$ (196,343)
Investment income	40,000	1,227	(38,773)
Total revenues	<u>340,000</u>	<u>104,884</u>	<u>(235,116)</u>
<b>EXPENDITURES</b>			
	-	-	-
Excess of revenues over expenditures	340,000	104,884	(235,116)
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(234,733)</u>	<u>(224,412)</u>	<u>10,321</u>
Net change in fund balance	105,267	(119,528)	(224,795)
Fund balances - beginning	763,603	763,603	-
Fund balances - ending	<u>\$ 868,870</u>	<u>\$ 644,075</u>	<u>\$ (224,795)</u>



City of Grand Junction, Colorado  
**ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2010

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Investment income	\$ 1,923	\$ 3,351	\$ 1,428
<b>EXPENDITURES</b>			
Current:			
General government:	1,070,572	1,030,996	39,576
Deficiency of revenues under expenditures	(1,068,649)	(1,027,645)	41,004
<b>OTHER FINANCING SOURCES</b>			
Transfers in	921,608	500,558	(421,050)
Net change in fund balance	(147,041)	(527,087)	(380,046)
Fund balances - beginning	527,087	527,087	-
Fund balances - ending	\$ 380,046	\$ -	\$ (380,046)

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, 2010

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 500,000	\$ 482,664	\$ (17,336)
Investment income	-	4,800	4,800
Total revenues	<u>500,000</u>	<u>487,464</u>	<u>(12,536)</u>
<b>EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	500,000	487,464	(12,536)
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(320,479)</u>	<u>(308,576)</u>	<u>11,903</u>
Net change in fund balance	179,521	178,888	(633)
Fund balances - beginning	136,320	136,320	-
Fund balances - ending	<u>\$ 315,841</u>	<u>\$ 315,208</u>	<u>\$ (633)</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 546,201	\$ 616,537	\$ 608,812	\$ (7,725)
<b>EXPENDITURES</b>				
Current:				
Urban development and housing	516,201	397,071	386,731	10,340
Excess of revenues over expenditures	30,000	219,466	222,081	2,615
<b>OTHER FINANCING USES</b>				
Transfers out	(30,000)	(219,466)	(222,404)	(2,938)
Net change in fund balance	-	-	(323)	(323)
Fund balances - beginning	9,781	9,781	9,781	-
Fund balances - ending	\$ 9,781	\$ 9,781	\$ 9,458	\$ (323)

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, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 229,241	\$ 227,856	\$ (1,385)
Investment income	4,895	2,486	(2,409)
Total revenues	<u>234,136</u>	<u>230,342</u>	<u>(3,794)</u>
<b>EXPENDITURES</b>			
Current:			
General government	4,036	4,036	-
Debt service:			
Principal retirement	175,000	175,000	-
Interest and fiscal charges	46,970	46,970	-
Total expenditures	<u>226,006</u>	<u>226,006</u>	<u>-</u>
Excess of revenues over expenditures	8,130	4,336	(3,794)
Fund balances - beginning	160,759	160,759	-
Fund balances - ending	<u>\$ 168,889</u>	<u>\$ 165,095</u>	<u>\$ (3,794)</u>

City of Grand Junction, Colorado  
**GRAND JUNCTION WEST WATER AND SANITATION DISTRICT DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2010

	Original and Final Budgeted Amounts	Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>					
Investment income	\$ 3,594	\$ 348	\$ -	\$ 348	\$ (3,246)
<b>EXPENDITURES</b>					
Current:					
General government	-	124,216	(124,216)	-	-
Excess (deficiency) of revenues over (under) expenditures	3,594	(123,868)	124,216	348	(3,246)
Fund balances - beginning	123,868	123,868	-	123,868	-
Fund balances - ending	\$ 127,462	\$ -	\$ 124,216	\$ 124,216	\$ (3,246)

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, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-
Deficiency of revenues under expenditures	-	-	-
Fund balances - beginning	510	510	-
Fund balances - ending	\$ 510	\$ 510	\$ -

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, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Current:			
General government	300	300	-
Debt service:			
Principal retirement	3,710,000	3,710,000	-
Interest and fiscal charges	3,270,388	3,270,388	-
Total expenditures	<u>6,980,688</u>	<u>6,980,688</u>	<u>-</u>
 Deficiency of revenues under expenditures	 (6,980,688)	 (6,980,688)	 -
<b>OTHER FINANCING SOURCES</b>			
Transfers in	6,980,538	6,980,688	150
Certificates of Participation Proceeds	-	1,628,878	1,628,878
Total other financing sources	<u>6,980,538</u>	<u>8,609,566</u>	<u>1,629,028</u>
 Net change in fund balance	 (150)	 1,628,878	 1,629,028
 Fund balances - beginning	 -	 -	 -
Fund balances - ending	<u>\$ (150)</u>	<u>\$ 1,628,878</u>	<u>\$ 1,629,028</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, 2010

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final				
<b>REVENUES</b>						
Investment income	\$ 228,900	\$ 156,692	\$ 145,519	\$ (1,962)	\$ 143,557	\$ (13,135)
<b>EXPENDITURES</b>	-	-	-	-	-	-
Excess of revenues over expenditures	228,900	156,692	145,519	(1,962)	143,557	(13,135)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	2,794,323	2,768,033	2,768,033	-	2,768,033	-
Net change in fund balance	3,023,223	2,924,725	2,913,552	(1,962)	2,911,590	(13,135)
Fund balances - beginning	12,101,315	12,101,315	12,186,977	(85,662)	12,101,315	-
Fund balances - ending	<u>\$ 15,124,538</u>	<u>\$ 15,026,040</u>	<u>\$ 15,100,529</u>	<u>\$ (87,624)</u>	<u>\$ 15,012,905</u>	<u>\$ (13,135)</u>



City of Grand Junction, Colorado  
**SALES TAX CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the year ended December 31, 2010

	Original and Final Budgeted Amounts	Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>					
Taxes	\$ 12,083,857	\$ 11,020,080	\$ (112,483)	\$ 10,907,597	\$ (1,176,260)
Intergovernmental	2,828,889	1,978,327	-	1,978,327	(850,562)
Special assessments	39,000	49,372	-	49,372	10,372
Investment income	-	10,595	-	10,595	10,595
Charges for Service	-	51,576	-	51,576	51,576
Other contributions	-	2,500	-	2,500	2,500
Total revenues	<u>14,951,746</u>	<u>13,112,450</u>	<u>(112,483)</u>	<u>12,999,967</u>	<u>(1,951,779)</u>
<b>EXPENDITURES</b>					
Capital outlay:					
Construction	<u>12,358,476</u>	<u>6,908,136</u>	<u>-</u>	<u>6,908,136</u>	<u>5,450,340</u>
Excess of revenues over expenditures	2,593,270	6,204,314	(112,483)	6,091,831	3,498,561
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	5,055,135	1,620,836	-	1,620,836	(3,434,299)
Transfers out	(7,648,405)	(7,817,848)	-	(7,817,848)	(169,443)
Sale of Capital Assets	-	99,324	-	99,324	99,324
Total other financing sources (uses)	<u>(2,593,270)</u>	<u>(6,097,688)</u>	<u>-</u>	<u>(6,097,688)</u>	<u>(3,504,418)</u>
Net change in fund balance	-	106,626	(112,483)	(5,857)	(5,857)
Fund balances - beginning	325,709	-	325,709	325,709	-
Fund balances - ending	<u>\$ 325,709</u>	<u>\$ 106,626</u>	<u>\$ 213,226</u>	<u>\$ 319,852</u>	<u>\$ (5,857)</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 62	\$ 62
<b>EXPENDITURES</b>				
Debt Service:				
Bond Issuance Costs	-	365,956	364,048	1,908
Capital outlay:				
Construction	-	300,000	282,709	17,291
Total expenditures	-	665,956	646,757	19,199
Deficiency of revenues under expenditures	-	(665,956)	(646,695)	19,261
<b>OTHER FINANCING SOURCES (USES)</b>				
Certificates of Participation Proceeds	-	42,247,608	41,041,122	(1,206,486)
Discount on Certificates of Participation	-	-	(422,392)	(422,392)
Total other financing sources (uses)	-	42,247,608	40,618,730	(1,628,878)
Net change in fund balance	-	41,581,652	39,972,035	(1,609,617)
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ 41,581,652	\$ 39,972,035	\$ (1,609,617)

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous:				
Development fees	\$ 50,000	\$ 15,000	\$ 37,958	\$ 22,958
<b>EXPENDITURES</b>				
Capital outlay:				
Construction	79,603	156,539	132,251	24,288
Deficiency of revenues under expenditures	(29,603)	(141,539)	(94,293)	47,246
<b>OTHER FINANCING SOURCES</b>				
Transfers in	29,603	141,539	94,293	(47,246)
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, 2010

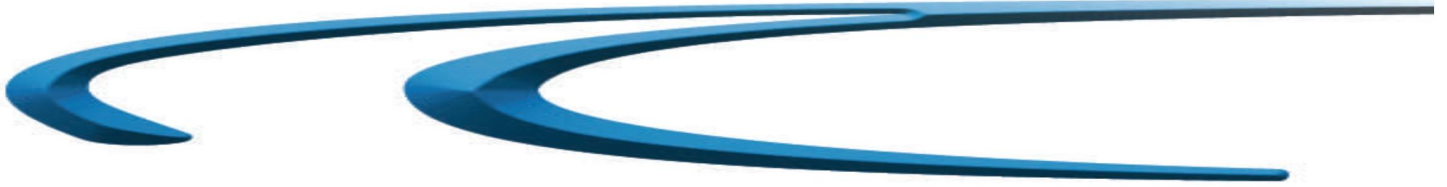
	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final				
<b>REVENUES</b>						
Miscellaneous:						
Development fees	\$ 900,000	\$ 1,590,000	\$ 1,581,964	\$ -	\$ 1,581,964	\$ (8,036)
Investment income	51,467	28,340	35,582	(12,167)	23,415	(4,925)
Total revenues	<u>951,467</u>	<u>1,618,340</u>	<u>1,617,546</u>	<u>(12,167)</u>	<u>1,605,379</u>	<u>(12,961)</u>
<b>EXPENDITURES</b>						
Capital outlay:						
Construction	<u>1,494,782</u>	<u>2,586,175</u>	<u>2,185,001</u>	<u>-</u>	<u>2,185,001</u>	<u>401,174</u>
Deficiency of revenues under expenditures	(543,315)	(967,835)	(567,455)	(12,167)	(579,622)	388,213
<b>OTHER FINANCING SOURCES</b>						
Transfers In	<u>163,764</u>	<u>283,072</u>	<u>283,072</u>	<u>-</u>	<u>283,072</u>	<u>-</u>
Net change in fund balance	(379,551)	(684,763)	(284,383)	(12,167)	(296,550)	388,213
Fund balances - beginning	<u>823,006</u>	<u>823,006</u>	<u>823,006</u>	<u>-</u>	<u>823,006</u>	<u>-</u>
Fund balances - ending	<u>\$ 443,455</u>	<u>\$ 138,243</u>	<u>\$ 538,623</u>	<u>\$ (12,167)</u>	<u>\$ 526,456</u>	<u>\$ 388,213</u>

City of Grand Junction, Colorado  
**FACILITIES CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2010

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Miscellaneous	\$ -	\$ 49,754	\$ 49,754
Investment income	60,000	-	(60,000)
Total revenues	<u>60,000</u>	<u>49,754</u>	<u>(10,246)</u>
<b>EXPENDITURES</b>			
Capital outlay:			
Construction	<u>351,200</u>	<u>408,810</u>	<u>(57,610)</u>
Deficiency of revenues under expenditures	(291,200)	(359,056)	(67,856)
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(800,000)</u>	<u>(742,389)</u>	<u>57,611</u>
Net change in fund balance	(1,091,200)	(1,101,445)	(10,245)
Fund balances - beginning	1,562,228	1,562,228	-
Fund balances - ending	<u>\$ 471,028</u>	<u>\$ 460,783</u>	<u>\$ (10,245)</u>

City of Grand Junction, Colorado  
**CEMETERY PERPETUAL CARE PERMANENT TRUST FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Perpetual care revenue	\$ -	\$ 18,580	\$ 18,580
Investment income	40,729	12,564	(28,165)
Total revenues	<u>40,729</u>	<u>31,144</u>	<u>(9,585)</u>
<b>EXPENDITURES</b>			
	-	-	-
Excess revenues over expenditures	40,729	31,144	(9,585)
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(40,729)</u>	<u>(14,846)</u>	<u>25,883</u>
Net change in fund balance	-	16,298	16,298
Fund balances - beginning	1,257,408	1,257,408	-
Fund balances - ending	<u>\$ 1,257,408</u>	<u>\$ 1,273,706</u>	<u>\$ 16,298</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.

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

**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.

**Ambulance Transport Fund** ~ to account for the revenues and expenses associated with the operation of ambulance transport services within Mesa County.

