



Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2008



City of Grand Junction, Colorado
Becoming the Most Livable Community West of the Rockies



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

Prepared by:

*Department of Administration
Financial Operations*

*Jodi Romero
Financial Operations Manager*

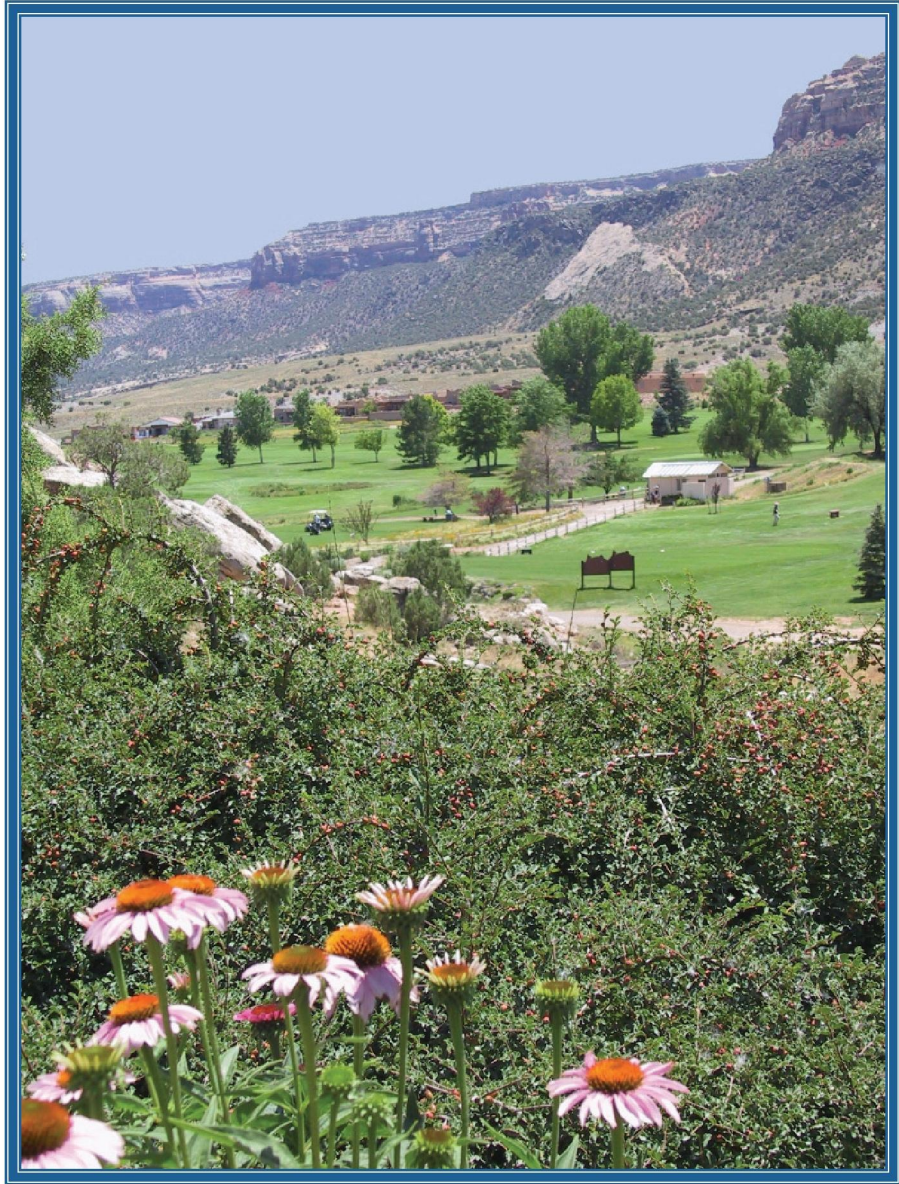


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Introductory Section



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Financial Operations Division

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June 19, 2009

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, 2008, 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, 2008, 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, 2008, 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, 2008, 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.

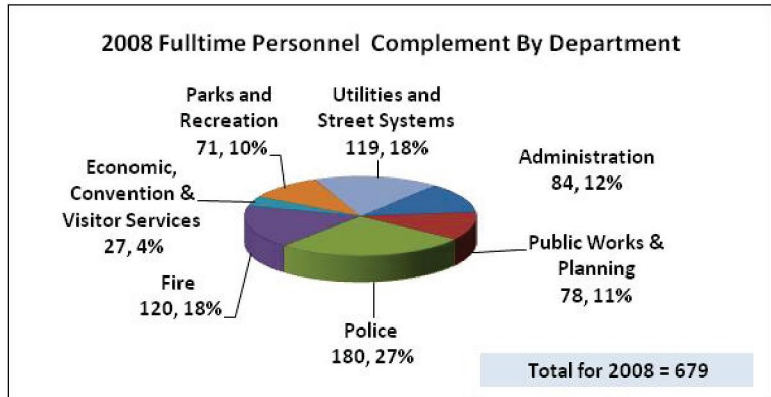
The independent audit of the financial statements of the City of Grand Junction was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only 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 and ambulance transport), public works (highways, streets, sanitation and water), culture-recreation (parks, cemeteries, swimming pools, golf courses, convention center, 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 37.46 square miles and serves an estimated population of 55,000. The City of Grand Junction is empowered to levy a property tax on both real and personal business properties located within its boundaries and to establish and collect its own sales and use tax. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

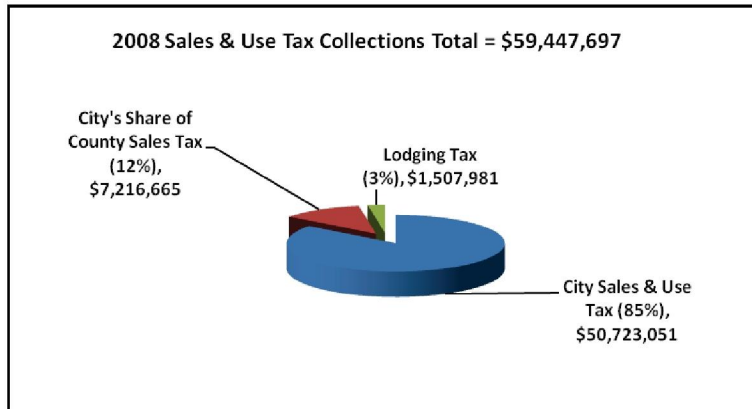
Policy-making and legislative authority are vested in a City Council consisting of seven members one of which is elected mayor each year. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing boards and commissions, and hiring the City Manager, City Attorney, and Municipal 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.

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

Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, 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 71.

FACTORS AFFECTING FINANCIAL CONDITION

The City of Grand Junction is located on the I-70 corridor, about 250 miles west of Denver and 27 miles east of the Utah border. The City lies in a valley formed at the junction of the Gunnison and Colorado Rivers, surrounded by majestic mesas. As the largest city in western Colorado, Grand Junction is the major service center for western Colorado and eastern Utah. Commercial services, merchandising operations and health care services are in place to serve far more people than live in the valley. Major retail outlets have further augmented the regional service aspect of the City. A resurgence of economic activities in oil and gas exploration, along with a diversity of industrial, recreational and service activities provides a strong economic base for future growth. This base, generated by community economic development and private enterprise marketing, has brought steady, consistent growth to the area.



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

As in the past, city management and leadership continue to finance current operations with current operating revenues, 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 61.5% of its revenues (excluding capital transfers). These tax revenues increased by 5% from 2007 to 2008. 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 1999.

The area has historically experienced economic cycles of about ten to fifteen years, moving from strong economic growth to mild to significant decline. The valley has experienced population growth averaging 3% a year for at least ten years. In 2008, the Grand Junction Metropolitan Statistical Area (MSA) was the 9th fastest growing metropolitan area in the nation, and 1st in the State.



This growth has positively impacted the area as evidenced by the growing economy. In 2008, Grand Junction continued in a strong growth cycle and was ranked #5 of 124 small metro cities for top economic performance based on creating and sustaining jobs and economic growth. The area's gross metropolitan product was ranked the 15th fastest growing in the nation during the last decade with an average annual growth rate of 8%. Grand Junction's annual job growth from March 2007 to March 2008 was 4.42%, increasing from a five year average of 3.9%. Personal income was highlighted as one of the top ten fastest growing in the country.

For most of the fiscal year ended December 31, 2008, the retail facet of the City's economy continued to grow as well, however, that growth began to slow during the 4th quarter of the year as a result of the weakening national economy and the reduction of energy industry and construction activity in the area. In 2009, the City has dedicated staff to evaluate and capitalize on grant opportunities through the American Recovery and Reinvestment Act.

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, a superb public school system, 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:

- The \$110 million Riverside Parkway was completed with a Grand Opening on August 15, 2008. The seven mile project was financed in part by an \$80 million bond issue passed by the voters and provides motorists an alternative to the Highway 6 and 50 corridor. It is part of a planned "loop" that will connect with Interstate 70 at 29 Road.
- The City completed preliminary design work, acquired land, and began construction design for a new public safety facility for Police Services, Fire Administration, and to construct a new downtown Fire Station #1. This was part of a larger Public Safety Initiative, which is a long range plan designed to meet the current and future public safety needs of the community including new neighborhood fire stations.
- In continued partnership with the Downtown Development Authority, the \$4 million beautification project for Colorado Avenue began in 2008, to be completed in 2009. This is part of an overall structural design and improvement plan for the downtown area including the 7th Street beautification project completed in 2007 and the Main Street "Uplift" planned for 2010.
- The Ranchman's Ditch Flood Control "Big Pipe" project continued in 2008 and is scheduled to be completed in 2009. This project provides flood protection for almost 400 commercial and residential properties. Total project cost is estimated at \$16 million.
- Significant work continued on the City's Comprehensive Plan, which began in 2007 and is expected to be completed in 2009. The Comprehensive Plan is being developed through an interactive community effort and will play an important role in guiding the future growth and development of the City of Grand Junction. As part of the comprehensive planning process, the 201 Persigo Sewer Service boundary was extended by an additional five square miles.

FUTURE OUTLOOK

The City remains committed to the maintenance and improvement of the quality of life in the 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 efforts in these areas strive to serve its citizenry in the long-term while maintaining a sound financial position.

The City has experienced sustained growth over three decades and particularly strong growth during the last 10 years. The population is expected to double in the next 20 to 25 years. In addressing the challenges of this current and planned growth, the Grand Junction City Council has identified two top priorities: completion and implementation of the Comprehensive Plan and the funding of the Public Safety Initiative. Other priorities shaping future planning include expanding the community through annexation, continuing commitment to capital investment, providing transportation connections within the community, redevelopment of the city center, economic development, and parks and trail development.

The Comprehensive Plan (Plan) is being developed through an interactive community effort and will play an important role in guiding the future growth and development of the city. Goals contemplated in the Plan include: to create large and small 'centers' throughout the community that provide services and commercial areas; to provide a much broader mix of housing types in the community; to protect, retain and preserve valued historic structures and cultural resources that symbolize the community's identity and uniqueness; to achieve and maintain a high quality of air, water and natural resources and conserve lands suitable for agricultural uses located outside of the urban area; to develop a well-balanced transportation system that supports automobile, local transit, pedestrian, bicycle, air and freight movement; to promote a healthy, sustainable, diverse economy for Grand Junction as a regional provider of goods and services; to prioritize public safety facilities and services for our citizens when planning for growth.

As indicated in two separate independent polls conducted in 2008, the community recognizes public safety as one of the key foundations to a livable community and one of the primary responsibilities of local government. The Public Safety Initiative (PSI) is a plan designed to provide public safety services to the community now and into the future. The project currently includes facilities for all police services (patrol, investigations, special units, records, training), fire administration (investigations, prevention, education and safety, inspections, training), the E-911 Regional Communication Center, Municipal Courts and three neighborhood fire stations. The City went to the voters in November 2008 and asked for an additional one-quarter cent sales tax to fund the Public Safety Initiative; and although defeated, the community showed strong support by casting almost 12,000 or 43% “yes” votes. In 2009, the City Council will be re-evaluating the PSI project components and funding options.

Over the course of the last two years the residents of Clifton, which is an unincorporated neighboring area to Grand Junction, have explored the options of acquiring urbanized services. One of those options is annexing to the City of Grand Junction. Annexation of this area would increase the City’s area by approximately one-third and the population by 25%. This is one example of how the valley is urbanizing and the resulting challenges the City is facing. The City would consider this annexation in an effort to conserve and maximize the efficiencies of government services in the urbanized area of the valley.

One of the City’s ongoing and major priorities is the preservation and improvement of the infrastructure. The City’s continuing infrastructure improvements are funded to a great extent by the increased sales tax rate in 1988. The three-quarter percent is allocated to the Sales Tax Capital Improvement Fund and used to fund budgeted capital improvements. This has clarified the revenue stream for long-range capital planning efforts. As part of our long-range financial planning process, these funds are projected and allocated to specific projects while maintaining flexibility for future City Councils.

The most significant capital project in the history of the City is the Riverside Parkway. The project entailed building a loop around the City that extends from 24 Road/Redlands Parkway to the intersection of 29 Road and D Road. The lower section of the Parkway extends from 4th Avenue to the intersection of 27½ and D Road. The 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.

With the beautification projects for 7th Street (2007), Colorado Avenue (2008/2009) and Main Street (planned 2010), the City’s downtown is vibrant and attracting new residential, retail and commercial development activity. The Farmers’ Market, Art & Jazz Festival, Cinco de Mayo, art exhibits and a historic theatre draw thousands of people to the downtown area each year. The tax increment district which funds the Downtown Development Authority has been extended past the 2012 expiration date; and with the future adoption of a downtown master plan, the city center should continue to redevelop and sustain economic growth.

The City continues to take the lead in promotion and funding for economic development for the area. Incentives and area promotion have brought numerous businesses to the valley. The City plans to continue the support and funding of this process to maintain and stabilize growth. The City works closely with the Grand Junction Economic Partnership, Mesa County, Mesa State College, the Business Incubator Center and other local entities to further this economic development goal. Promoting economic development is an important component of ensuring that Grand Junction protects and continues to enjoy the benefit of its regional retail trade position.

The 3% lodging tax for the Visitors and Convention Bureau (VCB) is making an impact on increasing visitors to the Valley. The VCB has and will continue to take advantage of special events. One such event is the annual Junior College Baseball World Series which begins the summer in conjunction with the Memorial Day weekend. The tournament, held since 1957 in Grand Junction, has a permanent home in the City. Stadium seating has been increased to accommodate the growing crowds and now seats approximately 7,300 baseball fans.

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.

The purchase and development of the 103-acre Canyon View Park began in 1996 with major softball and soccer facilities, as well as other amenities including a new weather station to help operate the irrigation system more

efficiently. Development continued with the construction of a baseball field in 1998, new tennis courts in 2008 and new restroom facilities planned in 2009. An additional site was purchased in 1996 for future development of a 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 strives to improve alliances and increase communication with other governmental agencies and community groups. Joint planning with Mesa County is maintained for the urbanizing area from 19 Road to 35 Road to develop continuity throughout the valley. 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. Through the cooperative efforts of the Grand Junction City Council, Mesa County, Mesa State College, School District 51 and the Grand Junction Chamber of Commerce, a committee of 10 to 12 citizens from throughout the community was appointed to build a “vision” 2020 for the Grand Valley. Once this project was successfully completed, the City undertook and completed its own Strategic Plan for the next 5 to 10 years, which is updated every two years. The City has also built alliances with the creation of the Western Colorado Drug Task Force, a collaborative effort between the Grand Junction Police Department, the Mesa County Sheriff’s Office and the Federal Drug Enforcement Agency. The Task Force’s function is intelligence, search warrants, interdiction, prescription fraud, traffic interdiction and continued emphasis on seizures of methamphetamine drug labs and trafficking. Another example is the cooperative effort between the City, Mesa County, the City of Fruita and School District #51 in providing a School Resource Officer Program to the schools in the valley.

Multiple-year plans and projections are utilized in budgeting and organizing city functions, programs and projects. These plans include funding policies that have put the City on the sound financial footing it enjoys today.

COMPLIANCE WITH THE TAXPAYER BILL OF RIGHTS

The Colorado Constitutional Amendment passed in November 1992 (known as the TABOR – Taxpayer Bill of Rights amendment), restricts growth in governmental revenues and property tax revenues to amounts adjusted for inflation and a local growth factor. In 2008, 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.

CASH MANAGEMENT

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

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

Investment income decreased in 2008 due to lower yields. The net average yield on investments was 3.58%, down from 5.3% in 2007.

RISK MANAGEMENT

The City has had a comprehensive loss control program since 1982. Beginning in 1988, the City initiated a self-funded program for Worker's Compensation coverage with a per claim retention of \$300,000. The per claim retention is now at \$500,000. As a part of a comprehensive plan, resources are being accumulated in the Self-Insurance Internal Service fund to meet potential losses, including reserves for case development and Incurred But Not Reported (IBNR) claims. Various risk control techniques, including safety and accident prevention training, and outside contract services for industrial hygiene, have been utilized to minimize accident related losses. Third party coverage is maintained for excess coverage of both Worker's Compensation and Property/Liability claims. Self-retention limits on property and liability have been increased to \$150,000 to reduce premium expenditures.

PENSION BENEFITS PROVIDED

During 2008, like previous years, the City of Grand Junction participated in six different qualified pension plans. Two old hire Police and Fire Pension Plans are Defined Benefit Plans administered by the Colorado FPPA, with only two active firemen working at this time. The other four plans are single employer defined contribution plans and cover all of our full time/part time permanent employees totaling approximately 690. Both City and employee contributions are invested at the direction of employees and no unfunded liability can ever exist for these plans. The two old hire plans are actuarially studied at least every two years and the unfunded liability they both have are being amortized no longer than 20 years.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2007. This was the twenty-fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Financial Operations 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, 2008.

Respectfully submitted,



Jodi Romero
Financial Operations Manager



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, 2007

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.