## 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 ASSETS**  
**NONMAJOR PROPRIETARY FUNDS**  
December 31, 2010

Business-Type Activities - Enterprise Funds

	Solid Waste Removal	Swimming Pools	Irrigation	Ambulance Transport	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 381,717	\$ -	\$ 115,454	\$ -	\$ 497,171
Accounts receivable, net of allowance	482,469	812	29,543	1,048,835	1,561,659
Intergovernmental receivable	-	32,740	-	-	32,740
Total current assets	<u>864,186</u>	<u>33,552</u>	<u>144,997</u>	<u>1,048,835</u>	<u>2,091,570</u>
Noncurrent assets:					
Capital assets:					
Buildings, improvements, plant and system	114,852	4,799,357	3,375,059	-	8,289,268
Equipment	1,247,899	360,217	5,297	622,893	2,236,306
Construction in progress	-	-	30,938	-	30,938
Less accumulated depreciation	<u>(808,173)</u>	<u>(3,887,078)</u>	<u>(2,362,662)</u>	<u>(206,639)</u>	<u>(7,264,552)</u>
Total capital assets (net of accumulated depreciation)	<u>554,578</u>	<u>1,272,496</u>	<u>1,048,632</u>	<u>416,254</u>	<u>3,291,960</u>
Total noncurrent assets	<u>554,578</u>	<u>1,272,496</u>	<u>1,048,632</u>	<u>416,254</u>	<u>3,291,960</u>
Total assets	<u>1,418,764</u>	<u>1,306,048</u>	<u>1,193,629</u>	<u>1,465,089</u>	<u>5,383,530</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	84,522	7,159	1,296	27,065	120,042
Accrued liabilities	17,675	5,298	1,494	27,018	51,485
Compensated absences payable	9,330	1,240	883	6,307	17,760
Due to other funds	86,684	16,686	-	778,203	881,573
Total current liabilities	<u>198,211</u>	<u>30,383</u>	<u>3,673</u>	<u>838,593</u>	<u>1,070,860</u>
Noncurrent liabilities:					
Compensated absences payable	119,366	15,870	11,290	80,681	227,207
Advances from other funds - general fund	<u>1,012,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,012,427</u>
Total noncurrent liabilities	<u>1,131,793</u>	<u>15,870</u>	<u>11,290</u>	<u>80,681</u>	<u>1,239,634</u>
Total liabilities	<u>1,330,004</u>	<u>46,253</u>	<u>14,963</u>	<u>919,274</u>	<u>2,310,494</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	554,578	1,272,496	1,048,632	416,254	3,291,960
Unrestricted	<u>(465,818)</u>	<u>(12,701)</u>	<u>130,034</u>	<u>129,561</u>	<u>(218,924)</u>
Total net assets	<u>\$ 88,760</u>	<u>\$ 1,259,795</u>	<u>\$ 1,178,666</u>	<u>\$ 545,815</u>	<u>\$ 3,073,036</u>

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**NONMAJOR PROPRIETARY FUNDS**  
For the year ended December 31, 2010

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Swimming Pools	Irrigation
<b>Operating revenues:</b>			
Charges for sales and services, net of allowances	\$ 3,251,274	\$ 590,332	\$ 219,820
<b>Operating expenses:</b>			
Personal services	1,018,034	551,919	94,517
Costs of sales and services	2,288,811	277,975	121,501
Depreciation and amortization	47,028	203,412	88,048
Total operating expenses	<u>3,353,873</u>	<u>1,033,306</u>	<u>304,066</u>
Operating income (loss)	<u>(102,599)</u>	<u>(442,974)</u>	<u>(84,246)</u>
<b>Nonoperating revenues (expenses):</b>			
Intergovernmental	303,467	93,149	-
Miscellaneous	69,448	-	-
Investment income	5,211	-	1,072
Interest expense	-	-	-
Total nonoperating revenues (expenses)	<u>378,126</u>	<u>93,149</u>	<u>1,072</u>
<b>Income (loss) before contributions and transfers</b>	<u>275,527</u>	<u>(349,825)</u>	<u>(83,174)</u>
Transfers in	-	196,828	-
Change in net assets	275,527	(152,997)	(83,174)
Total net assets - beginning	(186,767)	1,412,792	1,261,840
Total net assets - ending	<u>\$ 88,760</u>	<u>\$ 1,259,795</u>	<u>\$ 1,178,666</u>

<u>Ambulance Transport</u>	<u>Total</u>
\$ <u>2,027,458</u>	\$ <u>6,088,884</u>
1,732,818	3,397,288
348,346	3,036,633
65,545	404,033
<u>2,146,709</u>	<u>6,837,954</u>
<u>(119,251)</u>	<u>(749,070)</u>
102,527	499,143
-	69,448
419	6,702
<u>(15,791)</u>	<u>(15,791)</u>
<u>87,155</u>	<u>559,502</u>
<u>(32,096)</u>	<u>(189,568)</u>
-	196,828
<u>(32,096)</u>	7,260
577,911	3,065,776
\$ <u><u>545,815</u></u>	\$ <u><u>3,073,036</u></u>

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
For the year ended December 31, 2010

	Business-Type Activities - Enterprise Funds		
	Solid		
	Waste Removal	Swimming Pools	Irrigation
<b>Cash flows from operating activities:</b>			
Cash received from customers and users	\$ 3,220,775	\$ 592,929	\$ 215,555
Cash paid to interfund	(1,068,734)	(51,556)	(24,572)
Cash paid to suppliers	(1,391,527)	(223,985)	(95,642)
Cash paid to employees	(1,007,808)	(547,043)	(92,558)
Net cash provided (used) by operating activities	<u>(247,294)</u>	<u>(229,655)</u>	<u>2,783</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers from other funds	-	196,828	-
Increase (decrease) in amount due other funds	12,377	(20,657)	-
Intergovernmental receipts	-	103,899	-
Net cash provided by noncapital financing activities	<u>12,377</u>	<u>280,070</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>			
Advance (Repayment) of interfund capital loans	(54,248)	-	-
Interest paid	-	-	-
Purchase of capital assets	(418,031)	(50,415)	-
Intergovernmental receipts	306,187	-	-
Net cash used in capital and related financing activities	<u>(166,092)</u>	<u>(50,415)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>			
Investment income received	5,211	-	1,072
Net cash provided (used) by investing activities	<u>5,211</u>	<u>-</u>	<u>1,072</u>
Net increase (decrease) in cash and cash equivalents	(395,798)	-	3,855
Cash and cash equivalents, January 1	777,515	-	111,599
Cash and cash equivalents, December 31	<u>\$ 381,717</u>	<u>\$ -</u>	<u>\$ 115,454</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (102,599)	\$ (442,974)	\$ (84,246)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	47,028	203,412	88,048
(Increase) decrease in accounts receivable	(30,499)	2,597	(4,265)
Increase (decrease) in allowance for uncollectible accounts	-	-	-
(Increase) decrease in prepaids	152,097	-	-
Increase (decrease) in accounts payable	(403,601)	2,434	1,287
Increase (decrease) in accrued liabilities and compensated absences payable	10,226	4,876	1,959
(Increase) decrease in accounts payable due to the purchase of fixed assets on account	80,054	-	-
Total adjustments	<u>(144,695)</u>	<u>213,319</u>	<u>87,029</u>
Net cash provided (used) by operating activities	<u>\$ (247,294)</u>	<u>\$ (229,655)</u>	<u>\$ 2,783</u>
<b>Noncash Investing, Capital and Financing Activities</b>			
Purchase of capital assets on account	\$ -	\$ -	\$ -

Ambulance Transport	Total
\$ 2,084,590	\$ 6,113,849
(106,522)	(1,251,384)
(252,747)	(1,963,901)
<u>(1,724,980)</u>	<u>(3,372,389)</u>
<u>341</u>	<u>(473,825)</u>
-	196,828
287,062	278,782
-	103,899
<u>287,062</u>	<u>579,509</u>
(157,906)	(212,154)
(15,791)	(15,791)
(216,652)	(685,098)
102,527	408,714
<u>(287,822)</u>	<u>(504,329)</u>
419	6,702
<u>419</u>	<u>6,702</u>
-	(391,943)
-	889,114
<u>\$ -</u>	<u>\$ 497,171</u>
\$ (119,251)	\$ (749,070)
65,545	404,033
(289,880)	(322,047)
347,012	347,012
-	152,097
(4,293)	(404,173)
7,838	24,899
<u>(6,630)</u>	<u>73,424</u>
<u>119,592</u>	<u>275,245</u>
<u>\$ 341</u>	<u>\$ (473,825)</u>
\$ 6,630	\$ 6,630

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
December 31, 2010

	Data Processing	Equipment	Self- Insurance	Communications Center	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 981,900	\$ 4,668,779	\$ 4,119,971	\$ 408,476	\$ 10,179,126
Accounts receivable, net of allowance	-	2,055	-	414	2,469
Intergovernmental receivable	9,825	198,444	-	523,694	731,963
Prepaid items	12,125	-	102,803	-	114,928
Total current assets	<u>1,003,850</u>	<u>4,869,278</u>	<u>4,222,774</u>	<u>932,584</u>	<u>11,028,486</u>
Noncurrent assets:					
Capital assets:					
Buildings and improvements	-	1,248,439	-	1,305,010	2,553,449
Equipment	3,268,862	18,578,135	-	6,533,585	28,380,582
Construction in progress	55,985	195,925	-	2,837,035	3,088,945
Less accumulated depreciation	<u>(1,055,634)</u>	<u>(13,945,742)</u>	<u>-</u>	<u>(4,508,809)</u>	<u>(19,510,185)</u>
Total capital assets (net of accumulated depreciation)	<u>2,269,213</u>	<u>6,076,757</u>	<u>-</u>	<u>6,166,821</u>	<u>14,512,791</u>
Total assets	<u>3,273,063</u>	<u>10,946,035</u>	<u>4,222,774</u>	<u>7,099,405</u>	<u>25,541,277</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	43,081	180,010	98,245	152,972	474,308
Accrued liabilities	33,433	11,751	2,931	48,586	96,701
Compensated absences payable	10,049	3,656	2,142	12,061	27,908
Claims payable	-	-	1,412,082	-	1,412,082
Current portion capital leases payable	-	-	-	18,639	18,639
Total current liabilities	<u>86,563</u>	<u>195,417</u>	<u>1,515,400</u>	<u>232,258</u>	<u>2,029,638</u>
Noncurrent liabilities					
Compensated absences payable	128,562	46,768	27,399	154,299	357,028
Claims payable	-	-	1,990,789	-	1,990,789
Capital leases payable	-	-	-	20,596	20,596
Total noncurrent liabilities	<u>128,562</u>	<u>46,768</u>	<u>2,018,188</u>	<u>174,895</u>	<u>2,368,413</u>
Total liabilities	<u>215,125</u>	<u>242,185</u>	<u>3,533,588</u>	<u>407,153</u>	<u>4,398,051</u>
<b>NET ASSETS</b>					
Invested in capital assets	2,269,213	6,076,757	-	6,127,586	14,473,556
Unrestricted	788,725	4,627,093	689,186	564,666	6,669,670
Total net assets	<u>\$ 3,057,938</u>	<u>\$ 10,703,850</u>	<u>\$ 689,186</u>	<u>\$ 6,692,252</u>	<u>\$ 21,143,226</u>

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
For the year ended December 31, 2010

	Data Processing	Equipment	Self- Insurance	Communications Center	Total
<b>Operating revenues:</b>					
Charges for sales and services:	\$ 3,865,209	\$ 2,231,725	\$ 442,371	\$ 3,762,619	\$ 10,301,924
Miscellaneous	-	-	126,797	-	126,797
Total operating revenues	<u>3,865,209</u>	<u>2,231,725</u>	<u>569,168</u>	<u>3,762,619</u>	<u>10,428,721</u>
<b>Operating expenses:</b>					
Personal services	1,988,373	741,326	186,706	3,779,493	6,695,898
Costs of sales and services	1,421,168	1,541,066	3,180,431	1,656,490	7,799,155
Depreciation and amortization	341,211	1,378,203	-	663,044	2,382,458
Total operating expenses	<u>3,750,752</u>	<u>3,660,595</u>	<u>3,367,137</u>	<u>6,099,027</u>	<u>16,877,511</u>
Operating income (loss)	<u>114,457</u>	<u>(1,428,870)</u>	<u>(2,797,969)</u>	<u>(2,336,408)</u>	<u>(6,448,790)</u>
<b>Nonoperating revenues (expenses):</b>					
Intergovernmental	17,398	195,925	-	356,310	569,633
Miscellaneous	-	-	-	326,345	326,345
Investment income	7,701	36,320	38,086	-	82,107
Gain (loss) on disposition of property and equipment	-	(7,478)	-	-	(7,478)
Total nonoperating revenues (expenses)	<u>25,099</u>	<u>224,767</u>	<u>38,086</u>	<u>682,655</u>	<u>970,607</u>
Income (loss) before transfers	<u>139,556</u>	<u>(1,204,103)</u>	<u>(2,759,883)</u>	<u>(1,653,753)</u>	<u>(5,478,183)</u>
Transfers in	-	-	-	1,775,912	1,775,912
Transfers out	-	-	(1,656,569)	-	(1,656,569)
Change in net assets	139,556	(1,204,103)	(4,416,452)	122,159	(5,358,840)
Total net assets - beginning	2,918,382	11,907,953	5,105,638	6,570,093	26,502,066
Total net assets - ending	<u>\$ 3,057,938</u>	<u>\$ 10,703,850</u>	<u>\$ 689,186</u>	<u>\$ 6,692,252</u>	<u>\$ 21,143,226</u>