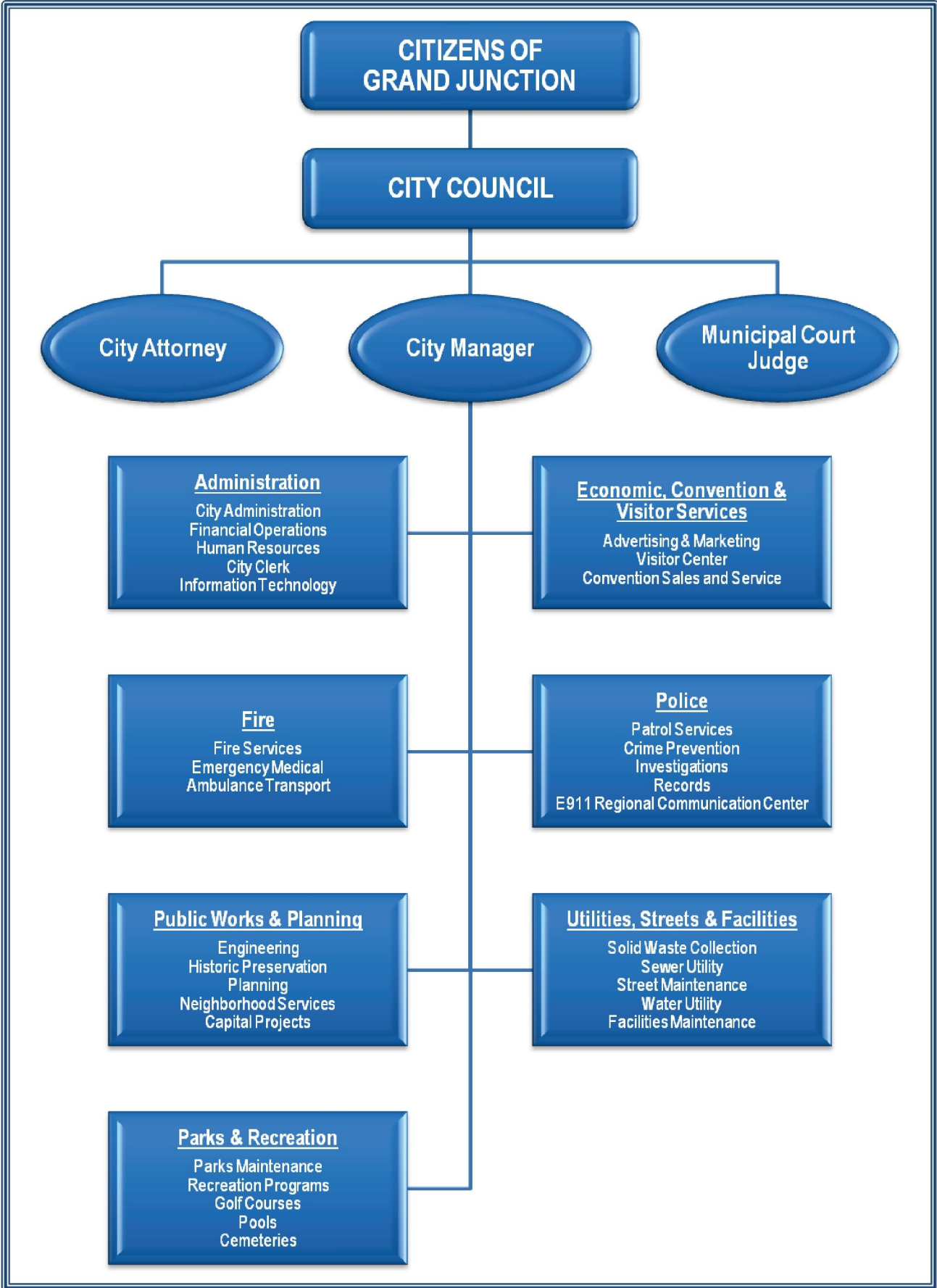


A handwritten signature in black ink, appearing to read "M. L. Post".

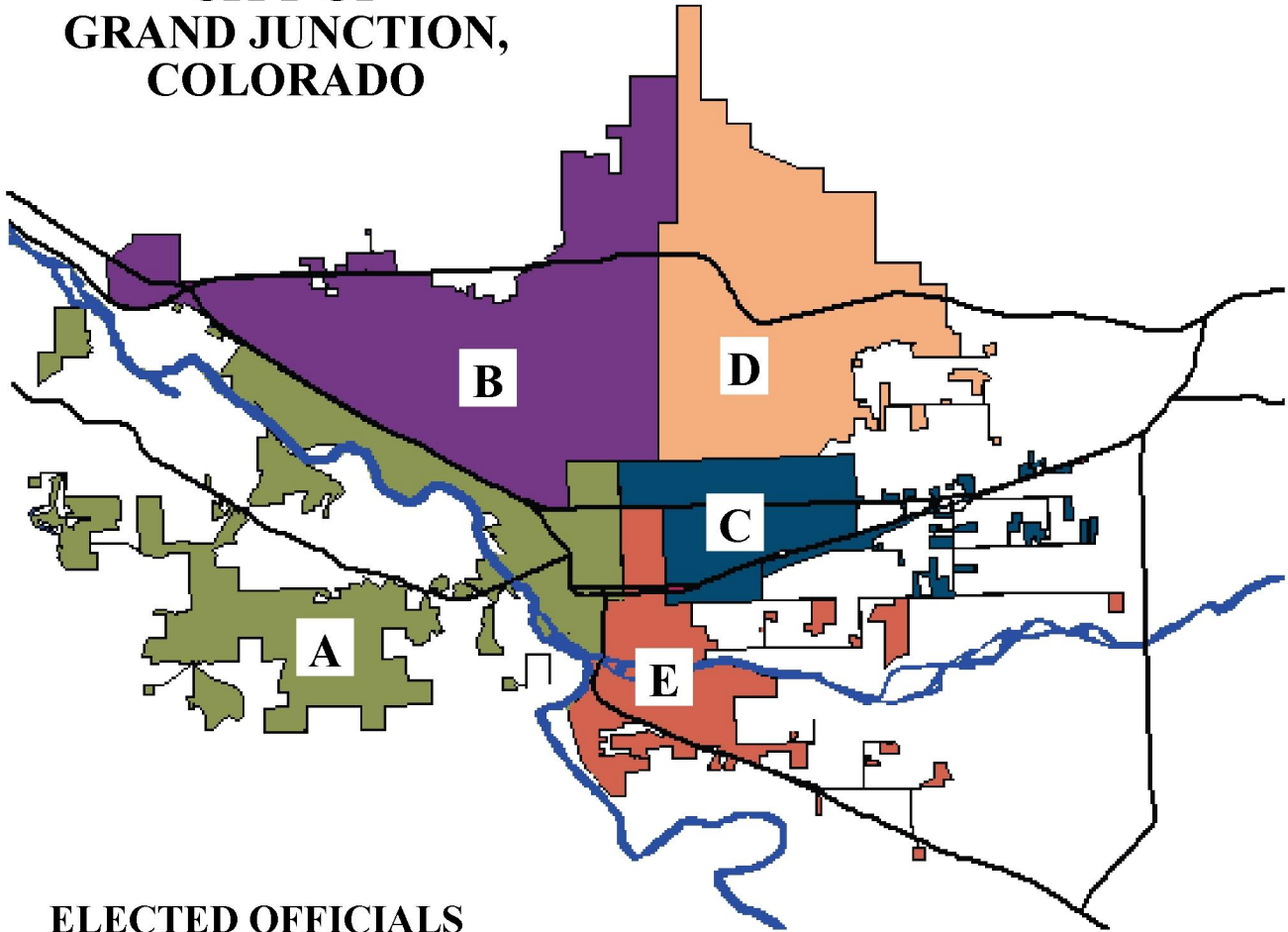
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emery".

Executive Director



CITY OF GRAND JUNCTION, COLORADO



ELECTED OFFICIALS

<u>City Council</u>	<u>Expires</u>
Bruce Hill, Mayor – At Large	May 2011
Teresa Coons, Mayor Pro Tem – District E	May 2013
Tom Kenyon – District A.....	May 2013
Linda Romer Todd – District B.....	May 2011
Gregg Palmer – District C.....	May 2011
Bonnie Beckstein – District D.....	May 2013
Bill Pitts – At Large	May 2013

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
 Bill Gardner – Police Chief
 Tim Moore – Public Works & Planning
 Greg Trainor – Utilities, Streets & Facilities





Financial Section



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 17, 2009

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 , as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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 opinion.

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, 2008, 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
Page Two

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 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 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 17, 2009 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, Steinbichner, 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, 2008. Please read it in conjunction with the transmittal letter on page 3 and the City's financial statements, which begin on page 31.

FINANCIAL HIGHLIGHTS

- The City of Grand Junction remains in strong financial condition.
- The assets of the City of Grand Junction exceeded its liabilities at the close of 2008 by \$599 million (net assets). Of this amount, \$42.7 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- Sales and use tax revenues increased by 5% over 2007, primarily due to a strong local economy through the third quarter of the year.
- At the end of 2008, the unreserved and undesignated fund balance for the General Fund was \$15.5 million, or 27% of the total General Fund expenditures. This is down \$10.1 million from 2007 which was 49% of General Fund expenditures.
- The Parkway Project Capital Fund spent \$9.4 million towards the completion of the Riverside Parkway.
- General Fund revenues grew by 13% in 2008 mostly due to combined tax collections. In total, General Fund revenues of \$70.8 million were the highest ever collected.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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 twenty-two governmental funds, of which (as determined by generally accepted accounting principles) the only major funds are the General Fund, Sales Tax Capital Improvement Fund, Parkway Project Capital Fund and Parkway Debt Retirement Fund. The balances of the other eighteen 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, Parkway Project Capital Fund and Parkway Debt Retirement Fund, are with the combining statements which can be found on pages 78 through 94 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 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, central stores operations, self insurance and the communication center operations. Because these services primarily benefit governmental activities, they have been included with governmental activities in the government-wide financial statements.

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45 through 69 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Grand Junction's Other Post Employment Healthcare Plan found on page 70 of this report. It also presents certain supplementary information concerning the City's Local Highway Finance Report. This supplementary information can be found on pages 157-158 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major proprietary funds, internal service funds and fiduciary funds are presented immediately following the required notes to financial statements. Combining and individual fund statements and schedules can be found beginning on page 74 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Grand Junction, assets exceed liabilities by \$599 million at the close of fiscal year 2008.

By far, the largest portion (88.5%) 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	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 78,974	\$ 90,503	\$ 1,509	\$ 715	\$ 80,483	\$ 91,218
Capital assets	574,909	488,995	47,357	47,854	622,266	536,849
Total assets	<u>653,883</u>	<u>579,498</u>	<u>48,866</u>	<u>48,569</u>	<u>702,749</u>	<u>628,067</u>
Long-term debt outstanding	82,215	85,648	3,485	3,579	85,700	89,227
Other liabilities	16,530	19,786	1,113	1,140	17,643	20,926
Total liabilities	<u>98,745</u>	<u>105,434</u>	<u>4,598</u>	<u>4,719</u>	<u>103,343</u>	<u>110,153</u>
Net assets:						
Invested in capital assets, net of related debt	498,159	408,037	44,539	39,673	542,698	447,710
Restricted	14,005	3,693	-	-	14,005	3,693
Unrestricted	42,974	62,334	(271)	4,177	42,703	66,511
Total net assets	<u>\$555,138</u>	<u>\$474,064</u>	<u>\$44,268</u>	<u>\$43,850</u>	<u>\$599,406</u>	<u>\$517,914</u>

An additional portion of the City of Grand Junction's net assets, 2.3%, represents resources that are subject to external restrictions on how they may be used.

Changes in Net Assets

The City's total revenues of \$181.6 million exceeded program expenses of \$100.1 million for an increase in net assets of \$81.5 million.

CHANGES IN NET ASSETS

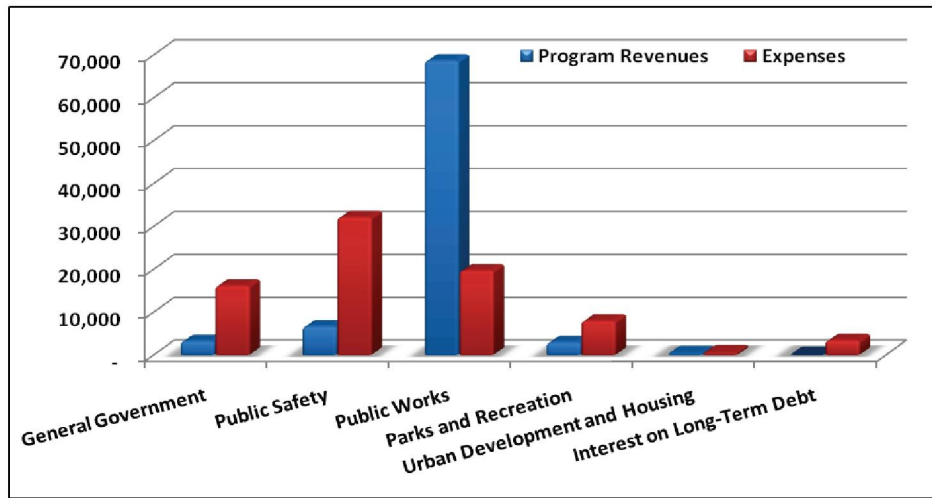
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 16,666	\$ 16,751	\$ 18,322	\$ 17,081	\$ 34,988	\$ 33,832
Operating grants	1,549	1,183	-	-	1,549	1,183
Capital grants	63,431	56,633	523	1,999	63,954	58,632
General revenues:						
Property taxes	8,441	5,926	-	-	8,441	5,926
Sales and use taxes	59,448	56,583	-	-	59,448	56,583
Other taxes	10,154	7,268	-	-	10,154	7,268
Other general revenues	2,874	4,274	230	225	3,104	4,274
Total revenues	162,563	148,618	19,075	19,305	181,638	167,923
Expenses:						
General government	16,143	12,413	-	-	16,143	12,413
Public safety	32,089	28,167	-	-	32,089	28,167
Public works	19,680	15,521	-	-	19,680	15,521
Parks and recreation	7,956	7,419	-	-	7,956	7,419
Urban development and housing	546	565	-	-	546	565
Interest on long-term debt	3,379	3,106	-	-	3,379	3,106
Water	-	-	5,067	4,672	5,067	4,672
Convention Center	-	-	3,514	2,968	3,514	2,968
Solid Waste Removal	-	-	2,907	2,820	2,907	2,820
Swimming pools	-	-	1,015	992	1,015	992
Golf	-	-	2,286	2,124	2,286	2,124
Parking	-	-	1,830	403	1,830	403
Irrigation systems	-	-	319	289	319	289
Ambulance transport	-	-	3,415	3,307	3,415	3,307
Total expenses	79,793	67,191	20,353	17,575	100,146	84,766
Excess before transfers	82,770	81,427	-1,278	1,730	81,492	83,157
Transfers	-1,696	-876	1,696	876	-	-
Increase in net assets	81,074	80,551	418	2,606	81,492	83,157
Net assets 1/1/08	474,064	393,513	43,850	41,244	517,914	434,757
Net assets 12/31/08	\$555,138	\$474,064	\$44,268	\$43,850	\$599,406	\$517,914

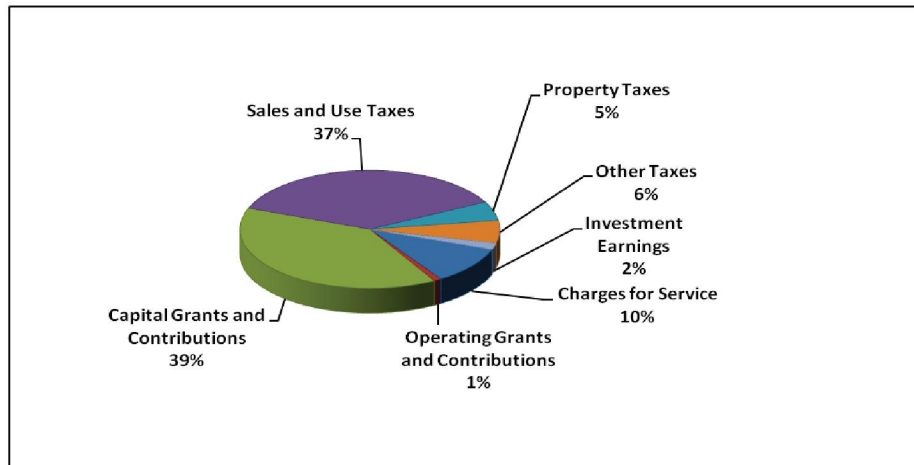
Governmental Activities

Governmental Activities increased the City of Grand Junction's net assets by \$81 million. Following are illustrative summaries of Governmental Activities breaking out revenues and expenses.

**EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES
(in Thousands)**



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Sales and use tax revenue increased by 5.0% during the year. The majority of growth is attributed to a healthy economy and impacts of new retail outlets.

Property tax revenue increased by \$2.5 million, or 42.4%, 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

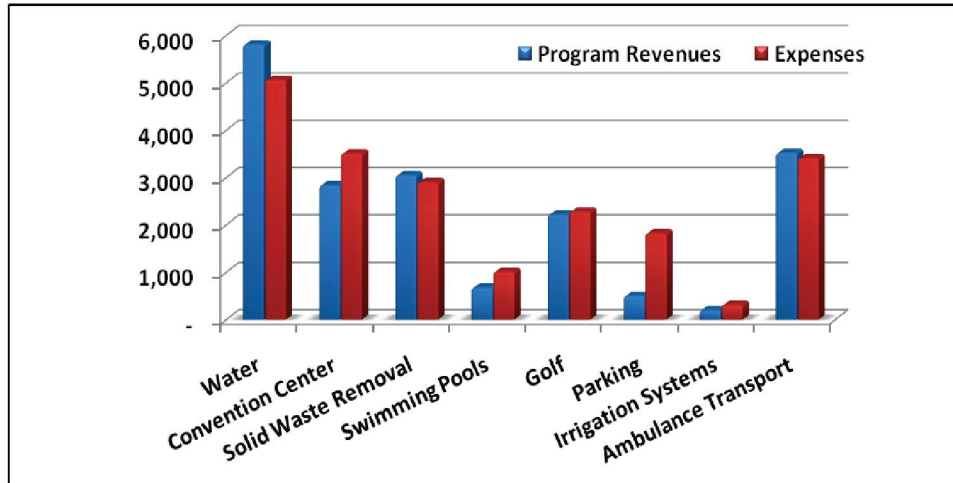
Net assets in the Business-type activities increased by \$418 thousand due to 2008 fee increases for future planned capital improvements. Business-type activities include Water, Convention Center, Solid Waste, Pools, Golf Courses, Parking, Irrigation and Ambulance Transport.

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

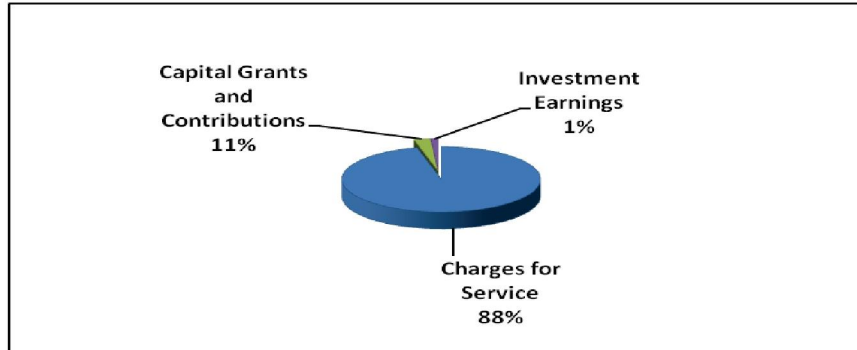
Unrestricted net assets at the end of the year for business-type activities amounted to (\$271) thousand. Total growth in net assets for these funds was \$418 thousand. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Grand Junction business-type activities.

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

EXPENSE AND PROGRAM REVENUES – BUSINESS-TYPE ACTIVITES



REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



FINANCIAL ANALYSIS OF GOVERNMENT’S FUNDS

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

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

As of December 31, 2008, the City’s governmental funds (general, special revenue, debt service, capital projects and permanent) reported combined fund balances of \$46.2 million. This represents a decrease of \$5.9 million over last year’s ending balances, mainly attributed to \$35.9 million in capital expenditures in the Sales Tax Capital Improvements Fund, Parkway Project Capital Fund and the Storm Drainage Development Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the General Fund budget was amended from an original budget appropriation total of \$69.4 million to a final budget of \$84.2 million. All recommended amendments for budget changes came through the Budget and Accounting Division and City Manager to City Council via Ordinance as required. Ordinance enactment requires a public hearing and the opportunity for public discussion. The City does allow small intra-departmental budget changes that modify line items within departments within the same fund. For the General Fund, the original budget for revenues was \$66.4 million while the final budgeted amount was \$70.3 million, reflecting an increase in the projection for tax revenue and intergovernmental revenues.

Actual General Fund expenditures (including transfers) totaled \$78.9 million. The year-end fund balance of \$27.5 million was \$6.9 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 \$13.1 million during the year. The General Fund's total fund balance decreased \$6.9 million under last year. An analysis for this fund balance shows that it represents over 37% of projected revenues for the new fiscal year which ends December 31, 2009.

Taxes continue to be the largest source of revenue in the General Fund and represent 87% of total general fund revenues. The largest element of taxes is sales taxes, as it has been for many years. It represents 70% of total tax revenues and represents 61.5% of total general fund revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2008, the City had invested in a broad range of capital assets, including police and fire equipment, roads, parks, water, storm drainage and other infrastructure.

The table below provides a summary of total capital assets at December 31, 2008.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$270,275	\$231,071	\$ 4,936	\$ 4,889	\$275,211	\$235,960
Buildings and systems	23,114	19,800	38,371	32,142	61,485	51,942
Improvements other than buildings	16,252	16,837	2,236	2,377	18,488	19,214
Vehicles, machinery & equipment	13,939	11,699	1,444	831	15,383	12,530
Infrastructure	229,276	146,042	-	-	229,276	146,042
Construction in progress	22,053	63,546	370	7,615	22,423	71,161
Total	\$574,909	\$488,995	\$47,357	\$47,854	\$622,266	\$536,849

Major capital additions during 2008 include:

	<u>2008</u>
Riverside Parkway	\$9,233,534
Ranchman's Ditch	7,521,433
Public Safety Facility Land Acquisition	4,542,286
Street and Sidewalk Improvements	3,710,956
Colorado Avenue Reconstruction	3,644,852
River Road Interceptor	3,126,228
Water Line Replacements	1,436,620
Fleet Building Addition	1,248,439
Equipment Replacement Program	1,200,863

The City remains committed to the upkeep and maintenance of the City's largest assets. More detailed information about the City's capital assets is presented in Note 5 on pages 54 through 56.

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 this bond issue while the City's general obligation bond ratings are A+ from Standard and Poor's and A2 from Moody's.

As of December 31, 2008, the City of Grand Junction had \$79.6 million in outstanding debt. Of this amount, \$76.8 million represents General Government debt. The largest portion, \$75.8 million, is the liability from the Riverside Parkway revenue bonds issued in 2004 and 2007. Special taxing districts have a combined total of \$1.0 million in debt. The remaining \$2.8 million of outstanding debt is bonds, notes and loans to be repaid by fee revenue and appropriated funds. Total debt service payments of approximately \$4.3 million in 2009 represents 4.5% of total operating expenditures. Additional information on the City's long-term debt can be found in Note 6 on pages 57 through 59.

The table below provides a summary of total debt at December 31, 2008.

OUTSTANDING DEBT, AT YEAR-END (in Thousands)

	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General obligation (backed by by special tax revenue)	\$ 935	\$ 1,090	\$ -	\$ -	\$ 935	\$ 1,090
Revenue bonds and notes (backed by tax and fee revenue)	75,816	79,665	70	80	75,886	79,745
Loans (backed by fee revenue)	-	-	2,747	2,900	2,747	2,900
Total	<u>\$76,751</u>	<u>\$80,755</u>	<u>\$2,817</u>	<u>\$2,980</u>	<u>\$79,568</u>	<u>\$83,735</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Even with the national recession looming, the City of Grand Junction is still in a strong financial position. 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 and a significant reduction in energy industry and construction activity in the area. Sales and Use Taxes are declining for the first time in more than 20 years and were down by 10.7% for the 1st Quarter of 2009. Grand Junction continues to be the retail and medical center for most of Western Colorado and Eastern Utah. Those factors, coupled with tourism, the abundance of outdoor recreational opportunities, continued growth of Mesa State College, and the ability to attract new businesses and retirees, all contribute to the relative stability of our local economy and will poise Grand Junction for recovery when the national economy and credit market begin to rebound.

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 2009, water revenues will be bolstered by a 5.1% rate increase, while sewer fees will increase 2.5%. Solid waste rates will also increase by 4%. The 2009 Budget includes funding for the subsidy of the Two Rivers Convention Center and Swimming Pools funds.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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





Basic Financial Statements



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City of Grand Junction
STATEMENT OF NET ASSETS
December 31, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 42,937,298	\$ 5,054,663	\$ 47,991,961	\$ 3,281,413
Other receivables, net of allowance for uncollectibles	22,557,425	2,165,519	24,722,944	1,969,763
Due from component unit	6,103,455	-	6,103,455	-
Internal balances	5,972,175	(5,972,175)	-	-
Prepays	527,651	169,729	697,380	-
Inventories	136,897	91,214	228,111	-
Deposits	-	-	-	395,000
Bond issue costs	738,945	-	738,945	-
Capital assets (net of accumulated depreciation):				
Land	270,275,282	4,936,135	275,211,417	1,445,240
Buildings and systems	23,114,090	38,370,929	61,485,019	3,349,191
Improvements other than buildings	16,252,242	2,235,929	18,488,171	-
Equipment	13,939,012	1,444,547	15,383,559	226,038
Infrastructure	229,276,093	-	229,276,093	-
Construction in progress	22,052,863	369,946	22,422,809	979,446
Total assets	<u>653,883,428</u>	<u>48,866,436</u>	<u>702,749,864</u>	<u>11,646,091</u>
LIABILITIES				
Accounts payable and other current liabilities	7,550,924	1,064,976	8,615,900	12,423
Accrued interest payable	1,191,761	48,534	1,240,295	-
Due to Primary Government	-	-	-	6,103,455
Unearned revenue	7,787,750	-	7,787,750	1,904,163
Noncurrent liabilities:				
Due within one year	5,363,442	216,855	5,580,297	371
Due in more than one year	76,851,151	3,267,829	80,118,980	4,753
Total liabilities	<u>98,745,028</u>	<u>4,598,194</u>	<u>103,343,222</u>	<u>8,025,165</u>
NET ASSETS				
Invested in capital assets, net of related debt	498,158,781	44,539,563	542,698,344	5,999,915
Restricted for :				
Perpetual care:				
Expendable	11,134	-	11,134	-
Nonexpendable	1,223,861	-	1,223,861	-
Debt service	9,870,398	-	9,870,398	203
Emergency reserves	2,900,000	-	2,900,000	-
Unrestricted	42,974,226	(271,321)	42,702,905	(2,379,192)
Total net assets	<u>\$ 555,138,400</u>	<u>\$ 44,268,242</u>	<u>\$ 599,406,642</u>	<u>\$ 3,620,926</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, 2008

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 16,143,424	\$ 2,929,275	\$ 241,514	\$ -
Public safety	32,088,791	5,895,984	346,039	385,905
Public works	19,680,247	5,554,332	-	63,045,693
Parks and recreation	7,955,933	2,286,100	601,661	-
Urban development and housing	545,715	-	359,740	-
Interest on long-term debt	3,378,440	-	-	-
Total governmental activities	<u>79,792,550</u>	<u>16,665,691</u>	<u>1,548,954</u>	<u>63,431,598</u>
Business-type Activities:				
Water	5,067,168	5,293,379	-	521,342
Convention Center	3,514,396	2,840,966	-	-
Solid Waste Removal	2,907,325	3,051,483	-	-
Swimming Pools	1,014,976	680,496	-	-
Golf	2,285,777	2,221,204	-	-
Parking	1,829,547	504,766	-	-
Irrigation Systems	318,708	204,956	-	2,080
Ambulance Transport	3,414,924	3,525,155	-	-
Total business-type activities	<u>20,352,821</u>	<u>18,322,405</u>	<u>-</u>	<u>523,422</u>
Total primary government	<u>\$ 100,145,371</u>	<u>\$ 34,988,096</u>	<u>\$ 1,548,954</u>	<u>\$ 63,955,020</u>
Component unit:				
Downtown Development Authority	<u>\$ 2,117,208</u>	<u>\$ 123,644</u>	<u>\$ 153,370</u>	<u>\$ 435,218</u>

General revenues:
Sales & use taxes
Property taxes
Franchise taxes
Highway users tax
Other shared taxes
Investment earnings
Gain (loss) on sale of capital assets
Transfers
Total general revenues
Change in net assets
Net assets - beginning
Net assets - ending

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

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Downtown Development Association
\$ (12,972,635)	\$ -	\$ (12,972,635)	\$ -
(25,460,863)	-	(25,460,863)	-
48,919,778	-	48,919,778	-
(5,068,172)	-	(5,068,172)	-
(185,975)	-	(185,975)	-
(3,378,440)	-	(3,378,440)	-
<u>1,853,693</u>	<u>-</u>	<u>1,853,693</u>	<u>-</u>
-	747,553	747,553	-
-	(673,430)	(673,430)	-
-	144,158	144,158	-
-	(334,480)	(334,480)	-
-	(64,573)	(64,573)	-
-	(1,324,781)	(1,324,781)	-
-	(111,672)	(111,672)	-
-	110,231	110,231	-
<u>-</u>	<u>(1,506,994)</u>	<u>(1,506,994)</u>	<u>-</u>
\$ <u>1,853,693</u>	\$ <u>(1,506,994)</u>	\$ <u>346,699</u>	\$ <u>-</u>
-	-	-	(1,404,976)
59,447,697	-	59,447,697	-
8,440,775	-	8,440,775	2,081,840
2,456,659	-	2,456,659	-
1,718,004	-	1,718,004	-
5,978,962	-	5,978,962	-
2,789,072	229,740	3,018,812	105,629
85,329	-	85,329	-
(1,695,599)	1,695,599	-	-
<u>79,220,899</u>	<u>1,925,339</u>	<u>81,146,238</u>	<u>2,187,469</u>
81,074,592	418,345	81,492,937	782,493
474,063,808	43,849,897	517,913,705	2,838,433
\$ <u>555,138,400</u>	\$ <u>44,268,242</u>	\$ <u>599,406,642</u>	\$ <u>3,620,926</u>

City of Grand Junction
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2008

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Parkway Project Capital Improvements Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 12,547,072	\$ -	\$ -	\$ 9,374,254	\$ 10,322,725	\$ 32,244,051
Interest receivable	472,170	-	-	-	-	472,170
Accounts receivable, net of allowances						
for uncollectibles	476,952	472	3,584,298	-	358,519	4,420,241
Taxes receivable	11,346,401	1,437,047	-	-	333,773	13,117,221
Special assessments receivable	-	107,295	-	-	-	107,295
Due from other funds	5,976,054	-	-	-	-	5,976,054
Prepaid Items	527,651	-	-	-	-	527,651
Inventories	136,897	-	-	-	-	136,897
Advances to other funds	5,382,445	-	-	-	-	5,382,445
Intergovernmental receivables	1,422,559	1,352,165	-	-	1,246,178	4,020,902
Total assets	<u>\$ 38,288,201</u>	<u>\$ 2,896,979</u>	<u>\$ 3,584,298</u>	<u>\$ 9,374,254</u>	<u>\$ 12,261,195</u>	<u>\$ 66,404,927</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,105,325	\$ 1,269,402	\$ 227,690	\$ -	\$ 2,061,680	\$ 4,664,097
Accrued liabilities	2,212,685	43,197	9,919	-	53,261	2,319,062
Due to other funds	-	1,477,085	3,346,689	-	562,550	5,386,324
Deferred revenue	7,514,248	107,295	-	-	183,391	7,804,934
Total liabilities	<u>10,832,258</u>	<u>2,896,979</u>	<u>3,584,298</u>	<u>-</u>	<u>2,860,882</u>	<u>20,174,417</u>
Fund balances:						
Reserved for:						
Prepays and Inventories	664,548	-	-	-	-	664,548
Advances	5,382,445	-	-	-	-	5,382,445
Perpetual care	-	-	-	-	1,234,995	1,234,995
Debt service	188,479	-	-	9,374,254	307,665	9,870,398
Emergency	2,900,000	-	-	-	-	2,900,000
Unreserved:						
Designated for subsequent year's expenditures-						
General fund	2,806,497	-	-	-	-	2,806,497
Special revenue funds	-	-	-	-	1,304,305	1,304,305
Capital projects funds	-	-	-	-	685,238	685,238
Undesignated, reported in:						
General fund	15,513,974	-	-	-	-	15,513,974
Special revenue funds	-	-	-	-	4,074,239	4,074,239
Debt Service	-	-	-	-	(3,420)	(3,420)
Capital projects funds	-	-	-	-	1,797,291	1,797,291
Total fund balances	<u>27,455,943</u>	<u>-</u>	<u>-</u>	<u>9,374,254</u>	<u>9,400,313</u>	<u>46,230,510</u>
Total liabilities and fund balances	<u>\$ 38,288,201</u>	<u>\$ 2,896,979</u>	<u>\$ 3,584,298</u>	<u>\$ 9,374,254</u>	<u>\$ 12,261,195</u>	<u>\$ 66,404,927</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, 2008

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

Total fund balance - governmental funds (page 34)	\$	46,230,510
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		561,696,492
Long-term assets are not available to pay current expenditures, and therefore, are deferred in the funds.		17,184
Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation & maintenance, central stores and printing, self-insurance activities, and communication services to individual funds. The assets \$30,429,386 and liabilities (\$2,103,276) of the internal service funds are included in governmental activities in the statement of net assets.		28,326,110
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	\$	(935,000)
Revenue bonds		(72,640,000)
Bond premium (to be amortized over life of debt)		(3,175,801)
Deferred charge for issue costs (to be amortized over life of debt)		738,945
Net pension obligation		(656,468)
Accrued interest payable		(1,191,761)
Compensated absences		(3,097,456)
Other Post Employment Benefit Obligation		(174,355)
		(81,131,896)
 Total net assets - governmental activities	 \$	 <u><u>555,138,400</u></u>

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

City of Grand Junction
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2008

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Parkway Project Capital Improvements Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 8,245,696	\$ -	\$ -	\$ -	\$ 195,079	\$ 8,440,775
Sales and use	43,561,223	13,627,428	-	-	2,259,046	59,447,697
Franchise	2,456,659	-	-	-	-	2,456,659
Severance	5,080,244	-	-	-	-	5,080,244
Other	2,616,722	-	-	-	-	2,616,722
Licenses and permits	129,993	-	-	-	-	129,993
Intergovernmental revenues	594,205	3,959,351	3,750,189	-	3,705,927	12,009,672
Charges for services	5,734,077	117,877	-	-	3,145,254	8,997,208
Fines and forfeitures	1,085,633	-	-	-	8,755	1,094,388
Special assessments	-	24,493	-	-	-	24,493
Investment earnings	1,264,472	11,008	102,805	84,521	505,659	1,968,465
Other income	2,621	23,185	-	-	257,310	283,116
Other contributions	71,973	-	-	-	801,896	873,869
Total revenues	<u>70,843,518</u>	<u>17,763,342</u>	<u>3,852,994</u>	<u>84,521</u>	<u>10,878,926</u>	<u>103,423,301</u>
EXPENDITURES						
Current:						
General government	9,499,918	-	-	-	6,096,588	15,596,506
Public safety	29,657,426	-	-	-	-	29,657,426
Public works	10,779,300	-	-	-	-	10,779,300
Parks and recreation	7,273,190	-	-	-	-	7,273,190
Urban development and housing	316,522	-	-	-	229,193	545,715
Debt service:						
Principal retirement	188,479	165,572	-	-	3,553,181	3,907,232
Interest and fiscal charges	-	-	-	-	3,693,947	3,693,947
Capital outlay:						
Construction	-	18,961,015	9,383,276	-	8,139,962	36,484,253
Total expenditures	<u>57,714,835</u>	<u>19,126,587</u>	<u>9,383,276</u>	<u>-</u>	<u>21,712,871</u>	<u>107,937,569</u>
Excess (deficiency) of revenues over (under) expenditures	13,128,683	(1,363,245)	(5,530,282)	84,521	(10,833,945)	(4,514,268)
OTHER FINANCING SOURCES (USES)						
Transfers in	510,373	12,281,212	6,082,982	9,289,733	13,776,854	41,941,154
Transfers out	(21,213,308)	(17,585,779)	-	-	(5,174,972)	(43,974,059)
Sale of capital assets	641,837	-	-	-	-	641,837
Total other financing sources and uses	<u>(20,061,098)</u>	<u>(5,304,567)</u>	<u>6,082,982</u>	<u>9,289,733</u>	<u>8,601,882</u>	<u>(1,391,068)</u>
Net change in fund balances	(6,932,415)	(6,667,812)	552,700	9,374,254	(2,232,063)	(5,905,336)
Fund balances -- beginning	34,388,358	6,667,812	(552,700)	-	11,632,376	52,135,846
Fund balances -- ending	<u>\$ 27,455,943</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,374,254</u>	<u>\$ 9,400,313</u>	<u>\$ 46,230,510</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, 2008

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) \$ (5,905,336)

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 \$37,687,935 exceeded depreciation (\$9,145,957) in the current period. 28,541,978

The net effect of various miscellaneous transactions involving capital assets (i.e. sales and disposals) is to decrease net assets. (669,130)

The net effect of the donation of capital assets is to increase net assets. 55,445,197

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (1,356)

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.