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2010

	Data Processing	Equipment	Self - Insurance	Communications Center	Total
<b>Cash flows from operating activities:</b>					
Cash received from interfund	\$ 3,827,734	\$ 2,191,807	\$ 442,371	\$ 2,144,035	\$ 8,605,947
Cash received from customers and users	31,895	40,197	1,459	1,616,006	1,689,557
Cash paid to interfund	(13,184)	(147,985)	(9,085)	(375,660)	(545,914)
Cash paid to suppliers	(1,422,093)	(1,733,071)	(1,947,940)	(1,237,236)	(6,340,340)
Cash paid to employees	(1,960,634)	(729,802)	(186,695)	(3,755,007)	(6,632,138)
Miscellaneous receipts	-	-	837,962	-	837,962
Net cash provided (used) by operating activities	<u>463,718</u>	<u>(378,854)</u>	<u>(861,928)</u>	<u>(1,607,862)</u>	<u>(2,384,926)</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers from other funds	-	-	-	1,775,912	1,775,912
Transfers to other funds	-	-	(1,656,569)	-	(1,656,569)
Increase (decrease) in amount due other funds	-	-	-	(135,967)	(135,967)
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(1,656,569)</u>	<u>1,639,945</u>	<u>(16,624)</u>
<b>Cash flows from capital and related financing activities:</b>					
Intergovernmental receipts	17,398	-	-	1,006,036	1,023,434
Miscellaneous receipts	-	-	-	326,345	326,345
Principal payments:					
Capital leases	-	-	-	(22,757)	(22,757)
Proceeds from disposition of capital assets	-	7,533	-	-	7,533
Purchase of capital assets	(659,026)	(936,573)	-	(933,231)	(2,528,830)
Net cash used in capital and related financing activities	<u>(641,628)</u>	<u>(929,040)</u>	<u>-</u>	<u>376,393</u>	<u>(1,194,275)</u>
<b>Cash flows from investing activities:</b>					
Investment income received	7,701	36,320	38,086	-	82,107
Net cash provided by investing activities	<u>7,701</u>	<u>36,320</u>	<u>38,086</u>	<u>-</u>	<u>82,107</u>
Net increase in cash and cash equivalents	(170,209)	(1,271,574)	(2,480,411)	408,476	(3,513,718)
Cash and cash equivalents, January 1	1,152,109	5,940,353	6,600,382	-	13,692,844
Cash and cash equivalents, December 31	<u>\$ 981,900</u>	<u>\$ 4,668,779</u>	<u>\$ 4,119,971</u>	<u>\$ 408,476</u>	<u>\$ 10,179,126</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>					
Operating income (loss)	\$ 114,457	\$ (1,428,870)	\$ (2,797,969)	\$ (2,336,408)	\$ (6,448,790)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	341,211	1,378,203	-	663,044	2,382,458
(Increase) decrease in accounts receivable	(5,580)	279	712,624	(2,578)	704,745
(Increase) decrease in prepaid items	(12,125)	-	(102,803)	-	(114,928)
Increase (decrease) in accounts payable	(6,739)	(260,358)	50,268	102,983	(113,846)
Increase (decrease) in claims payable	-	-	1,275,941	-	1,275,941
Increase (decrease) in accrued wages and compensated absences payable	27,739	11,524	11	24,486	63,760
(Increase) decrease in accounts payable due to purchase of capital assets on account	4,755	(79,632)	-	(59,389)	(134,266)
Total adjustments	<u>349,261</u>	<u>1,050,016</u>	<u>1,936,041</u>	<u>728,546</u>	<u>4,063,864</u>
Net cash provided (used) by operating activities	<u>\$ 463,718</u>	<u>\$ (378,854)</u>	<u>\$ (861,928)</u>	<u>\$ (1,607,862)</u>	<u>\$ (2,384,926)</u>
<b>Noncash Investing, Capital and Financing Activities</b>					
Purchase of capital assets on account	\$ 17,527	\$ 82,133	\$ -	\$ 93,415	\$ 193,075
Borrowing under capital lease	-	-	-	61,992	61,992



## **FIDUCIARY FUNDS**

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

### **Private Purpose Trust Funds**

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

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

### **Pension Trust Funds**

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

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

### **Agency Funds**

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

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

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

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

City of Grand Junction, Colorado  
**COMBINING STATEMENTS OF NET ASSETS**  
**PENSION TRUST FUNDS**  
December 31, 2010

---

	Police Old Hire	Fire Old Hire	Total
<b>ASSETS</b>			
Cash and investments	\$ 3,037,491	\$ 9,697,853	\$ 12,735,344
<b>LIABILITIES</b>	-	-	-
<b>NET ASSETS HELD IN TRUST FOR:</b>			
Pension benefits	\$ 3,037,491	\$ 9,697,853	\$ 12,735,344

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PENSION TRUST FUNDS**  
For the year ended December 31, 2010

	Police Old Hire	Fire Old Hire	Total
<b>ADDITIONS</b>			
Contributions:			
City	\$ 426,798	\$ 192,143	\$ 618,941
Investment income:			
Net appreciation (depreciation) in fair value of investments	312,878	1,010,623	1,323,501
Interest	68,433	223,496	291,929
Net investment income	381,311	1,234,119	1,615,430
Total additions	808,109	1,426,262	2,234,371
<b>DEDUCTIONS</b>			
Benefits	595,104	1,117,411	1,712,515
Administrative expense	21,497	70,244	91,741
Total deductions	616,601	1,187,655	1,804,256
Change in net assets	191,508	238,607	430,115
<b>Net assets - beginning</b>	2,845,983	9,459,246	12,305,229
<b>Net assets - ending</b>	\$ 3,037,491	\$ 9,697,853	\$ 12,735,344

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**  
 December 31, 2010

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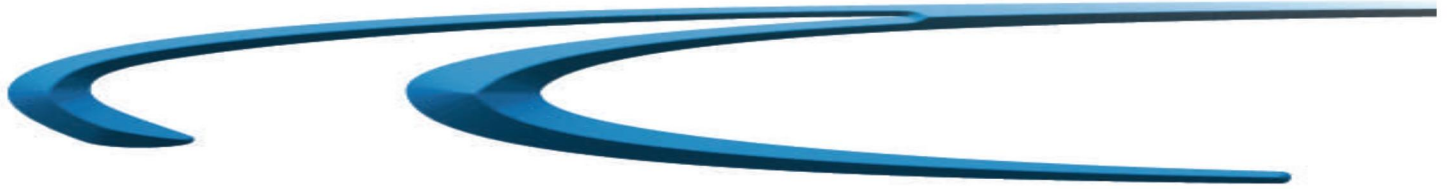
	Mesa County Valley School District 51 SLD Fee	General Trust	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and investments	\$ 42,654	\$ 468	\$ 43,122
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>LIABILITIES</b>	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>NET ASSETS HELD IN TRUST FOR</b>			
Individuals, organizations and others	\$ 42,654	\$ 468	\$ 43,122
	<u>                    </u>	<u>                    </u>	<u>                    </u>

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**  
For the year ended December 31, 2010

	Mesa County Valley School District 51 SLD Fee	General Trust	Total
<b>ADDITIONS</b>			
Additions by participants	\$ 76,360	\$ -	\$ 76,360
Investment income	409	-	409
Total additions	<u>76,769</u>	<u>-</u>	<u>76,769</u>
<b>DEDUCTIONS</b>			
Distributions to participants	104,077	-	104,077
Administrative expense	3,219	-	3,219
Total deductions	<u>107,296</u>	<u>-</u>	<u>107,296</u>
Change in net assets	(30,527)	-	(30,527)
Net assets - beginning	73,181	468	73,649
Net assets - ending	<u>\$ 42,654</u>	<u>\$ 468</u>	<u>\$ 43,122</u>

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
For the year ended December 31, 2010

	Balance Beginning	Additions	Deletions	Balance Ending
<b><u>PARK IMPROVEMENT ADVISORY BOARD</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 378,002	\$ 147,733	\$ 181,480	\$ 344,255
Accounts receivable, net of allowance	-	125,983	125,383	600
Total assets	<u>\$ 378,002</u>	<u>\$ 273,716</u>	<u>\$ 306,863</u>	<u>\$ 344,855</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 17,577	\$ 124,869	\$ 142,446	\$ -
Due to other governments	360,425	148,847	164,417	344,855
Total liabilities	<u>\$ 378,002</u>	<u>\$ 273,716</u>	<u>\$ 306,863</u>	<u>\$ 344,855</u>
<b><u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 384,035	\$ 247,132	\$ 207,463	\$ 423,704
<b>LIABILITIES</b>				
Due to other governments	\$ 384,035	\$ 247,132	\$ 207,463	\$ 423,704
<b><u>SEWER AND WATER DISTRICTS CLEARING</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 83,655	\$ 1,052,437	\$ 1,042,466	\$ 93,626
<b>LIABILITIES</b>				
Due to other governments	\$ 83,655	\$ 1,052,437	\$ 1,042,466	\$ 93,626
<b><u>DOWNTOWN BUSINESS IMPROVEMENT DISTRICT</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 117,540	\$ 172,093	\$ 169,939	\$ 119,694
<b>LIABILITIES</b>				
Due to other governments	\$ 117,540	\$ 172,093	\$ 169,939	\$ 119,694
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 963,232	\$ 1,619,395	\$ 1,601,348	\$ 981,279
Accounts receivable, net of allowance	-	125,983	125,383	600
Total assets	<u>\$ 963,232</u>	<u>\$ 1,745,378</u>	<u>\$ 1,726,731</u>	<u>\$ 981,879</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 17,577	\$ 124,869	\$ 142,446	\$ -
Due to other governments	945,655	1,620,509	1,584,285	981,879
Total liabilities	<u>\$ 963,232</u>	<u>\$ 1,745,378</u>	<u>\$ 1,726,731</u>	<u>\$ 981,879</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 to expenditures for specified purposes.

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

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

### **Debt Service Funds**

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

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

### **Capital Project Funds**

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

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

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2010

	DDA Tax Increment	DDA Operations Special Revenue Fund	TIF Capital Improvements Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 865,622	\$ 610,148	\$ 239,581	\$ 1,715,351
Property taxes receivable	1,764,480	213,242	-	1,977,722
Accounts receivable	-	1,679	37,500	39,179
Prepaid items	-	-	231,081	231,081
Total assets	<u>2,630,102</u>	<u>825,069</u>	<u>508,162</u>	<u>3,963,333</u>
<b>LIABILITIES</b>				
Accounts payable	-	13,457	15,540	28,997
Accrued liabilities	-	1,471	1,719	3,190
Deferred revenue	1,764,480	213,242	-	1,977,722
Compensated absences payable	-	221	312	533
Total liabilities	<u>1,764,480</u>	<u>228,391</u>	<u>17,571</u>	<u>2,010,442</u>
<b>FUND BALANCES</b>				
Unreserved:				
Designated for subsequent year's expenditures	865,622	103,721	490,591	1,459,934
Unreserved, undesignated	-	492,957	-	492,957
Total fund balances	<u>865,622</u>	<u>596,678</u>	<u>490,591</u>	<u>1,952,891</u>
Total liabilities and fund balances	<u>\$ 2,630,102</u>	<u>\$ 825,069</u>	<u>\$ 508,162</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 6,063,931

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	\$ (6,310,000)	
Deferred charge for issue costs (to be amortized over life of debt)	57,865	
Accrued Interest payable	(7,888)	
Compensated absences	<u>(6,827)</u>	(6,266,850)

Total net assets -Component Unit - Downtown Development Authority. (page 31) \$ 1,749,972



**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, 2010

	DDA Tax Increment	DDA Operations Special Revenue Fund	DDA Debt Service Fund	TIF Capital Improvements Capital Project Fund	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 1,959,713	\$ 232,408	\$ -	\$ -	\$ 2,192,121
Intergovernmental	240,248	-	-	-	240,248
Charges for services	-	4,076	-	-	4,076
Miscellaneous	-	195,636	-	-	195,636
Investment income	38,796	7,168	-	11,315	57,279
Total revenues	<u>2,238,757</u>	<u>439,288</u>	<u>-</u>	<u>11,315</u>	<u>2,689,360</u>
<b>EXPENDITURES</b>					
Current:					
Urban development and housing	17,481	318,631	-	-	336,112
Debt service:					
Principal retirement	-	-	3,015,000	-	3,015,000
Interest and fiscal charges	-	-	279,750	-	279,750
Capital outlay	-	-	-	3,660,264	3,660,264
Total expenditures	<u>17,481</u>	<u>318,631</u>	<u>3,294,750</u>	<u>3,660,264</u>	<u>7,291,126</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,221,276</u>	<u>120,657</u>	<u>(3,294,750)</u>	<u>(3,648,949)</u>	<u>(4,601,766)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	37,133	3,294,750	395,000	3,726,883
Transfers out	(3,331,883)	(395,000)	-	-	(3,726,883)
Total other financing sources (uses)	<u>(3,331,883)</u>	<u>(357,867)</u>	<u>3,294,750</u>	<u>395,000</u>	<u>-</u>
Net change in fund balances	(1,110,607)	(237,210)	-	(3,253,949)	(4,601,766)
Fund balances - beginning	1,976,229	833,888	-	3,799,540	6,609,657
Prior period adjustment	-	-	-	(55,000)	(55,000)
Fund balances - beginning as restated	<u>1,976,229</u>	<u>833,888</u>	<u>-</u>	<u>3,744,540</u>	<u>6,554,657</u>
Fund balances - ending	<u>\$ 865,622</u>	<u>\$ 596,678</u>	<u>\$ -</u>	<u>\$ 490,591</u>	<u>\$ 1,952,891</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) \$ (4,601,766)

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 \$3,356,553 exceeded depreciation (\$194,550) in the current period. 3,162,003

The net effect of transactions involving the sale of capital assets. (3,715,191)

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 assets. Also, governmental funds report the effect of issuance costs 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	\$ 3,015,000
Deferred charge for bond issuance costs	(28,908)
Decrease in accrued interest	<u>3,768</u>
	2,989,860

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. (1,151)

Change in net assets of the Component Unit - Downtown Development Authority (page 33) \$ (2,166,245)