Debt principal payments	\$ 3,718,753	
Bond Premium (to be amortized over the life of debt)	488,892	
Deferred charge for bond issuance cost	(45,826)	
Decrease in accrued interest	60,919	
Decrease in net pension obligation	170,492	
Increase in compensated absences	(648,096)	
Increase in other post employment benefit obligation	(174,355)	
		3,570,779

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

Revenues from external customers	\$ 2,789,665	
Expenses due to external customers	(3,101,887)	
Gain on disposition of property	112,622	
Investment income	820,607	
Operating loss from operations	(528,547)	
		92,460

Change in net assets of governmental activities (page 33) \$ 81,074,592

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, 2008

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	\$ 8,047,183	\$ 8,274,791	\$ 8,245,696	\$ -	\$ 8,245,696	\$ (29,095)
Sales and use	44,636,502	44,082,099	43,561,223	-	43,561,223	(520,876)
Franchise	2,399,208	2,399,208	2,456,659	-	2,456,659	57,451
Severance	2,257,957	5,010,745	5,080,244	-	5,080,244	69,499
Other	1,558,252	2,267,741	2,616,722	-	2,616,722	348,981
Licenses and permits	97,040	117,540	129,993	-	129,993	12,453
Intergovernmental revenues	39,500	323,933	594,205	-	594,205	270,272
Charges for services	5,451,852	5,230,789	5,734,077	-	5,734,077	503,288
Fines and forfeitures	906,620	1,080,285	1,085,633	-	1,085,633	5,348
Investment earnings	941,332	941,332	1,264,472	(140,712)	1,123,760	182,428
Other income	-	-	2,621	-	2,621	2,621
Other contributions	30,400	45,245	71,973	-	71,973	26,728
Total revenues	<u>66,365,846</u>	<u>69,773,708</u>	<u>70,843,518</u>	<u>(140,712)</u>	<u>70,702,806</u>	<u>929,098</u>
EXPENDITURES						
Current:						
General government:						
Administration	7,425,311	6,154,330	6,214,575	-	6,214,575	(60,245)
Community development	3,581,461	3,467,113	3,285,343	-	3,285,343	181,770
Total general government	<u>11,006,772</u>	<u>9,621,443</u>	<u>9,499,918</u>	<u>-</u>	<u>9,499,918</u>	<u>121,525</u>
Public safety:						
Police protection	18,450,805	19,153,668	18,907,262	-	18,907,262	246,406
Fire protection	11,014,200	11,588,073	10,750,164	-	10,750,164	837,909
Total public safety	<u>29,465,005</u>	<u>30,741,741</u>	<u>29,657,426</u>	<u>-</u>	<u>29,657,426</u>	<u>1,084,315</u>
Public works:						
Public works	11,269,213	11,162,259	10,779,300	-	10,779,300	382,959
Parks and recreation	7,258,765	7,391,400	7,273,190	-	7,273,190	118,210
Urban development and housing	232,977	232,977	316,522	-	316,522	(83,545)
Debt service:						
Principal retirement	188,479	188,479	188,479	-	188,479	-
Total debt service	<u>188,479</u>	<u>188,479</u>	<u>188,479</u>	<u>-</u>	<u>188,479</u>	<u>-</u>
Total expenditures	<u>59,421,211</u>	<u>59,338,299</u>	<u>57,714,835</u>	<u>-</u>	<u>57,714,835</u>	<u>1,623,464</u>
Excess (deficiency) of revenues over (under) expenditures	6,944,635	10,435,409	13,128,683	(140,712)	12,987,971	2,552,562
OTHER FINANCING SOURCES (USES)						
Transfers in	72,565	498,542	510,373	-	510,373	11,831
Transfers out	(9,987,241)	(24,826,971)	(21,213,308)	-	(21,213,308)	3,613,663
Sale of Capital assets	5,500	15,000	641,837	-	641,837	626,837
Total other financing sources and uses	<u>(9,909,176)</u>	<u>(24,313,429)</u>	<u>(20,061,098)</u>	<u>-</u>	<u>(20,061,098)</u>	<u>4,252,331</u>
Net change in fund balances	(2,964,541)	(13,878,020)	(6,932,415)	(140,712)	(7,073,127)	6,804,893
Fund balances -- beginning	34,388,358	34,388,358	34,388,358	-	34,388,358	-
Fund balances -- ending	<u>\$ 31,423,817</u>	<u>\$ 20,510,338</u>	<u>\$ 27,455,943</u>	<u>\$ (140,712)</u>	<u>\$ 27,315,231</u>	<u>\$ 6,804,893</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, 2008

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	
ASSETS						
Current assets:						
Cash and investments	\$ 2,718,149	\$ -	\$ 1,257,951	\$ 1,078,563	\$ 5,054,663	\$ 16,796,702
Accounts receivable, net of allowance	356,639	280,553	3,946	1,375,040	2,016,178	4,444
Intergovernmental receivable	79,307	13,072	-	56,962	149,341	415,152
Prepaid items	169,729	-	-	-	169,729	-
Inventory	-	-	-	91,214	91,214	-
Total current assets	<u>3,323,824</u>	<u>293,625</u>	<u>1,261,897</u>	<u>2,601,779</u>	<u>7,481,125</u>	<u>17,216,298</u>
Noncurrent assets:						
Capital assets:						
Land	2,540,903	153,001	1,350,875	891,356	4,936,135	-
Buildings, improvements, plant and system	39,017,177	9,136,059	5,200,888	11,719,245	65,073,369	2,473,676
Equipment	517,443	575,790	285,991	1,803,082	3,182,306	26,761,670
Construction in progress	42,821	-	-	327,125	369,946	-
Less accumulated depreciation	(14,320,026)	(2,291,062)	(529,240)	(9,063,942)	(26,204,270)	(16,022,258)
Total capital assets (net of accumulated depreciation)	<u>27,798,318</u>	<u>7,573,788</u>	<u>6,308,514</u>	<u>5,676,866</u>	<u>47,357,486</u>	<u>13,213,088</u>
Total noncurrent assets	<u>27,798,318</u>	<u>7,573,788</u>	<u>6,308,514</u>	<u>5,676,866</u>	<u>47,357,486</u>	<u>13,213,088</u>
Total assets	<u>31,122,142</u>	<u>7,867,413</u>	<u>7,570,411</u>	<u>8,278,645</u>	<u>54,838,611</u>	<u>30,429,386</u>
LIABILITIES						
Current liabilities:						
Accounts payable	130,484	211,013	94,081	235,733	671,311	241,920
Accrued liabilities	121,142	79,080	6,395	187,048	393,665	301,249
Accrued interest payable	48,534	-	-	-	48,534	-
Compensated absences payable	19,187	6,113	567	22,445	48,312	24,596
Claims payable	-	-	-	-	-	1,220,680
Current portion of promissory notes payable	168,543	-	-	-	168,543	-
Due to other funds	-	3,533	304,337	281,860	589,730	-
Total current liabilities	<u>487,890</u>	<u>299,739</u>	<u>405,380</u>	<u>727,086</u>	<u>1,920,095</u>	<u>1,788,445</u>
Noncurrent liabilities:						
Compensated absences payable	245,611	78,256	7,256	287,326	618,449	314,831
Advances from other funds - general fund	-	-	4,895,663	486,782	5,382,445	-
Promissory notes payable	2,649,380	-	-	-	2,649,380	-
Total noncurrent liabilities	<u>2,894,991</u>	<u>78,256</u>	<u>4,902,919</u>	<u>774,108</u>	<u>8,650,274</u>	<u>314,831</u>
Total liabilities	<u>3,382,881</u>	<u>377,995</u>	<u>5,308,299</u>	<u>1,501,194</u>	<u>10,570,369</u>	<u>2,103,276</u>
NET ASSETS						
Invested in capital assets, net of related debt	24,980,395	7,573,788	6,308,514	5,676,866	44,539,563	13,213,088
Unrestricted	2,758,866	(84,370)	(4,046,402)	1,100,585	(271,321)	15,113,022
Total net assets	<u>\$ 27,739,261</u>	<u>\$ 7,489,418</u>	<u>\$ 2,262,112</u>	<u>\$ 6,777,451</u>	<u>\$ 44,268,242</u>	<u>\$ 28,326,110</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, 2008

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:						
Charges for sales and services	\$ 5,238,643	\$ 2,840,966	\$ 504,766	\$ 9,564,584	\$ 18,148,959	\$ 11,859,793
Other income	-	-	-	-	-	272,624
Total operating revenues	<u>5,238,643</u>	<u>2,840,966</u>	<u>504,766</u>	<u>9,564,584</u>	<u>18,148,959</u>	<u>12,132,417</u>
Operating expenses:						
Personnel services	2,437,888	1,719,440	143,868	4,463,562	8,764,758	5,921,821
Costs of sales and services	1,691,305	1,545,786	76,431	4,936,783	8,250,305	5,576,499
Depreciation and amortization	818,941	249,170	92,692	491,756	1,652,559	2,194,540
Total operating expenses	<u>4,948,134</u>	<u>3,514,396</u>	<u>312,991</u>	<u>9,892,101</u>	<u>18,667,622</u>	<u>13,692,860</u>
Operating income (loss)	<u>290,509</u>	<u>(673,430)</u>	<u>191,775</u>	<u>(327,517)</u>	<u>(518,663)</u>	<u>(1,560,443)</u>
Nonoperating revenues (expenses):						
Intergovernmental	163,092	-	-	118,710	281,802	382,368
Miscellaneous	54,736	-	-	-	54,736	-
Investment income	135,347	-	41,451	52,942	229,740	820,607
Gain (loss) on disposition of property and equipment	-	-	(1,360,556)	-	(1,360,556)	112,622
Interest expense	(119,034)	-	(156,000)	(49,609)	(324,643)	-
Total nonoperating revenues (expenses)	<u>234,141</u>	<u>-</u>	<u>(1,475,105)</u>	<u>122,043</u>	<u>(1,118,921)</u>	<u>1,315,597</u>
Income (loss) before contributions and transfers						
operating transfers	524,650	(673,430)	(1,283,330)	(205,474)	(1,637,584)	(244,846)
Capital contributions - tap fees	178,950	-	-	2,080	181,030	-
Contributed capital	179,300	-	-	-	179,300	-
Transfers in	-	1,229,728	-	604,371	1,834,099	577,342
Transfers out	-	-	(138,500)	-	(138,500)	(240,036)
Change in net assets	<u>882,900</u>	<u>556,298</u>	<u>(1,421,830)</u>	<u>400,977</u>	<u>418,345</u>	<u>92,460</u>
Total net assets - beginning	<u>26,856,361</u>	<u>6,933,120</u>	<u>3,683,942</u>	<u>6,376,474</u>	<u>43,849,897</u>	<u>28,233,650</u>
Total net assets - ending	<u>\$ 27,739,261</u>	<u>\$ 7,489,418</u>	<u>\$ 2,262,112</u>	<u>\$ 6,777,451</u>	<u>\$ 44,268,242</u>	<u>\$ 28,326,110</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, 2008

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:						
Cash received from customers and users	\$ 5,067,902	\$ 2,988,208	\$ 502,407	\$ 8,146,559	\$ 16,705,076	\$ 11,627,439
Cash paid to suppliers	(1,784,046)	(1,451,482)	(434,098)	(3,783,608)	(7,453,234)	(5,838,272)
Cash paid to employees	(2,372,424)	(1,677,914)	(141,727)	(4,425,087)	(8,617,152)	(5,745,228)
Miscellaneous nonoperating receipts	54,736	-	-	49,739	104,475	272,624
Net cash provided (used) by operating activities	<u>966,168</u>	<u>(141,188)</u>	<u>(73,418)</u>	<u>(12,397)</u>	<u>739,165</u>	<u>316,563</u>
Cash flows from noncapital financing activities:						
Transfers from other funds	-	1,229,728	-	604,371	1,834,099	577,342
Transfers to other funds	-	-	(138,500)	-	(138,500)	(126,823)
Increase (decrease) in amount due other funds	-	(268,117)	49,868	8,603	(209,646)	-
Intergovernmental receipts	163,092	-	-	118,711	281,803	382,368
Net cash provided by noncapital financing activities	<u>163,092</u>	<u>961,611</u>	<u>(88,632)</u>	<u>731,685</u>	<u>1,767,756</u>	<u>832,887</u>
Cash flows from capital and related financing activities:						
Tap fees	178,950	-	-	2,080	181,030	-
Principal payments:						
Promissory notes	(166,117)	-	-	-	(166,117)	-
Advances (Repayment) of interfund capital loans	-	-	(49,868)	(185,287)	(235,155)	-
Interest paid	(120,858)	-	(156,000)	(49,609)	(326,467)	-
Proceeds from disposition of capital assets	-	-	1,987,476	-	1,987,476	90,807
Purchase of capital assets	(2,342,383)	(820,423)	(554,236)	(604,269)	(4,321,311)	(4,772,944)
Net cash used in capital and related financing activities	<u>(2,450,408)</u>	<u>(820,423)</u>	<u>1,227,372</u>	<u>(837,085)</u>	<u>(2,880,544)</u>	<u>(4,682,137)</u>
Cash flows from investing activities:						
Investment income received	135,347	-	41,451	52,942	229,740	820,606
Net cash provided by investing activities	<u>135,347</u>	<u>-</u>	<u>41,451</u>	<u>52,942</u>	<u>229,740</u>	<u>820,606</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,185,801)</u>	<u>-</u>	<u>1,106,773</u>	<u>(64,855)</u>	<u>(143,882)</u>	<u>(2,712,082)</u>
Cash and cash equivalents, January 1	3,903,950	-	151,178	1,143,418	5,198,546	19,508,784
Cash and cash equivalents, December 31	<u>\$ 2,718,149</u>	<u>\$ -</u>	<u>\$ 1,257,951</u>	<u>\$ 1,078,563</u>	<u>\$ 5,054,664</u>	<u>\$ 16,796,702</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ 290,509	\$ (673,430)	\$ 191,775	\$ (327,517)	\$ (518,663)	\$ (1,560,443)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	818,941	249,170	92,692	491,756	1,652,559	2,194,540
(Increase) decrease in accounts receivable	(170,739)	147,243	(2,361)	(304,306)	(330,163)	(232,352)
(Increase) decrease in inventory	-	-	-	7,027	7,027	-
(Increase) decrease in prepaid items	(169,729)	-	-	-	(169,729)	-
Increase (decrease) in accounts payable	59,264	94,303	(303,623)	156,405	6,349	(910,266)
Increase (decrease) in claims payable	-	-	-	-	-	254,160
Increase (decrease) in accrued liabilities and compensated absences payable	65,464	41,526	2,141	38,475	147,606	176,593
(Increase) decrease in accounts payable due to the purchase of capital assets on account	17,722	-	(54,042)	(74,237)	(110,557)	394,331
Miscellaneous nonoperating receipts included in operating activities	54,736	-	-	-	54,736	-
Total adjustments	<u>675,659</u>	<u>532,242</u>	<u>(265,193)</u>	<u>315,120</u>	<u>1,257,828</u>	<u>1,877,006</u>
Net cash provided (used) by operating activities	<u>\$ 966,168</u>	<u>\$ (141,188)</u>	<u>\$ (73,418)</u>	<u>\$ (12,397)</u>	<u>\$ 739,165</u>	<u>\$ 316,563</u>
Noncash Investing, Capital and Financing Activities						
Purchase of capital assets on account	\$ 1,951	\$ -	\$ 78,198	\$ -	\$ 80,149	\$ 70,141
Capital Contributions	179,300	-	-	-	179,300	-
Net book value of capital assets traded in on capital assets acquired	-	-	-	-	-	75,212
Trade in value of disposed assets	-	-	-	-	-	122,558
Transfer of non-cash assets	-	-	-	-	-	113,213

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, 2008

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund	Agency Funds
ASSETS				
Cash and cash equivalents	\$ 22,570	\$ 1,188,457	\$ 9,919,950	\$ 857,559
Investments				
Short term investments	443,060	-	-	-
U.S. Government securities	1,219,986	-	-	-
Corporate bonds	1,825,710	-	-	-
Domestic equity securities	3,668,354	-	-	-
International securities	1,511,462	-	-	-
Venture capital	1,002,114	-	-	-
Real estate	708,504	-	-	-
Securities lending investment pool	994,330	-	-	-
Accounts receivable, net of allowance	-	1,641	-	-
Total assets	<u>11,396,090</u>	<u>1,190,098</u>	<u>9,919,950</u>	<u>857,559</u>
LIABILITIES				
Due to other governments	-	-	-	857,559
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 857,559</u>
NET ASSETS				
Held in trust for:				
External investment pool participants	-	-	9,919,950	
Pension benefits	11,396,090	-	-	
OPEB Benefits	-	1,079,975	-	
Individuals, organizations and others	-	110,123	-	
Total net assets	<u>\$ 11,396,090</u>	<u>\$ 1,190,098</u>	<u>\$ 9,919,950</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, 2008

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund
ADDITIONS			
Additions by participants	\$ -	\$ 549,483	\$ 9,481,204
Employer contributions	436,444	-	-
Plan members contributions	290,337	-	-
Other Contributions	396,694	-	-
Total contributions	<u>1,123,475</u>	<u>549,483</u>	<u>9,481,204</u>
Investment earnings:			
Interest	113,497	56,561	550,660
Net increase (decrease) in fair value of investments	(4,834,898)	-	-
Net investment earnings	<u>(4,721,401)</u>	<u>56,561</u>	<u>550,660</u>
Total additions	<u>(3,597,926)</u>	<u>606,044</u>	<u>10,031,864</u>
DEDUCTIONS			
Distributions to participants	-	376,925	11,961,277
Health insurance premiums paid	-	357,858	-
Benefits and refunds	1,749,408	-	-
Administrative expenses	119,058	11,658	-
Total deductions	<u>1,868,466</u>	<u>746,441</u>	<u>11,961,277</u>
Change in net assets	(5,466,392)	(140,397)	(1,929,413)
Net assets available - beginning	16,862,482	1,330,495	11,849,363
Net assets available - ending	<u>\$ 11,396,090</u>	<u>\$ 1,190,098</u>	<u>\$ 9,919,950</u>

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



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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 continues in existence solely to provide for the payment of the District's outstanding debt with a special levy of property taxes and sanitary sewer fees collected only within the District.

The financial data of the *Grand Junction Public Finance Corporation* (the Corporation) is reported as part of the primary government because it is fiscally dependent upon the City and provides financing solely to the City. The Corporation was incorporated as a nonprofit corporation in the State of Colorado during 1996. The purpose of the Corporation is to facilitate financing for the City (see Note 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 **Parkway Project Capital Fund** is a capital projects fund used to account for the financing and construction of the Riverside Parkway. This project consists of constructing a beltway around the City designed to make transportation more efficient, while also alleviating traffic congestion. The Parkway project is being financed by an \$80 million bond issue approved by voters in 2003.

The **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 **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, central stores, self-insurance activities, and communication services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

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

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

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 2008 taxes collectible in 2009 and are also shown as deferred revenue. Following are details of the property tax calendar:

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

4. Special Assessments Receivable

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

5. Inventories and prepaid items

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

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

6. Capital Assets

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

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

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

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

7. Compensated Absences

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

8. Encumbrances

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

9. Long-Term Liabilities

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

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

10. Fund Equity

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

11. Comparative Data/Reclassifications

Comparative total data for the prior year has been presented in the accompanying 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.

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 and the Sales Tax Capital Improvements Fund. The annual budget for the General Fund is prepared on the modified accrual basis of accounting excluding certain basis differences for 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 9). 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 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 2008 resulted in budget amendments as follows:

Fund	Original Amount	Amended Amount
<i>Primary Government - City of Grand Junction:</i>		
<i>Governmental Activities</i>		
General Fund	\$69,408,452	\$84,165,270
Special Revenue Funds:		
Parkland Expansion	1,172,200	1,758,985
Economic Development	3,820,000	4,031,399
Capital Projects Funds:		
Sales Tax Capital Improvement	30,327,808	41,064,498
Storm Drainage Improvement	1,722,300	7,517,635
Street Improvements Capital	1,995,000	2,859,389
Facilities Capital	172,820	804,462

Fund	Original Amount	Amended Amount
<i>Business-Type Activities</i>		
Enterprise Funds:		
Water	\$6,378,365	\$7,738,595
Solid Waste	2,856,663	2,981,489
Two Rivers Convention Center	4,002,085	4,152,784
Swimming Pools	1,300,863	1,317,331
Golf Courses	2,072,006	2,270,316
Parking	712,736	1,433,282
Irrigation Systems	227,238	247,036
Internal Service Funds:		
Equipment	3,459,513	5,362,792
Stores	-	237,498
Self Insurance	1,553,767	1,750,789
Communications Center	5,192,414	5,591,155
<i>Component Unit - Downtown Development Authority:</i>		
Special Revenue Funds:		
DDA Operations Special Revenue	195,700	269,238
DDA Capital Improvements	3,250,000	4,149,497

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

C. DEFICIT FUND EQUITY

No individual funds of the Primary Government or its Component Unit had a deficit fund equity as of December 31, 2008.

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 11 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, 2008, is as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Cash on hand	\$ -	\$ 6,565
Insured deposits	250,000	250,000
Deposits collateralized in single institutional pools	2,692,776	1,956,614
	<u>\$2,942,776</u>	<u>\$2,213,179</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, 2008, the City had the following investments:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>
Corporate stock	Not rated	\$23,417	0.00
U.S. agency notes	AAA	33,540,434	36.53
Pass Through Securities (GNMA/CMO)	AAA	18,930,905	95.97
State investment pools	AAA	8,510,716	0.03
Pension trust fund	Not rated	11,396,090	0.00
Total		<u>\$72,401,562</u>	<u>42.02</u>

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

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

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

NOTE 4. ACCOUNTS RECEIVABLE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts receivable of the various funds of the City at December 31, 2008, is as follows:

General Fund	\$5,349
Enterprise Funds:	
Water	\$ 160
Solid Waste Removal	274
Two Rivers Convention Center	259
Ambulance Transport	152,979
	<u>\$153,672</u>
Internal Service Funds:	
Communications Center	<u>\$ 817</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008 was as follows:

Primary Government - City of Grand Junction:

	Beginning Balance	Increase	Decreases	Ending Balance
Governmental Activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$231,071,197	\$ 39,865,273	\$ 661,188	\$270,275,282
Construction in progress	63,546,136	14,456,536	55,949,809	22,052,863
Total capital assets, not being depreciated	<u>294,617,333</u>	<u>54,321,809</u>	<u>56,610,997</u>	<u>292,328,145</u>
<i>Capital assets, being depreciated:</i>				
Buildings	27,890,339	4,352,949	-	32,243,288
Improvements other than buildings	26,735,043	311,624	-	27,046,667
Equipment	29,910,865	5,054,916	1,644,406	33,321,375
Infrastructure	215,009,983	89,937,146	-	304,947,129
Total capital assets, being depreciated	<u>299,546,230</u>	<u>99,656,635</u>	<u>1,644,406</u>	<u>397,558,459</u>
<i>Less accumulated depreciation for:</i>				
Buildings	8,347,182	782,016	-	9,129,198
Improvements other than buildings	9,641,635	1,152,790	-	10,794,425
Equipment	18,211,540	2,702,294	1,531,471	19,382,363
Infrastructure	68,967,639	6,703,397	-	75,671,036
Total accumulated depreciation	<u>105,167,996</u>	<u>11,340,497</u>	<u>1,531,471</u>	<u>114,977,022</u>
Total capital assets, being depreciated, net	<u>194,378,234</u>	<u>88,316,138</u>	<u>112,935</u>	<u>282,581,437</u>
Governmental activities capital assets, net	<u>\$488,995,567</u>	<u>\$142,637,947</u>	<u>\$ 56,723,932</u>	<u>\$574,909,582</u>

	Beginning Balance	Increase	Decreases	Ending Balance
Business-type activities				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,889,318	\$ 46,817	\$ -	\$ 4,936,135
Construction in progress	7,614,956	369,946	7,614,956	369,946
Total capital assets, not being depreciated	<u>12,504,274</u>	<u>416,763</u>	<u>7,614,956</u>	<u>5,306,081</u>
<i>Capital assets, being depreciated:</i>				
Buildings and systems	53,152,416	11,102,754	3,537,033	60,718,137
Improvements other than buildings	4,355,234	-	-	4,355,234
Equipment	2,469,248	785,053	71,994	3,182,307
Total capital assets, being depreciated	<u>59,976,898</u>	<u>11,887,807</u>	<u>3,609,027</u>	<u>68,255,678</u>
<i>Less accumulated depreciation for:</i>				
Buildings and systems	21,010,443	1,336,765	-	22,347,208
Improvements other than buildings	1,978,325	140,980	-	2,119,305
Equipment	1,638,375	171,379	71,994	1,737,760
Total accumulated depreciation	<u>24,627,143</u>	<u>1,649,124</u>	<u>71,994</u>	<u>26,204,273</u>
Total capital assets, being depreciated, net	<u>35,349,755</u>	<u>10,238,683</u>	<u>3,537,033</u>	<u>42,051,405</u>
Business-type activities capital assets, net	<u>\$ 47,854,029</u>	<u>\$ 10,655,446</u>	<u>\$ 11,151,989</u>	<u>\$ 47,357,486</u>

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

Governmental Activities	
General government	\$ 203,687
Public safety	469,420
Public works	7,361,344
Parks and recreation	1,111,506
Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets	2,194,540
Total depreciation expense – governmental activities	<u>\$11,340,497</u>
Business-Type Activities	
Water	\$ 815,506
Solid waste	23,647
Meeting and convention center	249,170
Golf courses	135,617
Swimming pools	203,797
Parking	92,692
Irrigation	88,382
Ambulance Transport	40,313
Total depreciation expense – business-type activities	<u>\$1,649,124</u>

Land with a basis of \$661,188 was sold for \$668,750, resulting in a gain of \$7,562.

The Downtown Parking Garage was placed into service in 2008. At that time it was divided up into condominium units and a portion of the garage was sold. A total of 135 spaces with a basis of \$2,423,855 were sold for \$2,176,476, resulting in a loss of \$247,379. Also, 62 spaces were transferred to the Downtown Development Authority.

Discretely Presented Component Unit

Activity for the *Downtown Development Authority* for the year ended December 31, 2008, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 554,984	\$ 890,256	\$ -	\$ 1,445,240
Construction in progress	1,763,468	-	784,022	979,446
Total capital assets, not being depreciated	<u>2,318,452</u>	<u>890,256</u>	<u>784,022</u>	<u>2,424,686</u>
<i>Capital assets, being depreciated:</i>				
Buildings	2,292,988	1,897,200	-	4,190,188
Equipment	286,657	154,373	-	441,030
Total capital assets, being depreciated	<u>2,579,645</u>	<u>2,051,573</u>	<u>-</u>	<u>4,631,218</u>
<i>Less accumulated depreciation for:</i>				
Buildings	742,056	98,941	-	840,997
Equipment	187,098	27,894	-	214,992
Total accumulated depreciation	<u>929,154</u>	<u>126,835</u>	<u>-</u>	<u>1,055,989</u>
Total capital assets, being depreciated, net	<u>1,650,491</u>	<u>1,924,738</u>	<u>-</u>	<u>3,575,229</u>
DDA capital assets, net	<u>\$ 3,968,943</u>	<u>\$2,814,994</u>	<u>\$784,022</u>	<u>\$ 5,999,915</u>

Construction Commitments

The City and its component unit have several ongoing construction projects as of December 31, 2008 composed of the following:

	Spent to <u>12/31/2008</u>	Projected cost <u>of completion</u>
Primary Government		
Street projects	\$ 6,391,447	\$ 15,295,771
Drainage projects	13,888,510	20,066,210
Park development	544,944	894,944
Facilities/other	1,597,907	2,687,907
Component Unit		
Development projects	\$ 979,446	\$ 3,809,447

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

NOTE 6. LONG-TERM DEBT

The following is a summary of long-term liability activity of the City for the year ended December 31, 2008:
Primary Government - City of Grand Junction:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds:					
<i>Ridges</i>	\$1,090,000	\$ -	\$ 155,000	\$ 935,000	\$ 165,000
Revenue bonds:					
<i>Parkway</i>	76,000,000	-	3,360,000	72,640,000	3,530,000
<i>Premium</i>	3,664,693	-	488,892	3,175,801	447,762
Promissory notes:					
<i>Sales Tax Capital Improvement Fund</i>	38,181	-	38,181	-	-
Intergovernmental Agreement:					
<i>Bookcliff Middle School</i>	165,572	-	165,572	-	-
Net pension obligation:					
<i>Police Defined Benefit Plan</i>	609,346	693,156	842,645	459,857	-
<i>Fire Defined Benefit Plan</i>	217,614	292,760	313,763	196,611	-
Claims payable	966,520	254,160	-	1,220,680	1,220,680
Compensated absences	3,125,729	3,391,739	2,838,615	3,678,853	266,564
Other Post Employment Benefits	-	174,355	-	174,355	-
Governmental activity long-term liabilities	<u>\$85,877,655</u>	<u>\$4,806,170</u>	<u>\$8,202,668</u>	<u>\$82,481,157</u>	<u>\$5,630,006</u>
Business-Type Activities					
Promissory notes:					
<i>Water Systems</i>	\$ 80,441	\$ -	\$ 9,880	\$ 70,561	\$ 10,374
Loan payable					
<i>Water Systems</i>	2,952,348	-	156,237	2,796,111	161,625
Less deferred amounts:					
For loan discount	(52,184)	3,435	-	(48,749)	(3,456)
Compensated absences	598,777	614,725	546,741	666,761	48,312
Business-type activity long-term liabilities	<u>\$3,579,382</u>	<u>\$618,160</u>	<u>\$712,858</u>	<u>\$3,484,684</u>	<u>\$216,855</u>

Component Unit – Downtown Development Authority:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	12,199	7,729	14,804	5,124	371
Total	<u>\$12,199</u>	<u>\$7,729</u>	<u>\$ 14,804</u>	<u>\$5,124</u>	<u>\$371</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 \$339,428 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, 2008, are comprised of the following:

Primary Government – City of Grand Junction:

GENERAL OBLIGATION BONDS:

\$2,590,000 Ridges Metropolitan District General Obligation Refunding Bonds Series 1992 consisting of \$995,000 serial bonds bearing interest at 3.5% to 5.75% payable April 15 and October 15 annually through October 15, 2013, term bond of \$545,000 bearing interest of 6% payable on April 15 and October 15 through October 15, 2007, and term bond of \$1,090,000 bearing interest of 6.1% payable on April 15 and October 15 through October 15, 2013. Bonds maturing on or after October 15, 2003, are callable at the district's option on any interest paying date at par. Both term bonds are subject to mandatory redemption pursuant to a sinking fund agreement with the paying agent. There was \$935,000 unpaid principal at December 31, 2008, payable over the following term:

Year	Principal	Interest	Total
2009	\$165,000	\$57,035	\$222,035
2010	175,000	46,970	221,970
2011	185,000	36,295	221,295
2012	200,000	25,010	225,010
2013	210,000	12,810	222,810
	<u>\$935,000</u>	<u>\$178,120</u>	<u>\$1,113,120</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. No amounts outstanding at the end of the current fiscal year related to bonds issued in prior years. There was \$72,640,000 unpaid principal at December 31, 2008, payable over the following term:

Year	Principal	Interest	Total
2009	\$3,530,000	\$3,451,387	\$6,981,387
2010	3,710,000	3,270,387	6,980,387
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
2014-2018	20,685,000	10,329,756	31,014,756
2019-2023	26,330,000	4,684,213	31,014,213
2024	6,060,000	143,925	6,203,925
	<u>\$72,640,000</u>	<u>\$30,508,704</u>	<u>\$103,148,704</u>

PROMISSORY NOTES:

\$351,327, 10% promissory note issued in 1989, payable in annual installments of \$42,000 including interest through 2008, unsecured. There was no unpaid principal at December 31, 2008.

\$195,930, 5% promissory note issued in 1989, to the Colorado Water Conservation Board, payable in 25 annual installments of \$13,902 including interest, collateralized by a portion of the water supply flow line. There was \$70,561 unpaid principal at December 31, 2008, payable over the following term:

Year	Principal	Interest	Total
2009	\$10,374	\$3,528	\$13,902
2010	10,892	3,010	13,902
2011	11,437	2,465	13,902
2012	12,009	1,893	13,902
2013	12,609	1,293	13,902
2014	13,240	662	13,902
	<u>\$70,561</u>	<u>\$12,851</u>	<u>\$83,412</u>

INTERGOVERNMENTAL AGREEMENT:

The City of Grand Junction entered into an intergovernmental agreement dated August 9, 2005 with Mesa County Valley School District No. 51 to construct a gymnasium on land owned by the District as part of the Bookcliff Middle School project. The City has agreed to reimburse the District for the cost of constructing the gymnasium the sum of \$1,134,200, plus any markups for additional or extra work. The gymnasium was completed in 2006 and the final installment of \$165,572 was paid to the District on July 1, 2008. There was no unpaid principal balance at December 31, 2008.

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 \$376,957 unpaid principal at December 31, 2008. The expense will be recognized when the obligation is due.

LOAN PAYABLE:

The City of Grand Junction entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance improvements on the City's water system. The principal amount is \$3,566,522 at a net effective interest rate of 4.02%, payable February 1 and August 1 annually through 2022. The water system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the City with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2008 was \$2,796,111 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2009	\$161,625	\$112,954	\$274,579
2010	167,012	108,751	275,763
2011	172,400	104,213	276,613
2012	177,787	99,530	277,317
2013	183,175	94,700	277,875
2014-2018	996,687	389,633	1,386,320
2019-2022	937,425	167,956	1,105,381
	<u>\$2,796,111</u>	<u>\$1,077,737</u>	<u>\$3,873,848</u>

NOTE 7. BUDGET TO ACTUAL PRESENTATION - PROPRIETARY FUNDS

Modifications to budgetary basis consist of adding capital expenditures and debt service principal payments to and excluding depreciation and amortization expense from GAAP basis expenses.