**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, 2010

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 2,104,961	\$ 1,959,713	\$ (145,248)
Intergovernmental	435,000	240,248	(194,752)
Investment income	40,000	38,796	(1,204)
Total revenues	<u>2,579,961</u>	<u>2,238,757</u>	<u>(341,204)</u>
<b>EXPENDITURES</b>			
Current:			
Urban development and housing	<u>36,402</u>	<u>17,481</u>	<u>18,921</u>
Excess of revenues over expenditures	2,543,559	2,221,276	(322,283)
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(3,334,750)</u>	<u>(3,331,883)</u>	<u>2,867</u>
Net change in fund balance	(791,191)	(1,110,607)	(319,416)
Fund balances - beginning	1,976,229	1,976,229	-
Fund balances - ending	<u>\$ 1,185,038</u>	<u>\$ 865,622</u>	<u>\$ (319,416)</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 244,980	\$ 244,980	\$ 232,408	\$ (12,572)
Charges for services	3,000	3,000	4,076	1,076
Miscellaneous	162,000	162,000	195,636	33,636
Investment income	18,712	11,257	7,168	(4,089)
Total revenues	<u>428,692</u>	<u>421,237</u>	<u>439,288</u>	<u>18,051</u>
<b>EXPENDITURES</b>				
Current:				
Urban development and housing	<u>384,760</u>	<u>394,861</u>	<u>318,631</u>	<u>76,230</u>
Excess of revenues over expenditures	43,932	26,376	120,657	94,281
<b>OTHER FINANCING SOURCES</b>				
Transfers in	40,000	40,000	37,133	(2,867)
Transfers out	<u>-</u>	<u>(395,000)</u>	<u>(395,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>40,000</u>	<u>(355,000)</u>	<u>(357,867)</u>	<u>(2,867)</u>
Net change in fund balance	83,932	(328,624)	(237,210)	91,414
Fund balances - beginning	833,888	833,888	833,888	-
Fund balances - ending	<u>\$ 917,820</u>	<u>\$ 505,264</u>	<u>\$ 596,678</u>	<u>\$ 91,414</u>

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado

**DDA DEBT SERVICE FUND**

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

For the year ended December 31, 2010

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement	3,015,000	3,015,000	-
Interest and fiscal charges	279,750	279,750	-
Total expenditures	<u>3,294,750</u>	<u>3,294,750</u>	<u>-</u>
Deficiency of revenues under expenditures	(3,294,750)	(3,294,750)	-
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>3,294,750</u>	<u>3,294,750</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DDA TIF CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the year ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 100,000	\$ 35,429	\$ 11,315	\$ (24,114)
<b>EXPENDITURES</b>				
Capital projects	3,156,091	3,850,000	3,660,264	189,736
Deficiency of revenues under expenditures	(3,056,091)	(3,814,571)	(3,648,949)	165,622
<b>OTHER FINANCING SOURCES</b>				
Transfer In	-	395,000	395,000	-
Net change in fund balance	(3,056,091)	(3,419,571)	(3,253,949)	165,622
Fund balances - beginning	3,799,540	3,799,540	3,799,540	-
Prior period adjustment	-	-	(55,000)	(55,000)
Fund balances - beginning as restated	3,799,540	3,799,540	3,744,540	(55,000)
Fund balances - ending	\$ 743,449	\$ 379,969	\$ 490,591	\$ 110,622



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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.

<b>Contents</b>	<b>Pages</b>
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the City’s financial condition has changed over time.	129-133
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the City’s largest revenue source, sales tax.	134-137
<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.	138-142
<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.	143-144
<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.	145-146



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TABLE 1

City of Grand Junction, Colorado  
**NET ASSETS**  
Last Nine Fiscal Years

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental Activities</b>									
Invested in capital assets, net of related debt	\$ 181,892,248	\$ 201,219,442	\$ 224,544,344	\$ 256,934,469	\$ 326,336,540	\$ 408,037,121	\$ 498,158,781	\$ 529,106,956	\$ 555,543,770
Restricted	3,741,227	5,303,737	3,837,095	3,944,221	5,379,428	3,692,563	14,005,393	15,918,001	18,539,840
Unrestricted	35,339,502	33,760,361	40,263,463	50,448,036	61,797,292	62,334,124	42,974,226	31,606,232	32,000,808
Total governmental activities net assets	<u>\$ 220,972,977</u>	<u>\$ 240,283,540</u>	<u>\$ 268,644,902</u>	<u>\$ 311,326,726</u>	<u>\$ 393,513,260</u>	<u>\$ 474,063,808</u>	<u>\$ 555,138,400</u>	<u>\$ 576,631,189</u>	<u>\$ 606,084,418</u>
<b>Business-type Activities</b>									
Invested in capital assets, net of related debt	\$ 34,219,616	\$ 33,495,032	\$ 34,071,610	\$ 33,697,216	\$ 36,518,897	\$ 39,673,423	\$ 44,539,563	\$ 46,087,527	\$ 47,807,739
Restricted	3,500,000	1,787,120	905,137	-	610,844	-	-	-	-
Unrestricted	68,770	3,044,687	3,350,735	5,286,462	4,114,096	4,176,474	(271,321)	(2,881,656)	(4,987,177)
Total business-type activities net assets	<u>\$ 37,788,386</u>	<u>\$ 38,326,839</u>	<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>
<b>Primary Government</b>									
Invested in capital assets, net of related debt	\$ 216,111,864	\$ 234,714,474	\$ 258,615,954	\$ 290,631,685	\$ 362,855,437	\$ 447,710,544	\$ 542,698,344	\$ 575,194,483	\$ 603,351,509
Restricted	7,241,227	7,090,857	4,742,232	3,944,221	5,990,272	3,692,563	14,005,393	15,918,001	18,539,840
Unrestricted	35,408,272	36,805,048	43,614,198	55,734,498	65,911,388	66,510,598	42,702,905	28,724,576	27,013,631
Total primary governmental net assets	<u>\$ 258,761,363</u>	<u>\$ 278,610,379</u>	<u>\$ 306,972,384</u>	<u>\$ 350,310,404</u>	<u>\$ 434,757,097</u>	<u>\$ 517,913,705</u>	<u>\$ 599,406,642</u>	<u>\$ 619,837,060</u>	<u>\$ 648,904,980</u>
<b>Component Unit:</b>									
Invested in capital assets, net of related debt	\$ 3,118,738	\$ 2,312,416	\$ 877,836	\$ 2,196,484	\$ 1,873,613	\$ 1,968,943	\$ 5,999,915	\$ 6,222,119	\$ 5,697,948
Restricted	142,971	-	170,000	32,000	32,000	-	203	-	-
Unrestricted	(5,950)	262,880	2,628,949	2,649,854	3,507,216	869,490	(2,379,192)	(2,250,902)	(3,947,976)
Total component unit net assets	<u>\$ 3,255,759</u>	<u>\$ 2,575,296</u>	<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>\$ 3,971,217</u>	<u>\$ 1,749,972</u>

Note: The City of Grand Junction implemented GASB 34 as of December 31, 2002

Source: Current and prior years' financial statements

TABLE 2

City of Grand Junction, Colorado  
**CHANGES IN NET ASSETS**  
 Last Nine Fiscal Years

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>									
<b>Governmental Activities:</b>									
General Government	\$ 10,397,825	\$ 8,276,802	\$ 9,548,713	\$ 9,596,763	\$ 8,775,975	\$ 12,412,910	\$ 16,143,424	\$ 14,022,155	\$ 11,591,395
Public Safety	17,966,339	19,871,283	23,823,248	22,904,850	24,638,801	28,167,497	32,088,791	32,884,135	33,423,757
Public Works	12,220,526	12,780,174	10,223,079	15,386,497	19,400,979	15,521,625	19,680,247	21,353,413	20,728,384
Parks and Recreation	4,740,433	5,318,756	6,684,183	5,175,343	4,743,303	7,419,519	7,955,933	8,924,292	8,771,342
Urban Development and Housing	720,043	622,802	347,218	415,306	110,694	565,373	545,715	572,726	561,457
Interest of Long-Term Debt	295,421	234,037	2,301,710	2,571,874	2,503,750	3,106,206	3,378,440	3,234,231	3,327,080
<b>Total Governmental Activities Expense</b>	<b>46,340,587</b>	<b>47,103,854</b>	<b>52,928,151</b>	<b>56,050,633</b>	<b>60,173,502</b>	<b>67,193,130</b>	<b>79,792,550</b>	<b>80,990,952</b>	<b>78,403,415</b>
<b>Business-Type Activities:</b>									
Water	3,826,901	4,009,508	4,158,777	4,222,594	4,349,852	4,671,765	5,067,168	5,283,655	5,419,125
Convention Center	1,828,188	1,988,176	2,130,427	2,641,066	2,805,768	2,968,119	3,514,396	3,396,100	2,857,866
Solid Waste Removal	2,160,155	2,190,000	2,302,588	2,340,292	2,632,219	2,820,253	2,907,325	4,196,468	3,462,854
Swimming Pools	829,676	815,682	826,992	919,684	1,015,665	991,685	1,014,976	1,025,401	1,038,563
Golf	1,896,274	1,919,148	2,040,033	1,898,642	1,966,353	2,123,769	2,285,777	2,472,997	2,266,394
Cemeteries	333,865	339,191	-	-	-	-	-	-	-
Parking	220,257	272,728	244,869	321,282	693,381	402,916	1,829,547	531,711	480,383
Irrigation Systems	248,603	250,073	279,556	273,642	298,439	289,528	318,708	300,130	306,572
Ambulance Transport	-	-	-	-	865,138	2,252,275	2,350,943	2,308,421	2,173,362
<b>Total Business-Type Activities Expense</b>	<b>11,343,919</b>	<b>11,784,506</b>	<b>11,983,242</b>	<b>12,617,202</b>	<b>14,626,815</b>	<b>16,520,310</b>	<b>19,288,840</b>	<b>19,514,883</b>	<b>18,005,119</b>
<b>Total Primary Government Expenses</b>	<b>\$ 57,684,506</b>	<b>\$ 58,888,360</b>	<b>\$ 64,911,393</b>	<b>\$ 68,667,835</b>	<b>\$ 74,800,317</b>	<b>\$ 83,713,440</b>	<b>\$ 99,081,390</b>	<b>\$ 100,505,835</b>	<b>\$ 96,408,534</b>
<b>Total Component Unit Expenses</b>	<b>\$ 569,356</b>	<b>\$ 1,213,309</b>	<b>\$ 464,709</b>	<b>\$ 386,262</b>	<b>\$ 1,378,932</b>	<b>\$ 4,633,804</b>	<b>\$ 2,117,208</b>	<b>\$ 2,549,296</b>	<b>\$ 4,855,605</b>
<b>Program Revenues</b>									
<b>Governmental Activities:</b>									
<b>Charge for Service:</b>									
General Government	\$ 4,040,068	\$ 1,707,755	\$ 2,072,365	\$ 2,201,868	\$ 2,350,160	\$ 5,451,358	\$ 2,929,275	\$ 2,639,601	\$ 3,274,890
Public Safety	2,806,777	4,194,882	4,270,121	4,636,026	4,503,743	4,774,346	5,895,984	6,406,830	7,104,163
Public Works	344,444	668,873	1,137,608	1,100,555	2,595,528	3,325,868	5,554,332	1,884,073	2,659,523
Parks and Recreation	750,033	799,011	1,187,450	1,294,737	1,070,852	3,199,673	2,286,100	1,423,145	1,461,584
Operating Grants and Contributions	1,104,192	733,500	492,464	718,425	565,044	1,182,795	1,548,954	1,661,118	2,184,680
Capital Grants and Contributions	24,345,898	16,358,934	20,628,819	34,104,271	66,735,306	56,633,477	63,431,598	23,963,787	26,800,939
<b>Total Governmental Activities Program Revenues</b>	<b>33,391,412</b>	<b>24,462,955</b>	<b>29,788,827</b>	<b>44,055,882</b>	<b>77,820,633</b>	<b>74,567,517</b>	<b>81,646,243</b>	<b>37,978,554</b>	<b>43,485,779</b>
<b>Business-Type Activities:</b>									
Water	4,673,955	4,746,675	4,397,730	4,476,728	4,670,635	4,987,126	5,293,379	5,527,333	5,231,378
Convention Center	1,171,731	1,315,342	1,603,083	2,114,443	2,437,970	2,544,726	2,840,966	2,657,327	2,322,730
Solid Waste Removal	2,218,985	2,234,155	2,260,492	2,427,094	2,500,954	2,841,130	3,051,483	2,976,883	3,251,274
Swimming Pools	440,721	431,336	394,625	628,073	691,810	697,770	680,496	760,756	590,332
Golf	1,606,520	1,641,313	1,648,009	1,802,903	1,956,584	2,106,921	2,221,204	2,147,161	1,901,601
Cemeteries	167,763	173,935	-	-	-	-	-	-	-
Parking	326,772	384,785	355,546	326,381	338,286	343,471	504,766	540,054	412,578
Irrigation Systems	170,415	170,378	172,016	178,709	179,837	191,854	204,956	212,043	219,820
Ambulance Transport	-	-	-	-	1,107,880	2,313,432	2,461,174	2,315,001	2,027,458
Operating Grants and Contributions	106,727	109,551	159,346	-	-	-	-	-	595,361
Capital Grants and Contributions	87,870	201,921	110,044	237,705	654,170	1,998,637	523,422	406,834	496,259
<b>Total Business-Type Activities Program Revenues</b>	<b>10,971,459</b>	<b>11,409,391</b>	<b>11,100,891</b>	<b>12,192,036</b>	<b>14,538,126</b>	<b>18,025,067</b>	<b>17,781,846</b>	<b>17,543,392</b>	<b>17,048,791</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 44,362,871</b>	<b>\$ 35,872,346</b>	<b>\$ 40,889,718</b>	<b>\$ 56,247,918</b>	<b>\$ 92,358,759</b>	<b>\$ 92,592,584</b>	<b>\$ 99,428,089</b>	<b>\$ 55,521,946</b>	<b>\$ 60,534,570</b>
<b>Total Component Unit Program Revenues</b>	<b>\$ 397,380</b>	<b>\$ 319,453</b>	<b>\$ 298,779</b>	<b>\$ 247,614</b>	<b>\$ 315,417</b>	<b>\$ 411,870</b>	<b>\$ 712,232</b>	<b>\$ 601,094</b>	<b>\$ 439,960</b>
<b>Net (Expense)/ Revenue</b>									
<b>Governmental Activities</b>									
General Government	\$ (12,949,175)	\$ (22,640,899)	\$ (23,139,324)	\$ (11,994,751)	\$ 17,647,131	\$ 7,374,387	\$ 1,853,693	\$ (43,012,398)	\$ (34,917,636)
Business-Type Activities	(372,460)	(375,115)	(882,351)	(425,166)	(88,689)	1,504,757	(1,506,994)	(1,971,491)	(956,328)
<b>Total Primary Government Net Expense</b>	<b>\$ (13,321,635)</b>	<b>\$ (23,016,014)</b>	<b>\$ (24,021,675)</b>	<b>\$ (12,419,917)</b>	<b>\$ 17,558,442</b>	<b>\$ 8,879,144</b>	<b>\$ 346,699</b>	<b>\$ (44,983,889)</b>	<b>\$ (35,873,964)</b>
<b>Total Component Unit Net Expense</b>	<b>\$ (171,976)</b>	<b>\$ (893,856)</b>	<b>\$ (165,930)</b>	<b>\$ (138,648)</b>	<b>\$ (1,063,515)</b>	<b>\$ (4,221,934)</b>	<b>\$ (1,404,976)</b>	<b>\$ (1,948,202)</b>	<b>\$ (4,415,645)</b>