	Budgeted Amounts		Expenditures Reported on the Basis of GAAP	Adjustment to Budgetary Basis	Expenditures on Budgetary Basis	Variance with Final Budget – Positive (Negative)
	Original	Final				
Enterprise Funds:						
Water	\$6,378,365	\$7,738,595	\$5,067,168	\$1,652,659	\$6,719,827	\$ 1,018,768
Solid Waste Removal	2,856,663	2,981,489	2,907,325	17,124	2,924,449	57,040
Two Rivers						
Convention Center	4,002,085	4,152,784	3,514,396	560,726	4,075,122	77,662
Swimming Pools	1,300,863	1,317,331	1,014,976	274,613	1,289,589	27,742
Lincoln Park Golf	714,957	787,451	800,077	(23,118)	776,959	10,492
Tiara Rado Golf	1,357,049	1,482,865	1,485,700	(2,835)	1,482,865	-
Parking Authority	712,736	1,433,282	607,491	459,650	1,067,141	504,641
Irrigation	227,238	247,036	318,708	(85,183)	233,525	13,511
Ambulance Transport	3,087,001	3,087,001	3,414,924	(944,840)	2,470,084	616,917
Internal Service Funds:						
Data Processing	5,213,862	5,213,862	3,563,851	1,272,123	4,835,974	377,888
Equipment	3,459,513	5,362,792	3,799,715	1,142,195	4,941,910	420,882
Stores	-	237,498	240,036	(240,036)	-	237,498
Self-Insurance	1,553,767	1,750,789	1,884,177	(256,524)	1,627,653	123,136
Communications Center	5,192,414	5,591,155	4,445,117	81,929	4,527,046	1,064,109

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2008, is as follows:

Due to/from other funds:

	Due from Other Funds	Due to Other Funds
General Fund	\$5,976,054	\$ -
Community Development Special Revenue Fund to cover the cost of operations	-	25,061
Sales Tax Capital Projects Fund to cover the cost of capital	-	1,477,085
Storm Drainage Development Capital Projects Fund to cover the cost of capital	-	537,489
Parkway Project Capital Projects Fund to cover the cost of capital	-	3,346,689
Parking Enterprise Fund to pay current portion of advance	-	304,337
Two River Convention Center Enterprise Fund to cover the cost of operations	-	3,533
Ambulance Transport Fund to cover the cost of operations	-	254,479
Tiara Rado Golf Course Enterprise Fund to pay current portion of advance	-	27,381
Total	\$5,976,054	\$5,976,054
Primary Government	\$6,103,455	\$ -
Component Unit to cover the cost of capital	-	6,103,455
Total	\$6,103,455	\$6,103,455

Advances to/from other funds:

	Advance to Other Funds	Advance from Other Funds
General Fund	\$5,382,445	\$ -
Ambulance Transport Fund to cover the cost of operations	-	315,812
Tiara Rado Golf Enterprise Fund to cover the cost of new driving range	-	170,970
Parking Enterprise fund to cover partial cost of new parking garage	-	4,895,663
Total	<u>\$5,382,445</u>	<u>\$5,382,445</u>

Interfund Transfers:

Transfers Out:	Transfers In:								
	General Fund	Sales Tax CIP	Parkway Fund	Parkway Debt Retirement Fund	Two Rivers Convention Center	Nonmajor Governmental	Internal Service	Nonmajor Proprietary	Total
General Fund	\$ -	\$8,189,913	\$ -	\$9,289,733	\$436,701	\$3,027,543	\$ -	\$269,418	\$21,213,308
Sales Tax CIP	-	-	6,082,982	-	793,027	10,655,817	-	53,953	17,585,779
Water Fund	-	138,500	-	-	-	-	-	-	138,500
Nonmajor Governmental	270,337	3,952,799	-	-	-	93,494	577,342	281,000	5,174,972
Internal Service	240,036	-	-	-	-	-	-	-	240,036
Total Transfers Out	<u>\$510,373</u>	<u>\$12,281,212</u>	<u>\$6,082,982</u>	<u>\$9,289,733</u>	<u>\$1,229,728</u>	<u>\$13,776,854</u>	<u>\$577,342</u>	<u>\$604,371</u>	<u>\$44,352,595</u>

Transfers into the General Fund were primarily to close the Central Stores Fund in the amount of \$240,036. Transfers out of the General Fund were for economic development projects 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 cover the Riverside Parkway Project, Big Pipe Project, Two Rivers Dividing Door and Ceiling Replacement and to repay the parkway debt.

Transfers into the Internal Service Fund of \$577,342 were for equipment upgrades funded by the E-911 surcharge.

NOTE 9. RETIREMENT PLANS

A. DEFINED CONTRIBUTION PLANS

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

Under City ordinances, substantially all full-time City employees, other than sworn police officers and fire fighters and elected officials, are covered by a mandatory contributory defined contribution retirement plan. The City of Grand Junction, Colorado, Employees Retirement Plan is administered by Wells Fargo Bank, N.A. The plan provides for retirement benefits based upon an employee's vested account. A participant becomes 100% vested on completion of five years of service. Amounts forfeited by employees who leave employment before becoming fully vested are used to pay for administrative expenses of the plan. The City matches employees' required contributions of 6% of base salary. An employee may make voluntary contributions of up to an additional 10%. Total payroll for all City employees for the year ended December 31, 2008, was \$44,548,194. Covered wages and contributions in 2008 were as follows:

General Employee Plan

Covered wages	\$24,068,967
City contribution	1,442,626
Employee contribution	1,442,626

Effective January 1, 1980, under state statutes, all fire fighters and police officers hired after April 8, 1978, are covered under fire and police defined contribution pension plans (new hire plans). Fire fighters and police officers hired prior to this date had the option to remain in the defined benefit plans (old hire plans) or to transfer to the applicable new plan. The new plans are administered by independent boards. The assets of the New Hire Police Money Purchase Pension Plan and the New Hire Fire Money Purchase Pension Plan are maintained at Wells Fargo Bank, N.A. Vesting is accomplished over a seven-year period. Amounts forfeited by employees who leave employment before becoming fully vested are retained by the plan for administrative expenses of the plan. The rate of contribution under the new plan is 10.65% of regular salary for the employee and the City. Covered wages and contributions in 2008 were as follows:

<u>New Hire – Police & Fire</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Covered wages	\$7,109,640	\$6,134,281
City contribution	757,178	653,294
Employee contribution	757,178	653,294

In 1988, the City established supplemental defined contribution plans (new supplemental plans) for fire fighters and police officers hired before April 8, 1978, whom remained as participants in the defined benefit plans (old plans). The Old Hire Police Officers Rank Escalation Pension Plan and the Old Hire Firefighters Rank Escalation Pension Plan were established in exchange for a freeze in rank escalation benefits in the old plans at 1980 levels. The plans are administered by the International City Manager’s Association Retirement Corporation (ICMA). Under these new supplemental plans, the City contributes 6.65% of the employee's gross wages to the plan and the employee contributes .65%. Employees' balances became fully vested upon establishment of the plans. In 2008, there were no police officers participating in the defined benefit plans. Covered wages of fire fighters in 2008 were as follows:

<u>Old Hire Rank Escalation</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Covered wages	\$ -	\$102,146
City contribution	-	6,793
Employee contribution	-	664

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 Fund; a combination of agent, multiple -employer defined benefit pension plans administered by FPPA with over 300 participating employers in the State of Colorado. The plans provide retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of each plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plans. **FPPA issues a publicly available annual financial report that includes the assets of the plans and separate biennial actuarial reports for each of the plans. The reports may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at 1-800-770-3772.**

All City police officers and firefighters hired prior to April 8, 1978, participated in the plan until January 1, 1980, when they could remain in the plan or transfer and become a participant in a defined contribution plan (new hire plan). Police officers’ benefits become vested after twenty years of service and age 55 or after twenty-five years of service. Firefighters’ benefits become vested after twenty years of service and age 50.

Vested employees who retire are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to one half of one month's salary at the time of retirement, plus any vested rank escalation. Rank escalation benefits allow for increases in benefits equal to one half of any salary increases given to current City employees in the retiree's last position. Rank escalation benefits vested at 5% for each year of service until 1980. Benefits vested after 1979 are limited to increases of 3% per year for inflation, as determined by the state. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City ordinance.

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 2008, there were no active policemen covered by the Police Old Hire Plan and 21 retirees and beneficiaries receiving benefits. The City's payroll for firefighters covered by the system was \$102,146 out of a total payroll of \$44,548,194 for the year ended December 31, 2008. There were 2 active firefighters contributing to the Fire Old Hire Plan and 36 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, 2008, were as follows:

	Police Old Hire Plan	Fire Old Hire Plan	Total
City contribution	\$445,951	\$303,344	\$749,295
Employee contributions	-	10,419	10,419
State contribution	396,694	-	396,694
Total	<u>\$842,645</u>	<u>\$313,763</u>	<u>\$1,156,408</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 2008, the Fire Old Hire Plan was fully funded and the State of Colorado was no longer required to make contributions to the plan.

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)	\$715,629	\$303,815
Interest on net pension obligation (NPO)	48,848	24,016
Adjustment to ARC	<u>(71,321)</u>	<u>(35,071)</u>
Annual pension cost	693,156	292,760
Contributions made	<u>842,645</u>	<u>313,763</u>
Increase (Decrease) in NPO	(149,489)	(21,003)
NPO – January 1, 2008	<u>609,346</u>	<u>217,614</u>
NPO – December 31, 2008	<u>\$459,857</u>	<u>\$196,611</u>
Actuarial valuation date	1/1/08	1/1/08
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, open	Level dollar, open
Remaining amortization period	14 years	14 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	12/31/06	615,915	121.95%	742,565
	12/31/07	690,240	119.30%	609,346
	12/31/08	693,156	121.57%	459,857
Fire Old Hire Plan	12/31/06	334,930	128.22%	197,779
	12/31/07	299,540	93.38%	217,614
	12/31/08	292,760	107.17%	196,611

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

Actuarial Valuation Date	Actuarial value of plan assets (a)	Actuarial accrued liability (b)	Unfunded actuarial liability (or funding excess) (c)	Funded ratio (a)/(b)
<i>Police Old Hire Plan</i>				
1/1/08	\$ 3,368,995	\$ 6,540,220	\$ 3,171,225	52%
1/1/06	2,407,072	6,524,614	4,117,542	37%
1/1/04	2,373,408	6,870,885	4,497,477	35%
<i>Fire Old Hire Plan</i>				
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%
1/1/04	11,041,517	14,415,150	3,373,633	77%

The funding policy for the plans has been prescribed by state law in amounts that are expected to fully fund the plan by the year 2009. Both of these old-hire plans are being phased out with no new members added since 1978. No other factors are anticipated to significantly affect the trends in amounts reported.

NOTE 10. 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 plan is primarily funded through mandatory payroll deductions of all active benefited employees. A Private Purpose Trust Fund was also established in 1998 to account for these employee contributions. 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 \$114,715 or approximately 32 percent of the total premiums, through their required contribution of \$387.86 per month for spouse coverage and \$639.96 for family coverage. Only the retiree's premium is paid by the trust fund.

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)	\$414,985
Interest on net OPEB obligation	-
Adjustment to ARC	-
Annual OPEB cost (expense)	414,985
Contributions made	<u>(240,630)</u>
Increase in net OPEB obligation	174,355
Net OPEB obligation – January 1, 2008	-
Net OPEB obligation – December 31, 2008	<u>\$174,355</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2006	n/a	n/a	n/a
2007	n/a	n/a	n/a
2008	\$414,985	57.99%	\$174,355

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the plan was 17.9 percent funded. The actuarial accrued liability for benefits was \$5.6 million, and the actuarial value of assets was \$1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.6 million. The covered payroll (annual payroll of active employees covered by the plan) was \$39,041,177 and the ratio of the UAAL to the covered payroll was 11.8 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 December 31, 2008 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is based

on the employer's own investments and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 6 percent after seven years. The actuarial value of the assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized on a level-dollar basis. The remaining amortization period at December 31, 2008, was 20 years.

NOTE 11. RELATED ENTITIES

A. JOINT VENTURES

CITY OF GRAND JUNCTION/MESA COUNTY, COLORADO, JOINT SEWER SYSTEM

The City operates and manages the City of Grand Junction/Mesa County, Colorado, Joint Sewer System, a regional sewer system. The regional sewer system was organized by agreements made in 1979 and 1980 to provide sewer collection and treatment for the metropolitan area in the Grand Valley. The City contributed all assets which were included in its pre-existing Sewer Fund while Mesa County contributed its name through the issuance of revenue bonds, which are payable from and secured by revenue of the sewer system. After contribution of these assets, the City's pre-existing Sewer Fund was terminated. The City does not have a measurable present or future claim to the net resources of the Joint Sewer System, and therefore does not record an equity interest in its financial statements. The agreements provide that both the City and Mesa County approve the sewer system's annual appropriation budget. The City's utility department operates and manages the sewer system. The agreements provide that upon dissolution of the joint venture, ownership of the assets of the Joint Sewer system shall be determined by mutual agreement. Condensed financial statements of the sewer system at December 31, 2008 and for the year then ended, are as follows:

<u>Statement of Net Assets</u>	
Assets:	
Current assets	\$ 10,959,684
Noncurrent assets	961,630
Net property, plant, and equipment	<u>60,353,961</u>
Total assets	<u>\$ 72,275,275</u>
Liabilities:	
Current liabilities	\$ 1,416,848
Long-term debt	<u>9,063,460</u>
Total liabilities	<u>10,480,308</u>
Net Assets	
Invested in capital assets, net of related debt	50,695,391
Unrestricted	<u>11,099,576</u>
Total net assets	<u>\$ 61,794,967</u>
 <u>Statement of Revenue and Expenses</u> 	
Operating revenue	\$ 7,702,224
Operating expenses	<u>7,748,818</u>
Operating income	(46,594)
Net nonoperating revenue and expenses	171,753
Capital contributions	<u>3,033,164</u>
Change in net assets	3,158,323
Total net assets - beginning	<u>58,636,644</u>
Total net assets - ending	<u>\$ 61,794,967</u>

Since the City operates the Joint Sewer System, all cash balances are included in the City sponsored Cash Pool. The Joint Sewer System is an external participant in that pool. The Joint Sewer System's share of the

pool is \$9,919,950 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 \$1,990,214 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, 2008 was \$9,280,000 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2009	\$775,000	\$397,525	\$1,172,525
2010	805,000	372,050	1,177,050
2011	830,000	345,589	1,175,589
2012	855,000	318,306	1,173,306
2013	885,000	290,202	1,175,202
2014-2018	2,045,000	1,219,470	3,264,470
2019-2023	2,480,000	786,273	3,266,273
2024	605,000	45,354	650,354
	<u>\$9,280,000</u>	<u>\$3,774,769</u>	<u>\$13,054,769</u>

B. DOWNTOWN HOUSING EFFORT

The Downtown Development Authority, a component unit of the City of Grand Junction, participates on a joint venture basis with the Housing Authority of the City of Grand Junction, Colorado, in the Downtown Housing Effort (DHE). The DHE was organized in 1983 to provide new and improved housing in the downtown Grand Junction, Colorado area. The Housing Authority has been given the responsibility for the day-to-day management of the DHE. The Downtown Development Authority does not have a measurable present or future claim to the net resources of the DHE, and therefore does not record an equity interest in its financial statements. Condensed financial statements of the Downtown Housing Effort at September 30, 2008, and for the year then ended are as follows:

<u>Balance Sheet</u>	
Assets:	
Cash	\$399,595
Loans receivable	<u>32,712</u>
	Total assets <u>\$432,307</u>
Liabilities and fund equity:	
Liabilities	
Accounts payable	<u>\$ 1,577</u>
	Total liabilities <u>1,577</u>
Fund equity:	
Fund balance:	
Reserved for interest and loans receivable	86,028
Unreserved, undesignated	<u>344,702</u>
	Total fund equity <u>430,730</u>
	Total liabilities and fund equity <u>\$432,307</u>

Statement of Revenues and Expenditures

Interest and other income	\$ 11,401
Expenditures	<u>(2,703)</u>
Excess of revenues over expenditures	<u>\$ 8,698</u>

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

NOTE 12. CONTINGENCIES

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established the Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Internal Service Fund provides coverage for up to a maximum of \$500,000 per occurrence on each worker's compensation claim and up to \$150,000 for each general liability or property damage claim.

The City purchases commercial insurance for claims in excess of coverage for worker's compensation and participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for claims in excess of coverage for general liability and property. Settled claims have not exceeded these coverages in any of the past three fiscal years.

All funds of the City and the Joint Sewer System participate in the program and make payments to the Self-Insurance Internal Service Fund at amounts that approximate amounts which would have been paid to outside insurance providers. The claims liability of \$1,220,680 in the Self-Insurance Internal Service Fund at December 31, 2008, 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 2007 and 2008 were:

	<u>January 1 Claims Payable</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>December 31 Claims Payable</u>
2007	\$1,007,435	\$ 548,183	\$(589,098)	\$ 966,520
2008	\$ 966,520	\$1,279,080	\$(908,120)	\$1,220,680

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 13. CONDUIT DEBT OBLIGATIONS

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

As of December 31, 2008, 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 14. SEIZED FUNDS

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

NOTE 15. TAX, SPENDING AND DEBT LIMITATIONS

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

Future spending and revenue limits are determined based on the prior year's "Fiscal Year Spending" adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. 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, \$4,739,682 has been reserved for payment of the debt as of December 31, 2008.

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, 2008, totaling \$2,900,000 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. The City's emergency reserve is budgeted as part of the contingencies under general government in the general fund.

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

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

Fiscal Year ⁽¹⁾	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Total Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2008	7/1/2008	1,002,624	5,605,779	4,603,155	17.9%	39,041,177	11.8%

⁽¹⁾ 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.



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)

Parkway Project Capital Fund ~ to account for the construction of the Riverside Parkway. Financed primarily through revenue bonds.

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.

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

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

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

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.

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, 2008

	Special Revenue							General
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Economic Development	Conservation Trust	Community Development	Total	
ASSETS								
Cash and investments	\$ 947,084	\$ 1,502,852	\$ 1,524,400	\$ 1,174,377	\$ 245	\$ -	\$ 5,148,958	\$ 150
Accounts receivable	874	217,520	-	-	-	-	218,394	-
Taxes receivable	162,698	-	-	-	-	-	162,698	-
Intergovernmental receivable	-	-	-	-	-	48,174	48,174	-
Total assets	\$ 1,110,656	\$ 1,720,372	\$ 1,524,400	\$ 1,174,377	\$ 245	\$ 48,174	\$ 5,578,224	\$ 150
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ 44,183	\$ 9,900	\$ 2,802	\$ 61,800	\$ -	\$ 14,257	\$ 132,942	\$ -
Accrued liabilities	41,677	-	-	-	-	-	41,677	-
Due to other funds	-	-	-	-	-	25,061	25,061	-
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	85,860	9,900	2,802	61,800	-	39,318	199,680	-
Fund balances:								
Reserved for perpetual care	-	-	-	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-	-	-
Unreserved:								
Designated for subsequent year's expenditures	102,772	1,099,641	-	101,892	-	-	1,304,305	-
Undesignated	922,024	610,831	1,521,598	1,010,685	245	8,856	4,074,239	150
Total fund balances	1,024,796	1,710,472	1,521,598	1,112,577	245	8,856	5,378,544	150
Total liabilities and fund balances	\$ 1,110,656	\$ 1,720,372	\$ 1,524,400	\$ 1,174,377	\$ 245	\$ 48,174	\$ 5,578,224	\$ 150

Debt Service				Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJWWSD	GJ Public Finance	Total	Storm Drainage Development	Street Assessment Projects	Facilities Capital Projects	Total	Cemetery Perpetual Care	
\$ 185,872	\$ 121,283	\$ 510	\$ 307,815	\$ -	\$ 1,355,629	\$ 2,275,506	\$ 3,631,135	\$ 1,234,817	\$ 10,322,725
8,746	-	-	8,746	51,393	79,808	-	131,201	178	358,519
171,075	-	-	171,075	-	-	-	-	-	333,773
-	-	-	-	1,198,004	-	-	1,198,004	-	1,246,178
<u>\$ 365,693</u>	<u>\$ 121,283</u>	<u>\$ 510</u>	<u>\$ 487,636</u>	<u>\$ 1,249,397</u>	<u>\$ 1,435,437</u>	<u>\$ 2,275,506</u>	<u>\$ 4,960,340</u>	<u>\$ 1,234,995</u>	<u>\$ 12,261,195</u>
\$ -	\$ -	\$ -	\$ -	\$ 700,087	\$ 1,228,651	\$ -	\$ 1,928,738	\$ -	\$ 2,061,680
-	-	-	-	11,584	-	-	11,584	-	53,261
-	-	-	-	537,489	-	-	537,489	-	562,550
<u>179,821</u>	<u>3,570</u>	<u>-</u>	<u>183,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,391</u>
<u>179,821</u>	<u>3,570</u>	<u>-</u>	<u>183,391</u>	<u>1,249,160</u>	<u>1,228,651</u>	<u>-</u>	<u>2,477,811</u>	<u>-</u>	<u>2,860,882</u>
-	-	-	-	-	-	-	-	-	-
185,872	121,283	510	307,665	-	-	-	-	1,234,995	1,234,995
-	-	-	-	-	-	-	-	-	307,665
-	-	-	-	237	-	685,001	685,238	-	1,989,543
<u>185,872</u>	<u>(3,570)</u>	<u>-</u>	<u>(3,420)</u>	<u>-</u>	<u>206,786</u>	<u>1,590,505</u>	<u>1,797,291</u>	<u>-</u>	<u>5,868,110</u>
<u>185,872</u>	<u>117,713</u>	<u>510</u>	<u>304,245</u>	<u>237</u>	<u>206,786</u>	<u>2,275,506</u>	<u>2,482,529</u>	<u>1,234,995</u>	<u>9,400,313</u>
<u>\$ 365,693</u>	<u>\$ 121,283</u>	<u>\$ 510</u>	<u>\$ 487,636</u>	<u>\$ 1,249,397</u>	<u>\$ 1,435,437</u>	<u>\$ 2,275,506</u>	<u>\$ 4,960,340</u>	<u>\$ 1,234,995</u>	<u>\$ 12,261,195</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, 2008

	Special Revenue						Total	General
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Economic Development	Conservation Trust	Community Development		
REVENUES								
Taxes	\$ 2,259,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,259,046	\$ -
Intergovernmental	-	-	-	-	527,372	359,740	887,112	-
Charges for services	45,878	1,382,046	-	-	-	-	1,427,924	-
Miscellaneous	-	-	994,044	-	-	-	994,044	-
Investment income	41,640	61,143	92,994	10,588	5,896	-	212,261	-
Total revenues	<u>2,346,564</u>	<u>1,443,189</u>	<u>1,087,038</u>	<u>10,588</u>	<u>533,268</u>	<u>359,740</u>	<u>5,780,387</u>	<u>-</u>
EXPENDITURES								
Current:								
General government	2,330,938	-	728,418	3,036,932	-	-	6,096,288	-
Urban development and housing	-	-	-	-	-	229,193	229,193	-
Debt service:								
Principal	-	-	-	-	-	-	-	3,398,181
Interest	-	-	-	-	-	-	-	3,627,457
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>2,330,938</u>	<u>-</u>	<u>728,418</u>	<u>3,036,932</u>	<u>-</u>	<u>229,193</u>	<u>6,325,481</u>	<u>7,025,638</u>
Excess (deficiency) of revenues over (under) expenditures	15,626	1,443,189	358,620	(3,026,344)	533,268	130,547	(545,094)	(7,025,638)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	3,477,543	-	-	3,477,543	7,025,638
Transfers out	-	(577,342)	(1,030,567)	-	(534,063)	(128,500)	(2,270,472)	-
Total other financing sources (uses)	<u>-</u>	<u>(577,342)</u>	<u>(1,030,567)</u>	<u>3,477,543</u>	<u>(534,063)</u>	<u>(128,500)</u>	<u>1,207,071</u>	<u>7,025,638</u>
Net change in fund balance	15,626	865,847	(671,947)	451,199	(795)	2,047	661,977	-
Fund balances - beginning	1,009,170	844,625	2,193,545	661,378	1,040	6,809	4,716,567	150
Fund balances - ending	<u>\$ 1,024,796</u>	<u>\$ 1,710,472</u>	<u>\$ 1,521,598</u>	<u>\$ 1,112,577</u>	<u>\$ 245</u>	<u>\$ 8,856</u>	<u>\$ 5,378,544</u>	<u>\$ 150</u>

Debt Service				Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJWWSD	GJ Public Finance	Total	Storm Drainage Development	Street Assessment Projects	Facilities Capital Projects	Total	Cemetery Perpetual Care	
\$ 195,079	\$ -	\$ -	\$ 195,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,454,125
-	-	-	-	2,818,815	-	-	2,818,815	-	3,705,927
-	-	-	-	-	1,700,420	-	1,700,420	16,910	3,145,254
-	2,972	-	2,972	70,945	-	-	70,945	-	1,067,961
11,840	5,532	-	17,372	-	109,201	108,839	218,040	57,986	505,659
<u>206,919</u>	<u>8,504</u>	<u>-</u>	<u>215,423</u>	<u>2,889,760</u>	<u>1,809,621</u>	<u>108,839</u>	<u>4,808,220</u>	<u>74,896</u>	<u>10,878,926</u>
300	-	-	300	-	-	-	-	-	6,096,588
-	-	-	-	-	-	-	-	-	229,193
155,000	-	-	3,553,181	-	-	-	-	-	3,553,181
66,490	-	-	3,693,947	-	-	-	-	-	3,693,947
-	-	-	-	7,517,635	1,741	620,586	8,139,962	-	8,139,962
<u>221,790</u>	<u>-</u>	<u>-</u>	<u>7,247,428</u>	<u>7,517,635</u>	<u>1,741</u>	<u>620,586</u>	<u>8,139,962</u>	<u>-</u>	<u>21,712,871</u>
(14,871)	8,504	-	(7,032,005)	(4,627,875)	1,807,880	(511,747)	(3,331,742)	74,896	(10,833,945)
-	-	-	7,025,638	3,273,673	-	-	3,273,673	-	13,776,854
-	-	-	-	-	(2,857,648)	-	(2,857,648)	(46,852)	(5,174,972)
-	-	-	7,025,638	3,273,673	(2,857,648)	-	416,025	(46,852)	8,601,882
(14,871)	8,504	-	(6,367)	(1,354,202)	(1,049,768)	(511,747)	(2,915,717)	28,044	(2,232,063)
200,743	109,209	510	310,612	1,354,439	1,256,554	2,787,253	5,398,246	1,206,951	11,632,376
<u>\$ 185,872</u>	<u>\$ 117,713</u>	<u>\$ 510</u>	<u>\$ 304,245</u>	<u>\$ 237</u>	<u>\$ 206,786</u>	<u>\$ 2,275,506</u>	<u>\$ 2,482,529</u>	<u>\$ 1,234,995</u>	<u>\$ 9,400,313</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,320,341	\$ 2,322,190	\$ 2,259,046	\$ (63,144)
Charges for services	25,300	57,100	45,878	(11,222)
Miscellaneous	100	100	-	(100)
Investment income	39,169	39,169	41,640	2,471
Total revenues	<u>2,384,910</u>	<u>2,418,559</u>	<u>2,346,564</u>	<u>(71,995)</u>
EXPENDITURES				
Current:				
General government:	<u>2,477,779</u>	<u>2,477,779</u>	<u>2,330,938</u>	<u>146,841</u>
Deficiency of revenues under expenditures	(92,869)	(59,220)	15,626	74,846
Fund balances - beginning	1,009,170	1,009,170	1,009,170	-
Fund balances - ending	<u>\$ 916,301</u>	<u>\$ 949,950</u>	<u>\$ 1,024,796</u>	<u>\$ 74,846</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, 2008

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Charges for services	\$ 1,605,000	\$ 1,382,046	\$ (222,954)
Investment income	28,901	61,143	32,242
Total revenues	<u>1,633,901</u>	<u>1,443,189</u>	<u>(190,712)</u>
EXPENDITURES			
	-	-	-
Excess of revenues over expenditures	1,633,901	1,443,189	(190,712)
OTHER FINANCING USES			
Transfers out	<u>(1,483,756)</u>	<u>(577,342)</u>	<u>906,414</u>
Net change in fund balance	150,145	865,847	715,702
Fund balances - beginning	844,625	844,625	-
Fund balances - ending	<u>\$ 994,770</u>	<u>\$ 1,710,472</u>	<u>\$ 715,702</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 1,101,333	\$ 1,101,333	\$ 994,044	\$ (107,289)
Investment income	75,457	75,457	92,994	17,537
Total revenues	<u>1,176,790</u>	<u>1,176,790</u>	<u>1,087,038</u>	<u>(89,752)</u>
EXPENDITURES				
Current:				
General government:	<u>31,200</u>	<u>31,200</u>	<u>728,418</u>	<u>(697,218)</u>
Excess of revenues over expenditures	1,145,590	1,145,590	358,620	(786,970)
OTHER FINANCING USES				
Transfers out	<u>(1,141,000)</u>	<u>(1,727,785)</u>	<u>(1,030,567)</u>	<u>697,218</u>
Total other financing uses	<u>(1,141,000)</u>	<u>(1,727,785)</u>	<u>(1,030,567)</u>	<u>697,218</u>
Net change in fund balance	4,590	(582,195)	(671,947)	(89,752)
Fund balances - beginning	2,193,545	2,193,545	2,193,545	-
Fund balances - ending	<u>\$ 2,198,135</u>	<u>\$ 1,611,350</u>	<u>\$ 1,521,598</u>	<u>\$ (89,752)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 7,705	\$ 7,705	\$ 10,588	\$ 2,883
EXPENDITURES				
Current:				
General government:	3,820,000	4,031,399	3,036,932	994,467
Deficiency of revenues under expenditures	(3,812,295)	(4,023,694)	(3,026,344)	997,350
OTHER FINANCING SOURCES (USES)				
Transfers in	3,477,543	3,477,543	3,477,543	
Total other financing sources (uses)	3,477,543	3,477,543	3,477,543	-
Net change in fund balance	(334,752)	(546,151)	451,199	997,350
Fund balances - beginning	661,378	661,378	661,378	-
Fund balances - ending	\$ 326,626	\$ 115,227	\$ 1,112,577	\$ 997,350

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, 2008

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 555,000	\$ 527,372	\$ (27,628)
Investment income	630	5,896	5,266
Total revenues	<u>555,630</u>	<u>533,268</u>	<u>(22,362)</u>
EXPENDITURES			
	-	-	-
Excess of revenues over expenditures	555,630	533,268	(22,362)
OTHER FINANCING USES			
Transfers out	<u>(583,000)</u>	<u>(534,063)</u>	48,937
Net change in fund balance	(27,370)	(795)	26,575
Fund balances - beginning	1,040	1,040	-
Fund balances - ending	<u>\$ (26,330)</u>	<u>\$ 245</u>	<u>\$ 26,575</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, 2008

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 412,043	\$ 359,740	\$ (52,303)
EXPENDITURES			
Current:			
Urban development and housing	392,043	229,193	162,850
Excess (deficiency) of revenues over (under) expenditures	20,000	130,547	110,547
OTHER FINANCING USES			
Transfers out	(20,000)	(128,500)	(108,500)
Net change in fund balance	-	2,047	2,047
Fund balances - beginning	6,809	6,809	-
Fund balances - ending	\$ 6,809	\$ 8,856	\$ 2,047

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, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
Debt service:			
Principal retirement	3,398,182	3,398,182	-
Interest and fiscal charges	3,627,456	3,627,456	-
Total expenditures	<u>7,025,638</u>	<u>7,025,638</u>	<u>-</u>
 Deficiency of revenues under expenditures	 (7,025,638)	 (7,025,638)	 -
OTHER FINANCING SOURCES			
Transfers in	<u>7,025,638</u>	<u>7,025,638</u>	<u>-</u>
 Net change in fund balance	 -	 -	 -
Fund balances - beginning	150	150	-
Fund balances - ending	<u>\$ 150</u>	<u>\$ 150</u>	<u>\$ -</u>

City of Grand Junction, Colorado
RIDGES DEBT SERVICE FUND

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

For the year ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Taxes	\$ 162,000	\$ 195,079	\$ 33,079
Investment income	7,844	11,840	3,996
Total revenues	<u>169,844</u>	<u>206,919</u>	<u>37,075</u>
EXPENDITURES			
Current:			
General government	300	300	-
Debt service:			
Principal retirement	155,000	155,000	-
Interest and fiscal charges	66,490	66,490	-
Total expenditures	<u>221,790</u>	<u>221,790</u>	<u>-</u>
Deficiency of revenues under expenditures	(51,946)	(14,871)	37,075
Fund balances - beginning	200,743	200,743	-
Fund balances - ending	<u>\$ 148,797</u>	<u>\$ 185,872</u>	<u>\$ 37,075</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, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Miscellaneous	\$ -	\$ 2,972	\$ 2,972
Investment income	-	5,532	5,532
Total revenues	<u>-</u>	<u>8,504</u>	<u>8,504</u>
EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
Deficiency of revenues under expenditures	-	8,504	8,504
Fund balances - beginning	109,209	109,209	-
Fund balances - ending	<u>\$ 109,209</u>	<u>\$ 117,713</u>	<u>\$ 8,504</u>

City of Grand Junction, Colorado
GRAND JUNCTION PUBLIC FINANCE CORPORATION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET TO ACTUAL
For the year ended December 31, 2008

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

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, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment income	\$ -	\$ 84,521	\$ 84,521
EXPENDITURES			
	-	-	-
Excess of revenues over expenditures	-	84,521	84,521
OTHER FINANCING SOURCES			
Transfers in	9,289,733	9,289,733	-
Net change in fund balance	9,289,733	9,374,254	84,521
Fund balances - beginning	-	-	-
Fund balances - ending	\$ 9,289,733	\$ 9,374,254	\$ 84,521

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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 14,086,726	\$ 13,744,531	\$ 13,627,428	\$ (117,103)
Intergovernmental	4,484,130	4,456,497	3,959,351	(497,146)
Special assessments	105,000	56,000	24,493	(31,507)
Investment income	32,548	32,548	11,008	(21,540)
Miscellaneous	-	-	141,062	141,062
Total revenues	<u>18,708,404</u>	<u>18,289,576</u>	<u>17,763,342</u>	<u>(526,234)</u>
EXPENDITURES				
Debt service:				
Principal retirement	165,572	165,572	165,572	-
Capital outlay:				
Construction	<u>13,142,924</u>	<u>21,935,591</u>	<u>18,961,015</u>	<u>2,974,576</u>
Total expenditures	<u>13,308,496</u>	<u>22,101,163</u>	<u>19,126,587</u>	<u>2,974,576</u>
Excess (deficiency) of revenues over (under) expenditures	5,399,908	(3,811,587)	(1,363,245)	2,448,342
OTHER FINANCING SOURCES (USES)				
Transfers in	9,443,598	16,640,838	12,281,212	(4,359,626)
Transfers out	<u>(17,019,312)</u>	<u>(18,963,335)</u>	<u>(17,585,779)</u>	<u>1,377,556</u>
Total other financing sources (uses)	<u>(7,575,714)</u>	<u>(2,322,497)</u>	<u>(5,304,567)</u>	<u>(2,982,070)</u>
Net change in fund balance	(2,175,806)	(6,134,084)	(6,667,812)	(533,728)
Fund balances - beginning	6,667,812	6,667,812	6,667,812	-
Fund balances - ending	<u>\$ 4,492,006</u>	<u>\$ 533,728</u>	<u>\$ -</u>	<u>\$ (533,728)</u>

City of Grand Junction, Colorado
PARKWAY PROJECT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the year ended December 31, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,524,000	\$ 3,524,000	\$ 3,750,189	\$ 226,189
Investment income	-	-	102,805	102,805
Total revenues	<u>3,524,000</u>	<u>3,524,000</u>	<u>3,852,994</u>	<u>328,994</u>
EXPENDITURES				
Capital outlay:				
Construction	10,545,174	10,545,174	9,383,276	1,161,898
Total expenditures	<u>10,545,174</u>	<u>10,545,174</u>	<u>9,383,276</u>	<u>1,161,898</u>
Deficiency of revenues under expenditures	(7,021,174)	(7,021,174)	(5,530,282)	1,490,892
OTHER FINANCING SOURCES				
Transfers in	6,382,174	7,552,289	6,082,982	(1,469,307)
Sale of Capital assets	639,000	-	-	-
Total other financing sources	<u>7,021,174</u>	<u>7,552,289</u>	<u>6,082,982</u>	<u>(1,469,307)</u>
Net change in fund balance	-	531,115	552,700	21,585
Fund balances - beginning	(552,700)	(552,700)	(552,700)	-
Fund balances - ending	<u>\$ (552,700)</u>	<u>\$ (21,585)</u>	<u>\$ -</u>	<u>\$ 21,585</u>

City of Grand Junction, Colorado
STORM DRAINAGE DEVELOPMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 3,000,000	\$ 2,818,815	\$ (181,185)
Miscellaneous:				
Development fees	85,000	125,000	70,945	(54,055)
Investment income	14,288	14,288	-	(14,288)
Total revenues	<u>99,288</u>	<u>3,139,288</u>	<u>2,889,760</u>	<u>(249,528)</u>
EXPENDITURES				
Capital outlay:				
Construction	<u>1,722,300</u>	<u>7,517,635</u>	<u>7,517,635</u>	<u>-</u>
Deficiency of revenues under expenditures	(1,623,012)	(4,378,347)	(4,627,875)	(249,528)
OTHER FINANCING SOURCES				
Transfers in	<u>1,500,000</u>	<u>3,023,908</u>	<u>3,273,673</u>	<u>249,765</u>
Net change in fund balance	(123,012)	(1,354,439)	(1,354,202)	237
Fund balances - beginning	1,354,439	1,354,439	1,354,439	-
Fund balances - ending	<u>\$ 1,231,427</u>	<u>\$ -</u>	<u>\$ 237</u>	<u>\$ 237</u>

City of Grand Junction, Colorado
STREET ASSESSMENT PROJECTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Development fees	\$ 2,225,000	\$ 1,525,000	\$ 1,700,420	\$ 175,420
Investment income	77,835	77,835	109,201	31,366
Total revenues	<u>2,302,835</u>	<u>1,602,835</u>	<u>1,809,621</u>	<u>206,786</u>
EXPENDITURES				
Capital outlay:				
Construction	-	-	1,741	(1,741)
Excess of revenues over expenditures	2,302,835	1,602,835	1,807,880	205,045
OTHER FINANCING USES				
Transfers out	(1,995,000)	(2,859,389)	(2,857,648)	1,741
Net change in fund balance	307,835	(1,256,554)	(1,049,768)	206,786
Fund balances - beginning	1,256,554	1,256,554	1,256,554	-
Fund balances - ending	<u>\$ 1,564,389</u>	<u>\$ -</u>	<u>\$ 206,786</u>	<u>\$ 206,786</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 39,863	\$ 39,863	\$ 108,839	\$ 68,976
Total revenues	<u>39,863</u>	<u>39,863</u>	<u>108,839</u>	<u>68,976</u>
EXPENDITURES				
Capital outlay:				
Construction	<u>172,820</u>	<u>804,462</u>	<u>620,586</u>	<u>183,876</u>
Deficiency of revenues under expenditures	(132,957)	(764,599)	(511,747)	252,852
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	617,043	(764,599)	(511,747)	252,852
Fund balances - beginning	<u>2,787,253</u>	<u>2,787,253</u>	<u>2,787,253</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,404,296</u>	<u>\$ 2,022,654</u>	<u>\$ 2,275,506</u>	<u>\$ 252,852</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, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Perpetual care revenue	\$ 31,000	\$ 16,910	\$ (14,090)
Investment income	52,565	57,986	5,421
Total revenues	<u>83,565</u>	<u>74,896</u>	<u>(8,669)</u>
EXPENDITURES			
	-	-	-
Excess revenues over expenditures	83,565	74,896	(8,669)
OTHER FINANCING USES			
Transfers out	<u>(52,565)</u>	<u>(46,852)</u>	<u>5,713</u>
Net change in fund balance	31,000	28,044	(2,956)
Fund balances - beginning	1,206,951	1,206,951	-
Fund balances - ending	<u>\$ 1,237,951</u>	<u>\$ 1,234,995</u>	<u>\$ (2,956)</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.