TABLE 2 (Continued)

City of Grand Junction, Colorado  
**CHANGES IN NET ASSETS**  
 Last Nine Fiscal Years

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental Activities:</b>									
<b>Taxes</b>									
Sales & Use Taxes	\$ 35,463,226	\$ 37,422,678	\$ 39,298,456	\$ 42,825,135	\$ 50,373,971	\$ 56,583,254	\$ 59,447,697	\$ 46,856,622	\$ 47,424,012
Property Taxes	4,397,354	4,351,646	4,619,651	4,722,839	5,618,112	5,926,469	8,440,775	8,701,650	10,146,009
Franchise Taxes	1,379,459	1,595,864	1,804,821	2,008,706	2,159,287	2,147,224	2,456,659	2,432,704	2,527,530
Highway Users Tax	1,519,438	1,436,453	1,537,963	1,519,215	1,763,231	1,732,774	1,718,004	1,940,291	2,262,898
Other Taxes	1,268,484	954,621	2,930,290	2,525,925	3,544,629	3,388,467	5,978,962	4,024,160	1,907,422
Investment Income	1,606,784	824,981	2,000,765	1,961,415	3,093,381	4,185,692	2,789,072	1,299,123	635,807
Gain (Loss) on Sale of Capital Assets	-	-	54,451	26,713	81,053	88,000	85,329	75,592	-
Transfers	(1,116,803)	(832,468)	(745,711)	(913,373)	(2,094,261)	(875,719)	(1,695,599)	(824,955)	(532,813)
<b>Total Governmental Activities</b>	<b>44,517,942</b>	<b>45,753,775</b>	<b>51,500,686</b>	<b>54,676,575</b>	<b>64,539,403</b>	<b>73,176,161</b>	<b>79,220,899</b>	<b>64,505,187</b>	<b>64,370,865</b>
<b>Business-Type Activities:</b>									
Investment Income	194,767	81,100	142,378	167,989	254,587	225,584	229,740	84,165	38,206
Gain (Loss) on Sale of Capital Assets	16,181	-	(5,095)	-	-	-	-	-	-
Transfers	1,116,803	832,468	745,711	913,373	2,094,261	875,719	1,695,599	824,955	532,813
<b>Total Business-Type Activities</b>	<b>1,327,751</b>	<b>913,568</b>	<b>882,994</b>	<b>1,081,362</b>	<b>2,348,848</b>	<b>1,101,303</b>	<b>1,925,339</b>	<b>909,120</b>	<b>571,019</b>
<b>Total Primary Government Activities</b>	<b>\$ 45,845,693</b>	<b>\$ 46,667,343</b>	<b>\$ 52,383,680</b>	<b>\$ 55,757,937</b>	<b>\$ 66,888,251</b>	<b>\$ 74,277,464</b>	<b>\$ 81,146,238</b>	<b>\$ 65,414,307</b>	<b>\$ 64,941,884</b>
<b>Component Unit Activities:</b>									
Property Taxes	1,121,855	1,172,239	1,167,670	1,327,496	1,445,856	1,498,752	2,081,840	2,179,436	2,192,121
Investment Income	54,205	42,640	99,749	58,474	152,150	198,530	105,629	119,057	57,279
Gain (Loss) on Sale of Capital Assets	-	-	-	(45,769)	-	(49,744)	-	-	-
<b>Total Component Unit Activities</b>	<b>\$ 1,176,060</b>	<b>\$ 1,214,879</b>	<b>\$ 1,267,419</b>	<b>\$ 1,340,201</b>	<b>\$ 1,598,006</b>	<b>\$ 1,647,538</b>	<b>\$ 2,187,469</b>	<b>\$ 2,298,493</b>	<b>\$ 2,249,400</b>
<b>Change In Net Assets</b>									
Governmental Activities	\$ 31,568,767	\$ 23,112,876	\$ 28,361,362	\$ 42,681,824	\$ 82,186,534	\$ 80,550,548	\$ 81,074,592	\$ 21,492,789	\$ 29,453,229
Business-Type Activities	955,291	538,453	643	656,196	2,260,159	2,606,060	418,345	(1,062,371)	(385,309)
<b>Total Primary Government</b>	<b>\$ 32,524,058</b>	<b>\$ 23,651,329</b>	<b>\$ 28,362,005</b>	<b>\$ 43,338,020</b>	<b>\$ 84,446,693</b>	<b>\$ 83,156,608</b>	<b>\$ 81,492,937</b>	<b>\$ 20,430,418</b>	<b>\$ 29,067,920</b>
<b>Total Component Unit: Downtown Development Authority</b>	<b>\$ 1,004,084</b>	<b>\$ 321,023</b>	<b>\$ 1,101,489</b>	<b>\$ 1,201,553</b>	<b>\$ 534,491</b>	<b>\$ (2,574,396)</b>	<b>\$ 782,493</b>	<b>\$ 350,291</b>	<b>\$ (2,166,245)</b>

Note: The City of Grand Junction implemented GASB 34 as of December 31, 2002.

Source: Current and prior year's financial statements

TABLE 3

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>									
Reserved	\$ 488,060	\$ 2,064,060	\$ 2,146,185	\$ 2,105,728	\$ 6,391,927	\$ 7,958,173	\$ 9,135,472	\$ 9,589,625	\$ 11,740,961
Unreserved	11,345,770	11,175,753	13,084,091	17,146,236	20,157,996	26,430,185	18,320,471	9,573,798	14,916,902
Total General Fund	<u>11,833,830</u>	<u>13,239,813</u>	<u>15,230,276</u>	<u>19,251,964</u>	<u>26,549,923</u>	<u>34,388,358</u>	<u>27,455,943</u>	<u>19,163,423</u>	<u>26,657,863</u>
<b>All Other Governmental Funds</b>									
Reserved	\$ 3,741,227	\$ 3,803,737	\$ 54,425,376	\$ 37,456,559	\$ 6,659,252	\$ 1,517,413	\$ 10,916,914	\$ 14,581,790	\$ 18,168,718
Unreserved, reports in:									
Special Revenue Funds	3,972,738	4,089,208	3,447,242	4,362,767	5,640,048	4,716,567	5,378,544	4,569,216	4,086,536
Debt Service Funds	-	-	-	-	-	150	(3,420)	-	-
Capital Projects Funds	5,186,322	6,525,614	12,818,435	15,981,722	19,384,444	11,513,358	2,482,529	1,532,966	41,078,067
Total All Other Governmental Funds	<u>12,900,287</u>	<u>14,418,559</u>	<u>70,691,053</u>	<u>57,801,048</u>	<u>31,683,744</u>	<u>17,747,488</u>	<u>18,774,567</u>	<u>20,683,972</u>	<u>63,333,321</u>
<b>Total Governmental Funds</b>	<u>\$ 24,734,117</u>	<u>\$ 27,658,372</u>	<u>\$ 85,921,329</u>	<u>\$ 77,053,012</u>	<u>\$ 58,233,667</u>	<u>\$ 52,135,846</u>	<u>\$ 46,230,510</u>	<u>\$ 39,847,395</u>	<u>\$ 89,991,184</u>

Note: The City of Grand Junction implemented GASB 34 as of December 31, 2002.

Source: Current and prior year's financial statements.

TABLE 4

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>									
Taxes	\$ 43,675,042	\$ 45,761,262	\$ 50,191,182	\$ 53,601,820	\$ 63,459,234	\$ 69,778,188	\$ 78,042,097	\$ 63,955,427	\$ 64,267,871
Licenses, Fees, and Permits	111,935	118,616	111,452	114,921	101,165	113,224	129,993	121,783	118,128
Intergovernmental	1,983,885	1,961,442	3,065,737	2,002,220	3,535,141	4,260,519	12,009,672	4,955,308	4,476,793
Charges for Services	4,810,031	5,488,457	5,884,254	6,077,290	11,513,267	8,633,619	8,997,208	8,311,362	9,923,697
Fines and Forfeitures	486,548	564,294	701,941	546,162	1,001,569	1,152,790	1,094,388	945,666	1,234,810
Special Assessments	101,142	34,230	148,289	65,949	75,103	146,610	24,493	92,198	49,372
Investment Earnings	938,331	488,268	1,547,469	1,622,584	2,982,954	3,270,125	1,968,465	984,031	553,700
Other Income	1,463,642	2,012,121	1,237,322	2,646,942	1,185,987	902,798	283,116	136,935	130,638
Other Contributions	82,571	11,891	192,283	49,232	70,874	1,063,174	873,869	196,833	176,607
<b>Total Revenues</b>	<b>53,653,127</b>	<b>56,440,581</b>	<b>63,079,929</b>	<b>66,727,120</b>	<b>83,925,294</b>	<b>89,321,047</b>	<b>103,423,301</b>	<b>79,699,543</b>	<b>80,931,616</b>
<b>Expenditures</b>									
General Government	\$ 8,332,174	\$ 8,288,652	\$ 8,716,681	\$ 9,207,102	\$ 10,404,115	\$ 12,336,103	\$ 15,596,506	\$ 13,793,482	\$ 10,301,970
Public Safety	17,350,391	18,553,410	19,977,861	20,490,870	22,930,060	25,791,977	29,657,426	29,092,018	27,193,471
Public Works	7,333,200	7,564,156	8,049,960	8,185,303	8,865,640	9,562,091	10,779,300	9,954,111	9,686,215
Parks and Recreation	4,385,230	4,731,828	5,378,915	5,302,211	5,795,820	6,432,863	7,273,190	7,347,609	7,067,698
Urban Development and Housing	720,042	622,802	347,218	593,786	249,847	565,373	545,715	572,726	561,457
Debt Service									
Principal Retirement	788,891	826,281	869,787	1,914,672	2,216,032	2,584,661	3,907,232	3,883,479	4,073,479
Interest	304,665	239,118	1,538,367	2,829,739	2,757,618	3,254,707	3,693,947	3,508,632	3,317,358
Bond Issuance Costs	-	-	723,626	-	-	-	-	-	364,048
Capital Outlay: Construction	8,860,186	10,555,511	19,983,688	25,615,550	46,927,452	55,331,874	36,484,253	16,879,724	9,916,907
<b>Total Expenditures</b>	<b>48,074,779</b>	<b>51,381,758</b>	<b>65,586,103</b>	<b>74,139,233</b>	<b>100,146,584</b>	<b>115,859,649</b>	<b>107,937,569</b>	<b>85,031,781</b>	<b>72,482,603</b>
<b>Other Financing Sources (Uses)</b>									
Transfers In	3,071,622	3,787,288	8,278,967	7,907,490	13,272,934	25,222,052	41,941,154	24,695,090	15,000,174
Transfers Out	(5,296,866)	(5,921,856)	(7,949,841)	(9,651,371)	(16,525,848)	(28,794,574)	(43,974,059)	(25,745,967)	(15,652,330)
Revenue Bonds Issued	-	-	57,075,000	-	654,860	22,925,000	-	-	-
Bond Premium	-	-	3,652,683	-	-	997,936	-	-	-
Certificates of participation issued	-	-	-	-	-	-	-	-	42,670,000
Discount on certificates of participation	-	-	-	-	-	-	-	-	(422,392)
Sale of Capital Assets	-	-	-	-	-	90,367	641,837	-	99,324
<b>Total Other Financing Sources(Uses)</b>	<b>(2,225,244)</b>	<b>(2,134,568)</b>	<b>61,056,809</b>	<b>(1,743,881)</b>	<b>(2,598,054)</b>	<b>20,440,781</b>	<b>(1,391,068)</b>	<b>(1,050,877)</b>	<b>41,694,776</b>
<b>Net Change In Fund Balances</b>	<b>\$ 3,353,104</b>	<b>\$ 2,924,255</b>	<b>\$ 58,550,635</b>	<b>\$ (9,155,994)</b>	<b>\$ (18,819,344)</b>	<b>\$ (6,097,821)</b>	<b>\$ (5,905,336)</b>	<b>\$ (6,383,115)</b>	<b>\$ 50,143,789</b>
Debt Service as a Percentage of Noncapital Expenditures	2.8%	2.6%	5.3%	9.8%	9.3%	9.7%	10.8%	10.9%	11.9%

Notes: The City of Grand Junction implemented GASB 34 as of December 31, 2002.

Source: Current and prior year's financial statements.

TABLE 5

City of Grand Junction, Colorado  
**SALES TAX REVENUE BY TYPE OF INDUSTRY <sup>1</sup>**  
 Last Ten Fiscal Years

Fiscal Year	Auto & Campers	Building Materials	Clothing/ Department Stores	Drug Stores	Furniture & Appliances	Grocery Stores	Liquor Stores	Motels & Hotels	Other	Restaurants	Service Stations	Total Sales Tax	Total Direct Tax Rate
2001	3,049,353	2,544,246	6,470,884	202,515	697,763	759,534	476,218	777,965	9,666,884	2,739,162	221,100	27,605,624	2.75%
2002	3,384,024	2,708,008	7,347,604	185,425	813,360	681,550	518,996	829,077	9,667,415	2,965,515	255,338	29,356,312	2.75%
2003	3,477,295	3,640,993	7,213,733	169,377	743,664	744,133	558,225	793,845	9,644,774	3,053,336	237,627	30,277,002	2.75%
2004	4,281,235	3,813,959	7,109,518	139,758	398,699	606,240	580,068	811,876	11,230,952	3,274,269	247,399	32,493,973	2.75%
2005	4,588,778	4,075,360	7,531,171	147,299	481,625	599,540	627,954	940,652	12,097,267	3,526,455	294,708	34,910,809	2.75%
2006	5,671,555	4,847,206	8,340,443	193,003	533,528	636,540	699,893	1,083,818	14,843,131	3,817,821	340,162	41,007,100	2.75%
2007	6,330,907	5,850,932	8,976,739	259,764	566,242	694,839	790,822	1,335,710	16,074,066	4,242,729	366,202	45,488,952	2.75%
2008	6,413,694	5,867,638	8,876,297	258,197	497,265	737,283	885,924	1,502,984	17,004,461	4,548,239	434,299	47,026,281	2.75%
2009	4,864,852	4,073,914	7,879,172	211,381	358,332	728,805	919,756	1,169,215	13,363,210	4,287,052	377,156	38,232,845	2.75%
2010	5,231,731	3,631,602	7,861,591	177,262	326,914	733,309	919,192	1,123,008	14,303,709	4,173,373	328,080	38,809,771	2.75%

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

Source: City Financial Operations Division: Sales Tax Reports

**2010 Sales Tax Revenue by Type of Industry**

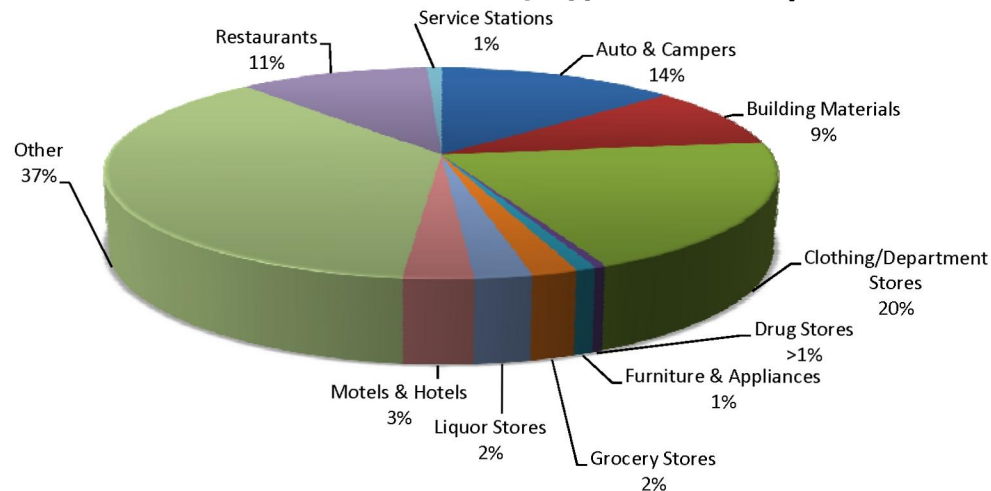


TABLE 6

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

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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	
2001	2.75%	2.75%	2.00%	2.90%	7.65%
2002	2.75%	2.75%	2.00%	2.90%	7.65%
2003	2.75%	2.75%	2.00%	2.90%	7.65%
2004	2.75%	2.75%	2.00%	2.90%	7.65%
2005	2.75%	2.75%	2.00%	2.90%	7.65%
2006	2.75%	2.75%	2.00%	2.90%	7.65%
2007	2.75%	2.75%	2.00%	2.90%	7.65%
2008	2.75%	2.75%	2.00%	2.90%	7.65%
2009	2.75%	2.75%	2.00%	2.90%	7.65%
2010	2.75%	2.75%	2.00%	2.90%	7.65%

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

Source: City Financial Operations Division: Sales Tax Reports

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TABLE 7

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Aggregate Top Ten Filers <sup>1,2</sup>	\$ 8,086,274	\$ 8,778,808	\$ 8,081,004	\$ 8,587,499	\$ 9,200,730	\$ 10,330,320	\$ 10,843,864	\$ 11,216,552	\$ 9,889,256	\$ 9,964,913
Aggregate All Other Filers <sup>2</sup>	19,519,350	20,577,504	22,195,998	23,906,474	25,710,079	30,676,780	34,645,088	35,809,729	28,343,589	28,844,858
Total Sales Tax	\$ 27,605,624	\$ 29,356,312	\$ 30,277,002	\$ 32,493,973	\$ 34,910,809	\$ 41,007,100	\$ 45,488,952	\$ 47,026,281	\$ 38,232,845	\$ 38,809,771
Top Ten Filers as a Percentage of Total Sales Tax	29.29%	29.90%	26.69%	26.43%	26.35%	25.19%	23.84%	23.85%	25.87%	25.68%

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

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

Source: City Financial Operations Division: Sales Tax Reports

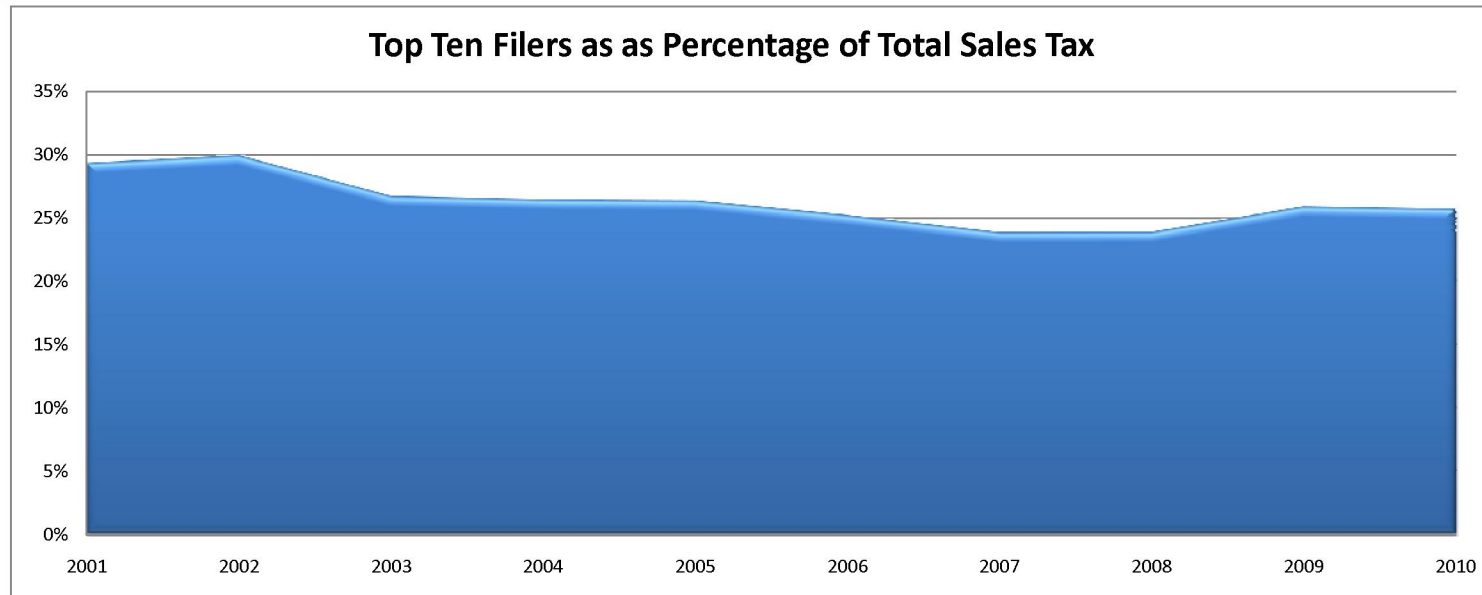




TABLE 8

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
2001	27,605,624	1,002,862	4,191,997	716,990	33,517,473
2002	29,356,312	920,312	4,401,660	784,942	35,463,226
2003	30,277,002	1,780,922	4,594,439	770,315	37,422,678
2004	32,493,973	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

Source: City Financial Operations Division: Sales Tax Reports

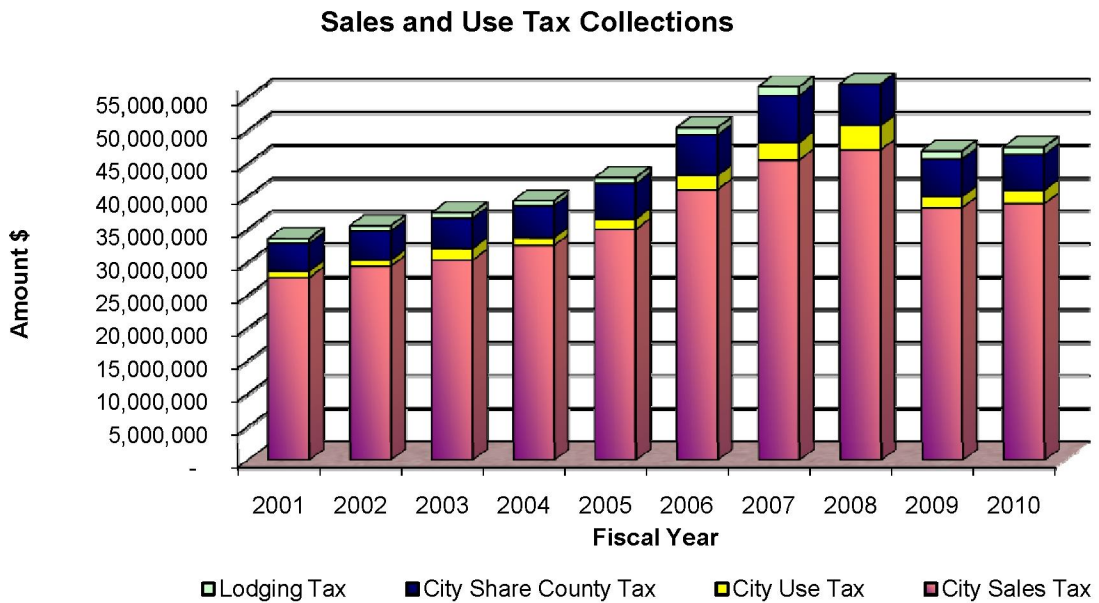


TABLE 9

City of Grand Junction, Colorado  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**TO PERSONAL INCOME AND OUTSTANDING DEBT PER CAPITA<sup>1</sup>**  
 Last Nine Fiscal Years

Fiscal Year	Popu- lation <sup>A</sup>	Personal Income In Thousands <sup>C</sup>	Governmental Activities				Business-Type Activities		Total Primary Government	Ratio of Outstanding Debt to Personal Income	Outstanding Debt Per Capita
			General Obligation Bonds <sup>1</sup>	Revenue Bonds	Promissory Notes	Capital Leases	Promissory Notes	Loan Payable			
2002	45,698	1,165,025	2,396,600	-	182,921	2,460,093	123,215	3,500,233	8,663,062	0.54%	137
2003	46,861	1,209,108	2,171,383	-	159,213	1,882,737	115,474	3,490,034	7,818,841	0.47%	121
2004	48,325	1,318,403	1,927,348	60,604,780	133,134	1,283,063	107,346	3,347,672	67,403,343	4.97%	1,355
2005	49,420	1,425,965	1,668,791	59,359,891	104,448	655,636	98,812	3,200,316	65,087,894	4.45%	1,283
2006	51,569	1,656,035	1,389,950	57,867,070	72,893	-	89,850	3,052,921	62,472,684	3.69%	1,184
2007	53,662	1,874,682	1,090,000	79,664,693	38,181	-	80,441	2,900,164	83,773,479	4.41%	1,541
2008	55,189	2,060,868	935,000	75,815,801	-	-	70,561	2,747,362	79,568,724	3.82%	1,425
2009	56,446	1,963,813	770,000	71,838,039	-	-	-	2,589,193	75,197,232	3.79%	1,319
2010	58,566 <sup>B</sup>	2,084,423 <sup>D</sup>	595,000	67,723,497	-	42,286,843	-	6,201,050	116,806,390	5.58%	1,984

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

Note: The City of Grand Junction implemented GASB 34 as of December 31, 2002.

Source: Current and prior year's financial statements

<sup>A</sup> Colorado DOLA Demography Section - All other City Financial Operations Division

<sup>B</sup> Estimate, Colorado Department of Local Affairs, State Demography Office

<sup>C</sup> Bureau of Economic Analysis

<sup>D</sup> Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 10

City of Grand Junction, Colorado  
**RATIO OF NET GENERAL BONDED DEBT  
 TO PERSONAL INCOME AND NET BONDED DEBT PER CAPITA<sup>1</sup>**  
 Last Ten Fiscal Years

Fiscal Year	Popu- lation <sup>A</sup>	Personal Income in Thousands <sup>C</sup>	Gross Bonded Debt <sup>1</sup>	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
2001	44,838	1,138,751	-	-	-	-	0.00%	-
2002	45,698	1,165,025	-	-	-	-	0.00%	-
2003	46,861	1,209,108	-	-	-	-	0.00%	-
2004	48,325	1,318,403	60,727,683	52,948,731	-	7,778,952	0.59%	161
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	-	-	75,815,801	3.68%	1,374
2009	56,446	1,963,813	71,838,039	-	-	71,838,039	3.66%	1,273
2010	58,566 <sup>B</sup>	2,084,423 <sup>D</sup>	67,723,497	-	-	67,723,497	3.25%	1,156

Notes:

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

Source:

- <sup>A</sup> Colorado DOLA Demography Section - All other City Financial Operations Division
- <sup>B</sup> 2010 Census, Colorado Department of Local Affairs, State Demography Office
- <sup>C</sup> Bureau of Economic Analysis
- <sup>D</sup> Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 11

City of Grand Junction, Colorado  
**COMPUTATION OF LEGAL DEBT MARGIN**  
 December 31, 2010

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Estimated actual value as determined by Assessor <sup>A</sup>		\$ <u>7,865,553,150</u>
Debt limit - 3% of actual value		\$ 235,966,595
Total General Obligation Debt <sup>B</sup>	\$ 595,000	
Less: Ridges Metropolitan District bonds supported by a special tax levy paid only within the District <sup>B</sup>	<u>(595,000)</u>	
 Total amount of debt applicable to debt limit		 <u>-</u>
Legal debt margin		 \$ <u>235,966,595</u>
Source:		
<sup>A</sup> Mesa County Assessor		
<sup>B</sup> City Financial Operations Division		

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TABLE 12

City of Grand Junction, Colorado  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**<sup>1</sup>  
 December 31, 2010

<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 <sup>A</sup>	\$ 65,400,000	100.00%	\$ 65,400,000
Overlapping:			
Mesa County Valley School District No. 51 <sup>B</sup>	114,060,000	51.70%	58,970,960
Total			<u>\$ 124,370,960</u>

Notes:

<sup>1</sup> Computation of overlapping debt includes only the three major governmental units and excludes several special districts that partially overlap the City.

<sup>2</sup> Mesa County has outstanding sales tax revenue bonds which are payable from sales tax revenues and are not a general obligation of the property taxpayers of the County. The County also has outstanding jail lease purchase certificates which are not general obligations.

Source:

<sup>A</sup> City Financial Operations Division

<sup>B</sup> Mesa County Valley School District No. 51 Finance 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			
				Principal	Interest	Total	Coverage
2001	5,052,597	3,285,854	1,766,743	-	-	-	-
2002	4,833,602	3,252,288	1,581,314	-	-	-	-
2003	4,811,215	3,285,692	1,525,523	-	-	-	-
2004	4,507,115	3,369,394	1,137,721	-	-	-	-
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	-	-	-	-

Source: City Financial Operations Division

TABLE 14

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

Fiscal Year	City <sup>A</sup> Population	County <sup>A</sup> Population	Personal Income in Thousands <sup>C</sup>	Per Capita Income <sup>C</sup>	School <sup>B</sup> Enrollment	Unemployment Rate <sup>D, E</sup>	
						Grand Junction MSA	State of Colorado
2001	44,838	120,122	1,138,751	25,397	19,768	3.8%	3.8%
2002	45,698	122,463	1,165,025	25,494	20,035	5.0%	5.6%
2003	46,861	125,072	1,209,108	25,802	20,170	5.6%	6.1%
2004	48,325	127,808	1,318,403	27,282	20,207	5.5%	5.6%
2005	49,420	129,630	1,425,965	28,854	20,660	5.0%	5.1%
2006	51,569	135,468	1,656,035	32,113	20,877	4.0%	4.3%
2007	53,662	140,416	1,874,682	34,935	21,396	3.1%	3.7%
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	9.5%	8.3%
2010	58,566 <sup>F</sup>	146,723 <sup>F</sup>	2,084,423	35,591 <sup>G</sup>	22,203	10.6%	8.9%

Note:

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

Source:

- <sup>A</sup> US Census Bureau and Colorado DOLA Demography Office
- <sup>B</sup> Mesa County Valley School District No. 51 - District wide enrollment
- <sup>C</sup> Bureau of Economic Analysis
- <sup>D</sup> US Department of Labor, Bureau of Labor Statistics, Non Seasonally Adjusted
- <sup>E</sup> Prior year reports reflected unemployment rates for Mesa County; those have been replaced in the current year report with unemployment rates for the Grand Junction Metropolitan Statistical Area
- <sup>F</sup> 2010 Census, Colorado Department of Local Affairs, State Demography Office
- <sup>G</sup> Estimate, based on prior year data and Bureau of Economic Analysis

### Population, Income and School Enrollment Trend

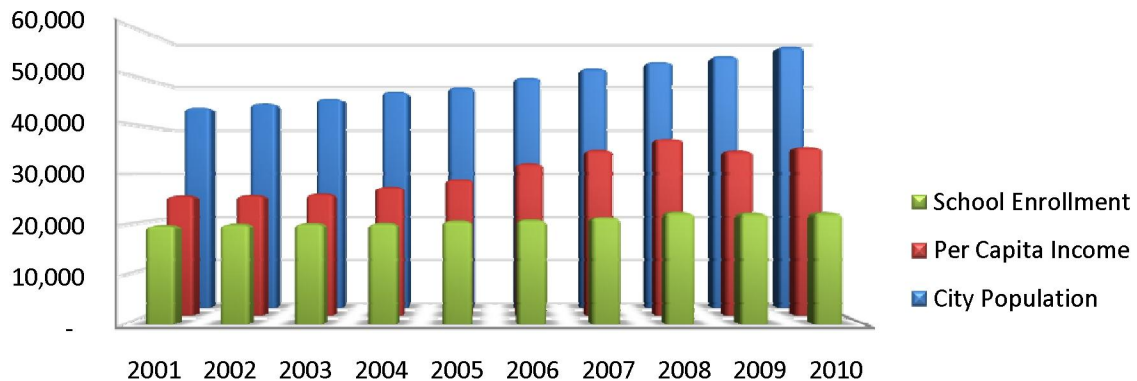


TABLE 15

City of Grand Junction, Colorado  
**TOP 10 PRINCIPAL EMPLOYERS**  
 December 31, 2010  
 Last Eight Fiscal Years

Employer	Type of Business	Prior to 2003	Number of Employees 2003 <sup>A</sup>	Percentage of Total 2003	Number of Employees 2004 <sup>A</sup>	Percentage of Total 2004	Number of Employees 2005 <sup>A</sup>	Percentage of Total 2005	Number of Employees 2006 <sup>A</sup>	Percentage of Total 2006	Number of Employees 2007 <sup>A</sup>	Percentage of Total 2007	Number of Employees 2008 <sup>B</sup>	Percentage of Total 2008	Number of Employees 2009 <sup>B</sup>	Percentage of Total 2009	Number of Employees 2010 <sup>B</sup>	Percentage of Total 2010
School District #51	Schools	N/A	2,646	4.20%	2,786	4.32%	2,429	3.62%	2,600	3.61%	3,133	4.10%	3,200	4.06%	3,000	4.08%	3,000	4.08%
St. Mary's Hospital	Medical	N/A	2,073	3.29%	1,985	3.08%	2,014	3.00%	2,000	2.78%	2,235	2.93%	2,235	2.83%	2,191	2.98%	2,068	2.81%
State of Colorado	Government	N/A	580	0.92%	922	1.43%	969	1.45%	982	1.37%	982	1.29%	1,197	1.52%	1,212	1.65%	995	1.35%
Mesa County	Government	N/A	869	1.38%	872	1.35%	927	1.38%	925	1.29%	977	1.28%	982	1.24%	978	1.33%	980	1.33%
Walmart	Retail	N/A	1,000	1.59%	860	1.33%	865	1.29%	910	1.27%	865	1.13%	860	1.09%	980	1.33%	859	1.17%
Halliburton Energy	Services	N/A		0.00%			415	0.62%	700	0.97%	800	1.05%	977	1.24%		0.00%	700	0.95%
Mesa State College	Schools	N/A	1,194	1.90%	1,440	2.23%	1,177	1.76%	1,250	1.74%	1,440	1.89%	1,259	1.60%	718	0.98%	699	0.95%
City of Grand Junction	Government	N/A	570	0.90%	1,015	1.57%	900	1.34%	808	1.12%	968	1.27%	1,202	1.52%	1,219	1.66%	672	0.91%
Star Tek USA	Services	N/A	550	0.87%					600	0.83%	625	0.82%			595	0.81%	600	0.82%
City Markets, Inc.	Retail	N/A	600	0.95%	600	0.93%	400	0.60%	589	0.82%	590	0.77%	650	0.82%	677	0.92%	565	0.77%
Community Hospital	Medical	N/A	420	0.67%	415	0.64%	414	0.62%					574	0.73%	588	0.80%		0.00%
Rocky Mountain Health Plans	Insurance	N/A			386	0.60%												
Other													65,767	83.35%	61,894	84.25%	58,786	84.07%
Total of All Employees <sup>B</sup>		N/A	62,987		64,540		67,033		71,935		76,344		78,903		73,464		69,924	

Source:

<sup>A</sup> Grand Junction Chamber of Commerce (Includes Part-Time and Seasonal Employees)  
<sup>B</sup> Grand Junction Economic Partnership (Includes Part-Time and Seasonal Employees)  
<sup>N/A</sup> Data Not Available

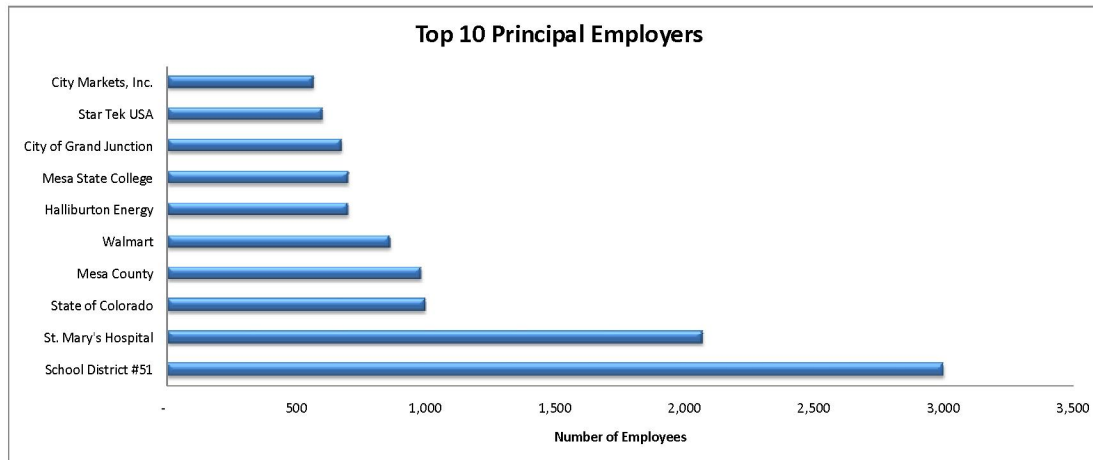




TABLE 16

City of Grand Junction, Colorado  
**MISCELLANEOUS STATISTICS**  
 Last Nine Fiscal Years

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

City of Grand Junction Employees By Function (FTE's)<sup>E</sup>

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	90	100	101	102	119	113	116	122	115
Fire Protection	75	79	79	83	98	98	99	99	95
Parks and Recreation	68	71	72	70	70	74	87	73	67
Police Protection									
Sworn	83	85	81	83	91	100	102	107	90
Non-Sworn	58	63	62	60	70	65	78	80	82
Public Works	172	172	175	170	161				
Public Works and Planning <sup>1</sup>						71	77	72	48
Utility and Street Systems <sup>1</sup>						116	120	115	112
<b>Total</b>	<b>546</b>	<b>570</b>	<b>570</b>	<b>568</b>	<b>609</b>	<b>637</b>	<b>679</b>	<b>668</b>	<b>609</b>

Building permits:<sup>D</sup>

Year	# Issued	Value
2002	2,012	143,644,397
2003	2,068	163,176,153
2004	2,080	158,746,233
2005	2,250	234,133,308
2006	2,205	286,484,081
2007	2,183	323,358,687
2008	1,762	254,912,474
2009	984	89,935,667
2010	929	128,551,321

Elections:<sup>A</sup>

Year	Number of Registered Voters	Number of Votes in last General Election	Percentage
2002	28,810	8,256	28.66%
2003	19,890	8,256	41.51%
2004	25,780	8,417	32.65%
2005	25,650	8,417	32.81%
2006	21,677	8,756	40.39%
2007	21,677	8,756	40.39%
2008	34,774	27,508	79.11%
2009	27,977	8,579	30.66%
2010	24,558	21,463	87.40%

Education:

Type	2002	2003	2004	2005	2006	2007	2008	2009	2010
Mesa County Valley School District No. 51 Enrollment: <sup>C</sup>									
Elementary	9,192	9,232	9,274	9,482	10,153	10,147	10,783	10,710	10,753
Middle	4,558	4,664	4,765	4,872	4,751	4,729	4,882	4,868	4,860
High	5,872	5,817	6,168	6,306	5,973	6,520	6,607	6,569	6,590
Mesa State College Enrollment: <sup>U</sup>	5,555	5,725	5,725	6,235	5,938	6,127	6,205	6,665	7,746

<sup>1</sup> The City of Grand Junction reorganized its department structure in 2007

Note: The City of Grand Junction implemented GASB 34 as of December 31, 2002

Source:

- <sup>A</sup> City Clerk
- <sup>B</sup> City Planning Division/Mesa County Building Department
- <sup>C</sup> Mesa County Valley School District No. 51
- <sup>D</sup> Mesa State College
- <sup>E</sup> City Personnel Department

TABLE 17

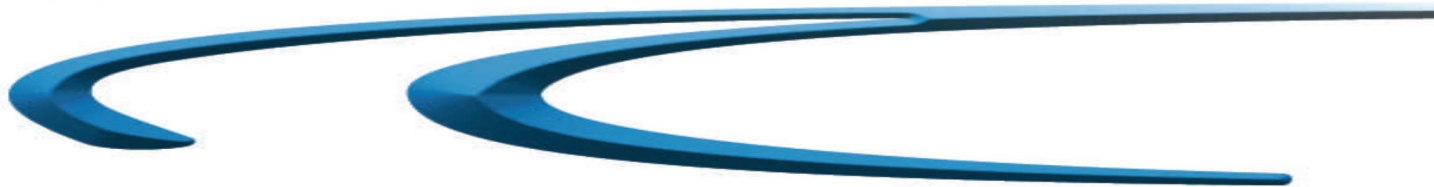
City of Grand Junction, Colorado  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
 Last Nine Fiscal Years

Function	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Police <sup>B</sup></b>									
Stations	1	1	1	1	1	1	1	1	1
Vehicular Patrol Units	30	30	30	30	31	33	35	38	39
Canine Units	4	4	3	3	3	3	3	3	3
Motorcycles Units	4	4	4	4	6	6	6	8	8
Bicycles (Attached to Patrol Units)	13	18	18	18	23	23	26	20	17
<b>Fire Stations <sup>C</sup></b>									
Fire Stations	4	4	5	5	5	5	5	5	5
<b>Public Works <sup>A</sup></b>									
Area (Sq Miles)	32.87	33.12	34.25	34.65	35.47	36.9	37.46	37.84	38.05
Paved Streets (Lane Miles)	886.29	916.5	964.76	1010.37	1050.33	1081.24	1124.74	1136.31	1142.56
Unpaved Streets (Lane Miles)	0	0	8.33	8.33	8.5	8.02	9.22	9.22	9.22
Total Streets (Lane Miles)	886.29	916.5	973.09	1018.7	1058.83	1089.26	1133.96	1145.53	1151.78
<b>Parks and Recreation <sup>D</sup></b>									
Developed Parks (Acres)	357.72	357.72	365.22	365.22	365.22	365.22	365.22	365.22	365.22
Undeveloped Parks (Acres)	396.5	396.5	389	389	389	389	389	389	389
Total Parks (Acres)	754.22	754.22	754.22	754.22	754.22	754.22	754.22	754.22	754.22
Swimming Pools	2	2	2	2	2	2	2	2	2
Waterslides	1	1	1	1	1	1	2	2	2
Tennis Courts	10	10	16	16	16	16	22	22	22
Shelters	13	18	18	18	18	18	18	18	18
Baseball Stadiums(Lighted)	1	1	1	1	1	1	1	1	1
Baseball Stadiums(Unlighted)	1	1	1	1	1	1	1	1	1
Football/Track Stadium (Lighted)	1	1	1	1	1	1	1	1	1
Softball Fields(Lighted)	6	6	6	6	6	6	6	6	6
Softball Fields(Unlighted)	2	2	2	2	2	2	2	2	2
Golf Courses	2	2	2	2	2	2	2	2	2
Golf Courses (Acres)	156	156	156	156	156	156	156	156	156
Outdoor Basketball Courts (Lighted)	1	1	1	1	1	1	1	1	1
Outdoor Basketball Courts (Unlighted)	6	7	7	7	7	7	10	10	10
Multi-purpose Fields (Lighted)				1	1	1	1	1	1
Multi-purpose Fields (Unlighted)				12	12	12	12	12	12
Auditorium	1	1	1	1	1	1	1	1	1
Senior Recreation Center	1	1	1	1	1	1	1	1	1
Riverfront Trail (Miles)	14.8	14.8	14.8	14.8	14.8	14.8	18.7	18.7	19.07
Skateparks	2	2	2	2	2	2	2	2	2
Activity Center					1	1	1	1	1
<b>Utilities <sup>E</sup></b>									
Storm sewers (Miles)	60	88	136	166.83	135.24	216.07	138.57	161.37	185.03
Sanitary sewer (Miles)	488	498	589	316.14	502.57	537.64	589.7	597.81	595.27

Note: The City of Grand Junction implemented GASB 34 as of December 31, 2002

Source:

- <sup>A</sup> City Administration GIS Department  
<sup>B</sup> City Police Department  
<sup>C</sup> City Fire Department  
<sup>D</sup> City Parks and Recreation Department  
<sup>E</sup> City Public Works Department



# **SINGLE AUDIT**



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INDEPENDENT AUDITOR'S REPORT  
ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 23, 2011

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, 2010, and have issued our report thereon dated June 23, 2011. These basic financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the City of Grand Junction, Colorado taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

*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, 2010

<u>Federal Grantor/Pass Through Grantor/Program Title or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>2010 Amount of Award Expended</u>
<b>CDBG - Entitlement Grants Cluster</b>			
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Community Development Block Grants/ Entitlement Grants	14.218	\$ 1,066,845	\$ 517,352
Community Development Block Grants/ Entitlement Grants-ARRA	14.253	91,783	<u>91,783</u>
Total U.S. Department of Housing and Urban Development			609,135
<b>Total CDBG - Entitlement Grants Cluster</b>			<b>609,135</b>
<b>U.S. DEPARTMENT OF ENERGY</b>			
Energy Efficiency and Conservation Block Grant-ARRA	81.128	229,800	172,858
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Edward Byrne Memorial Formula Grant	16.579	133,146	107,944
Public Safety Partnership and Community Policing Grants	16.710	449,777	56,106
Public Safety Partnership and Community Policing Grants-ARRA	16.710	1,319,660	277,422
Bulletproof Vest Partnership Program	16.607	28,854	21,665
Passed Through Colorado Division of Criminal Justice			
Edward Byrne Memorial Justice Asst. Grant	16.738	100,000	100,000
Edward Byrne Memorial Justice Asst. Grant Grants to States and Territories-ARRA	16.803	100,000	<u>100,000</u>
Total U.S. Department of Justice			663,137
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through Mesa County, Colorado The Drug Free Community Support Program	93.276	42,578	42,578
<b>U.S. DEPARTMENT OF COMMERCE</b>			
Passed Through Eagle County, Colorado Public Safety Interoperable Communications Grant	11.555	505,775	58,500
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed Through the Colorado Department of Transportation			
Highway Planning and Construction	20.205	1,108,000	249,639
State and Community Highway Safety	20.600	11,009	<u>11,009</u>
Total U.S. Department of Transportation			260,648
<b>U.S. DEPARTMENT OF INTERIOR</b>			
National Fire Plan-Rural Fire Assistance	15.242	9,000	9,000
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Passed Through Colorado Water Resources and Power Development Authority			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	3,800,000	<u>3,783,923</u>
Total Federal Award Expenditures			<u>\$ 5,599,779</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, 2010

**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	\$ 293,104
Community Development Block Grants/ Entitlement Grants-ARRA	14.253	\$ 91,783
Edward Byrne Memorial Formula Grant	16.579	\$ 53,972
Public Safety Partnership and Community Policing Grants	16.710	\$ 34,135

**NOTE C – NONCASH AWARDS**

The City has received the following federal financial assistance in the form of loan subsidies which is included in the schedule of expenditures of federal awards and in the financial statements:

<u>Program Title</u>	<u>CFDA #</u>	<u>Amount of Award Expended</u>
Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$3,783,923





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

June 23, 2011

To the City Council  
City of Grand Junction, Colorado

We have audited 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, 2010, which collectively comprise the City of Grand Junction, Colorado's basic financial statements and have issued our report thereon dated June 23, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the City Council  
City of Grand Junction, Colorado  
June 23, 2011

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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*.

This report is intended solely for the information and use of the City Council, management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Chadwick, Steinsiecher, Davis + Co., P.C.*



REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE  
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133

June 23, 2011

To the City Council  
City of Grand Junction, Colorado

Compliance

We have audited the compliance of the City of Grand Junction, Colorado 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 its major federal programs for the year ended December 31, 2010. The City of Grand Junction, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Grand Junction, Colorado's management. Our responsibility is to express an opinion on the City of Grand Junction, Colorado's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; 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 of Grand Junction, Colorado'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. Our audit does not provide a legal determination of the City of Grand Junction, Colorado's compliance with those requirements.

In our opinion, the City of Grand Junction, Colorado complied, in all material respects, with the 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, 2010.

To the City Council  
City of Grand Junction, Colorado  
June 23, 2011

Internal Control over Compliance

The management of the City of Grand Junction, Colorado is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Grand Junction, Colorado's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

*Chadwick, Steinbrenner, Davis + Co., P.C.*

City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2010

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
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218, 14.253ARRA	CDBG Cluster
16.710	Public Safety Partnership and Community Policing Grants - ARRA
66.468	Capitalization Grants for Drinking Water State Revolving Funds

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, 2010

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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, 2010

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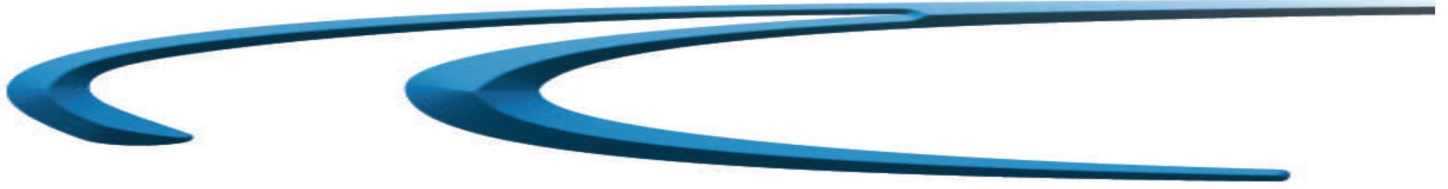
Prior year findings:

There were no prior year findings.



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# **OTHER SUPPLEMENTAL INFORMATION**



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON OTHER SUPPLEMENTAL INFORMATION

June 23, 2011

To the City Council  
City of Grand Junction, Colorado

We have audited the basic financial statements of the City of Grand Junction, Colorado for the year ended December 31, 2010, and have issued our report thereon dated June 23, 2011. Our audit of such financial statements was made in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Supplemental Local Highway Finance Report is presented for purposes of additional analysis and is not a required part of the financial statements. The information in the schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken 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.

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: City of Grand Junction
		YEAR ENDING : December 2010
This Information From The Records Of (example - City of _ or County of )		Prepared By: Aeron White Phone: (970) 256-4012

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

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	10,082,766
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,009,809
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	813,741
2. General fund appropriations	14,621,089	b. Snow and ice removal	502,538
3. Other local imposts (from page 2)	2,096,868	c. Other	
4. Miscellaneous local receipts (from page 2)	1,829,415	d. Total (a. through c.)	1,316,279
5. Transfers from toll facilities		4. General administration & miscellaneous	256,990
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	14,665,844
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	3,270,388
7. Total (1 through 6)	18,547,372	b. Redemption	3,710,000
<b>B. Private Contributions</b>		c. Total (a. + b.)	6,980,388
<b>C. Receipts from State government</b> (from page 2)	2,849,221	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	249,639	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	21,646,232	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	6,980,388
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	21,646,232

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	69,110,000	0	3,710,000	65,400,000
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	21,646,232	21,646,232		0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2010

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	48,888	a. Interest on investments	34,011
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	155,904
5. Specific Ownership &/or Other	2,047,980	g. Other Misc. Receipts	
6. Total (1. through 5.)	2,047,980	h. Other	1,639,500
c. Total (a. + b.)	2,096,868	i. Total (a. through h.)	1,829,415
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,262,898	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	224,636	d. Federal Transit Admin	
d. Other (Specify)	361,687	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	249,639
f. Total (a. through e.)	586,323	g. Total (a. through f.)	249,639
4. Total (1. + 2. + 3.f)	2,849,221	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	168,798		168,798
b. Engineering Costs	39,461	565,076	604,537
c. Construction:			
(1). New Facilities		6,391,808	6,391,808
(2). Capacity Improvements	231,427	2,369,215	2,600,642
(3). System Preservation		316,981	316,981
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	231,427	9,078,004	9,309,431
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	439,686	9,643,080	10,082,766
			(Carry forward to page 1)

Notes and Comments:

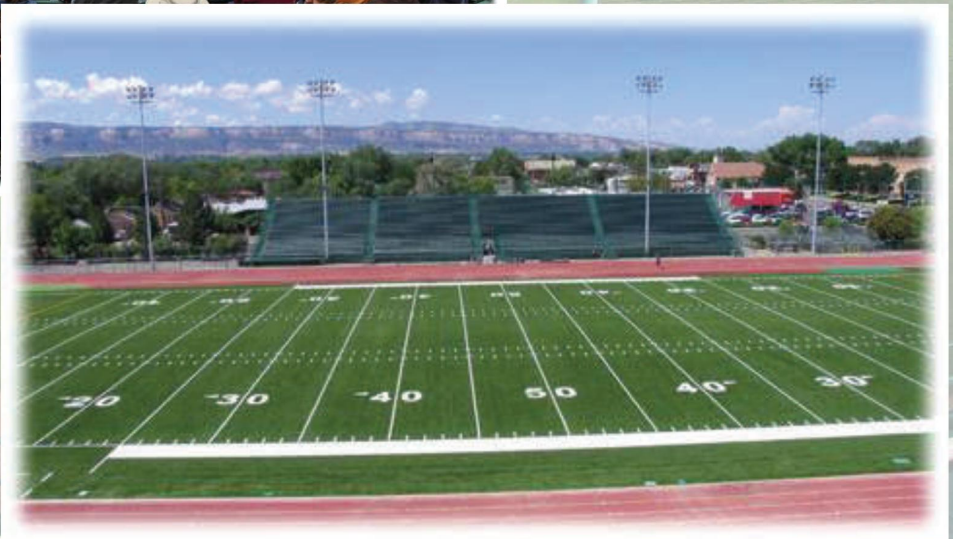


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