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

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

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.

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

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.



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City of Grand Junction, Colorado
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
December 31, 2008

	Business-Type Activities - Enterprise Funds			
	Solid Waste Removal	Swimming Pools	Lincoln Park Golf Course	Tiara Rado Golf Course
ASSETS				
Current assets:				
Cash and investments	\$ 723,198	\$ 3,739	\$ 2,237	\$ 203,357
Accounts receivable, net of allowance	336,433	5,192	-	111
Intergovernmental receivable	-	56,962	-	-
Inventory	-	-	27,250	63,964
Total current assets	<u>1,059,631</u>	<u>65,893</u>	<u>29,487</u>	<u>267,432</u>
Noncurrent assets:				
Capital assets:				
Land	-	-	19,370	871,986
Buildings, improvements, plant and system	36,299	4,427,749	1,732,968	2,147,170
Equipment	897,593	318,447	90,107	103,273
Construction in progress	-	327,125	-	-
Less accumulated depreciation	<u>(733,228)</u>	<u>(3,509,706)</u>	<u>(938,424)</u>	<u>(1,595,229)</u>
Total capital assets (net of accumulated depreciation)	<u>200,664</u>	<u>1,563,615</u>	<u>904,021</u>	<u>1,527,200</u>
Total noncurrent assets	<u>200,664</u>	<u>1,563,615</u>	<u>904,021</u>	<u>1,527,200</u>
Total assets	<u>1,260,295</u>	<u>1,629,508</u>	<u>933,508</u>	<u>1,794,632</u>
LIABILITIES				
Current liabilities:				
Accounts payable	97,926	48,345	17,285	29,266
Accrued liabilities	48,883	17,549	12,111	29,263
Compensated absences payable	9,683	1,042	2,190	5,194
Due to other funds	-	-	-	27,381
Total current liabilities	<u>156,492</u>	<u>66,936</u>	<u>31,586</u>	<u>91,104</u>
Noncurrent liabilities:				
Compensated absences payable	123,951	13,344	28,029	66,487
Advances from other funds - general fund	-	-	-	170,970
Total noncurrent liabilities	<u>123,951</u>	<u>13,344</u>	<u>28,029</u>	<u>237,457</u>
Total liabilities	<u>280,443</u>	<u>80,280</u>	<u>59,615</u>	<u>328,561</u>
NET ASSETS				
Invested in capital assets, net of related debt	200,664	1,563,615	904,021	1,527,200
Unrestricted	779,188	(14,387)	(30,128)	(61,129)
Total net assets	<u>\$ 979,852</u>	<u>\$ 1,549,228</u>	<u>\$ 873,893</u>	<u>\$ 1,466,071</u>

<u>Irrigation</u>	<u>Ambulance Transport</u>	<u>Total</u>
\$ 146,032	\$ -	\$ 1,078,563
20,503	1,012,801	1,375,040
-	-	56,962
-	-	91,214
<u>166,535</u>	<u>1,012,801</u>	<u>2,601,779</u>
-	-	891,356
3,375,059	-	11,719,245
5,247	388,415	1,803,082
-	-	327,125
<u>(2,186,573)</u>	<u>(100,782)</u>	<u>(9,063,942)</u>
1,193,733	287,633	5,676,866
<u>1,193,733</u>	<u>287,633</u>	<u>5,676,866</u>
<u>1,360,268</u>	<u>1,300,434</u>	<u>8,278,645</u>
9	42,902	235,733
4,831	74,411	187,048
696	3,640	22,445
-	254,479	281,860
<u>5,536</u>	<u>375,432</u>	<u>727,086</u>
8,915	46,600	287,326
-	315,812	486,782
<u>8,915</u>	<u>362,412</u>	<u>774,108</u>
<u>14,451</u>	<u>737,844</u>	<u>1,501,194</u>
1,193,733	287,633	5,676,866
152,084	274,957	1,100,585
<u>\$ 1,345,817</u>	<u>\$ 562,590</u>	<u>\$ 6,777,451</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, 2008

	Business-Type Activities - Enterprise Funds			
	Solid Waste Removal	Swimming Pools	Lincoln Park Golf Course	Tiara Rado Golf Course
Operating revenues:				
Charges for sales and services	\$ 3,051,483	\$ 561,786	\$ 773,639	\$ 1,447,565
Operating expenses:				
Personal services	982,939	505,778	377,596	743,697
Costs of sales and services	1,900,739	305,401	342,710	668,129
Depreciation and amortization	23,647	203,797	78,530	57,087
Total operating expenses	<u>2,907,325</u>	<u>1,014,976</u>	<u>798,836</u>	<u>1,468,913</u>
Operating income (loss)	<u>144,158</u>	<u>(453,190)</u>	<u>(25,197)</u>	<u>(21,348)</u>
Nonoperating revenues (expenses):				
Intergovernmental	-	118,710	-	-
Investment income	32,249	-	-	8,353
Interest expense	-	-	(1,241)	(16,787)
Total nonoperating revenues (expenses)	<u>32,249</u>	<u>118,710</u>	<u>(1,241)</u>	<u>(8,434)</u>
Income (loss) before contributions and transfers	<u>176,407</u>	<u>(334,480)</u>	<u>(26,438)</u>	<u>(29,782)</u>
Capital contributions - tap fees	-	-	-	-
Transfers in	-	604,371	-	-
Change in net assets	<u>176,407</u>	<u>269,891</u>	<u>(26,438)</u>	<u>(29,782)</u>
Total net assets - beginning	803,445	1,279,337	900,331	1,495,853
Total net assets - ending	<u>\$ 979,852</u>	<u>\$ 1,549,228</u>	<u>\$ 873,893</u>	<u>\$ 1,466,071</u>

<u>Irrigation</u>	<u>Ambulance Transport</u>	<u>Total</u>
\$ 204,956	\$ 3,525,155	\$ 9,564,584
99,856	1,753,696	4,463,562
130,470	1,589,334	4,936,783
88,382	40,313	491,756
<u>318,708</u>	<u>3,383,343</u>	<u>9,892,101</u>
<u>(113,752)</u>	<u>141,812</u>	<u>(327,517)</u>
-	-	118,710
7,481	4,859	52,942
-	(31,581)	(49,609)
<u>7,481</u>	<u>(26,722)</u>	<u>122,043</u>
(106,271)	115,090	(205,474)
2,080	-	2,080
-	-	604,371
(104,191)	115,090	400,977
<u>1,450,008</u>	<u>447,500</u>	<u>6,376,474</u>
<u>\$ 1,345,817</u>	<u>\$ 562,590</u>	<u>\$ 6,777,451</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the year ended December 31, 2008

	Business-Type Activities - Enterprise Funds			
	Solid Waste Removal	Swimming Pools	Lincoln Park Golf Course	Tiara Rado Golf Course
Cash flows from operating activities:				
Cash received from customers and users	\$ 3,001,320	\$ 603,173	\$ 770,059	\$ 1,401,295
Cash paid to suppliers	(1,870,788)	(276,580)	(336,103)	(663,346)
Cash paid to employees	(964,302)	(500,426)	(370,315)	(735,309)
Miscellaneous nonoperating receipts	-	-	3,580	46,159
Net cash provided (used) by operating activities	<u>166,230</u>	<u>(173,833)</u>	<u>67,221</u>	<u>48,799</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	-	604,371	-	-
Increase (decrease) in amount due other funds	-	(65,531)	(24,349)	1,910
Intergovernmental receipts	-	118,711	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>657,551</u>	<u>(24,349)</u>	<u>1,910</u>
Cash flows from capital and related financing activities:				
Tap fees	-	-	-	-
Advance (Repayment) of interfund capital loans	-	-	-	(27,381)
Interest paid	-	-	(1,241)	(16,787)
Purchase of capital assets	(49,221)	(479,979)	(39,394)	(30,428)
Net cash used in capital and related financing activities	<u>(49,221)</u>	<u>(479,979)</u>	<u>(40,635)</u>	<u>(74,596)</u>
Cash flows from investing activities:				
Investment income received	32,249	-	-	8,353
Net cash provided (used) by investing activities	<u>32,249</u>	<u>-</u>	<u>-</u>	<u>8,353</u>
Net increase (decrease) in cash and cash equivalents	149,258	3,739	2,237	(15,534)
Cash and cash equivalents, January 1	573,940	-	-	218,891
Cash and cash equivalents, December 31	<u>\$ 723,198</u>	<u>\$ 3,739</u>	<u>\$ 2,237</u>	<u>\$ 203,357</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 144,158	\$ (453,190)	\$ (25,197)	\$ (21,348)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	23,647	203,797	78,530	57,087
(Increase) decrease in accounts receivable	(50,163)	41,386	-	(111)
(Increase) decrease in inventory	-	-	3,702	3,325
Increase (decrease) in accounts payable	29,950	61,117	43,891	1,458
Increase (decrease) in accrued liabilities and compensated absences payable	18,638	5,351	7,281	8,388
(Increase) decrease in accounts payable due to the purchase of fixed assets on account	-	(32,294)	(40,986)	-
Total adjustments	<u>22,072</u>	<u>279,357</u>	<u>92,418</u>	<u>70,147</u>
Net cash provided (used) by operating activities	<u>\$ 166,230</u>	<u>\$ (173,833)</u>	<u>\$ 67,221</u>	<u>\$ 48,799</u>

	Irrigation	Ambulance Transport	Total
\$	201,751	\$ 2,168,961	\$ 8,146,559
	(130,791)	(506,000)	(3,783,608)
	(97,841)	(1,756,894)	(4,425,087)
	-	-	49,739
	<u>(26,881)</u>	<u>(93,933)</u>	<u>(12,397)</u>
	-	-	604,371
	-	96,573	8,603
	-	-	118,711
	<u>-</u>	<u>96,573</u>	<u>731,685</u>
	2,080	-	2,080
	-	(157,906)	(185,287)
	-	(31,581)	(49,609)
	<u>(5,247)</u>	<u>-</u>	<u>(604,269)</u>
	<u>(3,167)</u>	<u>(189,487)</u>	<u>(837,085)</u>
	7,481	4,859	52,942
	<u>7,481</u>	<u>4,859</u>	<u>52,942</u>
	(22,567)	(181,988)	(64,855)
	168,599	181,988	1,143,418
\$	<u>146,032</u>	<u>-</u>	<u>1,078,563</u>
\$	(113,752)	\$ 141,812	\$ (327,517)
	88,382	40,313	491,756
	(3,204)	(292,214)	(304,306)
	-	-	7,027
	(322)	20,311	156,405
	2,015	(3,198)	38,475
	-	(957)	(74,237)
	<u>86,871</u>	<u>(235,745)</u>	<u>315,120</u>
\$	<u>(26,881)</u>	<u>(93,933)</u>	<u>(12,397)</u>

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2008

	<u>Data Processing</u>	<u>Equipment</u>	<u>Self- Insurance</u>	<u>Communications Center</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and investments	\$ 968,980	\$ 7,101,073	\$ 7,309,921	\$ 1,416,728	\$ 16,796,702
Accounts receivable, net of allowance	-	2,188	2,099	157	4,444
Intergovernmental receivable	19,100	1,131	-	394,921	415,152
Total current assets	<u>988,080</u>	<u>7,104,392</u>	<u>7,312,020</u>	<u>1,811,806</u>	<u>17,216,298</u>
Noncurrent assets:					
Capital assets:					
Buildings and improvements	-	1,248,439	-	1,225,237	2,473,676
Equipment	2,396,797	17,957,540	-	6,407,333	26,761,670
Less accumulated depreciation	<u>(756,206)</u>	<u>(12,105,587)</u>	<u>-</u>	<u>(3,160,465)</u>	<u>(16,022,258)</u>
Total capital assets (net of accumulated depreciation)	<u>1,640,591</u>	<u>7,100,392</u>	<u>-</u>	<u>4,472,105</u>	<u>13,213,088</u>
Total assets	<u>2,628,671</u>	<u>14,204,784</u>	<u>7,312,020</u>	<u>6,283,911</u>	<u>30,429,386</u>
LIABILITIES					
Current liabilities:					
Accounts payable	78,265	116,903	25,300	21,452	241,920
Accrued liabilities	110,595	33,729	9,558	147,367	301,249
Compensated absences payable	10,442	3,142	2,133	8,879	24,596
Claims payable	-	-	1,220,680	-	1,220,680
Total current liabilities	<u>199,302</u>	<u>153,774</u>	<u>1,257,671</u>	<u>177,698</u>	<u>1,788,445</u>
Noncurrent liabilities					
Compensated absences payable	<u>133,662</u>	<u>40,217</u>	<u>27,298</u>	<u>113,654</u>	<u>314,831</u>
Total liabilities	<u>332,964</u>	<u>193,991</u>	<u>1,284,969</u>	<u>291,352</u>	<u>2,103,276</u>
NET ASSETS					
Invested in capital assets	1,640,591	7,100,392	-	4,472,105	13,213,088
Unrestricted	<u>655,116</u>	<u>6,910,401</u>	<u>6,027,051</u>	<u>1,520,454</u>	<u>15,113,022</u>
Total net assets	<u>\$ 2,295,707</u>	<u>\$ 14,010,793</u>	<u>\$ 6,027,051</u>	<u>\$ 5,992,559</u>	<u>\$ 28,326,110</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, 2008

	Data Processing	Equipment	Stores	Self- Insurance	Communications Center	Total
Operating revenues:						
Charges for sales and services:	\$ 3,449,455	\$ 3,507,270	\$ -	\$ 1,179,188	\$ 3,723,880	\$ 11,859,793
Miscellaneous	-	-	-	272,624	-	272,624
Total operating revenues	<u>3,449,455</u>	<u>3,507,270</u>	<u>-</u>	<u>1,451,812</u>	<u>3,723,880</u>	<u>12,132,417</u>
Operating expenses:						
Personal services	2,036,566	616,031	-	300,507	2,968,717	5,921,821
Costs of sales and services	1,401,160	1,768,245	-	1,583,670	823,424	5,576,499
Depreciation and amortization	126,125	1,415,439	-	-	652,976	2,194,540
Total operating expenses	<u>3,563,851</u>	<u>3,799,715</u>	<u>-</u>	<u>1,884,177</u>	<u>4,445,117</u>	<u>13,692,860</u>
Operating income (loss)	<u>(114,396)</u>	<u>(292,445)</u>	<u>-</u>	<u>(432,365)</u>	<u>(721,237)</u>	<u>(1,560,443)</u>
Nonoperating revenues (expenses):						
Intergovernmental	-	15,000	-	-	367,368	382,368
Investment income	64,489	356,046	-	340,240	59,832	820,607
Gain (loss) on disposition of property and equipment	-	112,622	-	-	-	112,622
Total nonoperating revenues (expenses)	<u>64,489</u>	<u>483,668</u>	<u>-</u>	<u>340,240</u>	<u>427,200</u>	<u>1,315,597</u>
Income (loss) before transfers	<u>(49,907)</u>	<u>191,223</u>	<u>-</u>	<u>(92,125)</u>	<u>(294,037)</u>	<u>(244,846)</u>
Transfers in	-	-	-	-	577,342	577,342
Transfers out	-	-	(240,036)	-	-	(240,036)
Change in net assets	<u>(49,907)</u>	<u>191,223</u>	<u>(240,036)</u>	<u>(92,125)</u>	<u>283,305</u>	<u>92,460</u>
Total net assets - beginning	<u>2,345,614</u>	<u>13,819,570</u>	<u>240,036</u>	<u>6,119,176</u>	<u>5,709,254</u>	<u>28,233,650</u>
Total net assets - ending	<u>\$ 2,295,707</u>	<u>\$ 14,010,793</u>	<u>\$ -</u>	<u>\$ 6,027,051</u>	<u>\$ 5,992,559</u>	<u>\$ 28,326,110</u>

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2008

	Data Processing	Equipment	Stores	Self Insurance	Communications Center	Total
Cash flows from operating activities:						
Cash received from customers and users	\$ 3,430,354	\$ 3,509,178	\$ -	\$ 1,182,746	\$ 3,505,161	\$ 11,627,439
Cash paid to suppliers	(1,396,763)	(1,802,917)	-	(1,433,866)	(1,204,726)	(5,838,272)
Cash paid to employees	(1,962,489)	(594,128)	-	(296,173)	(2,892,438)	(5,745,228)
Miscellaneous nonoperating receipts	-	-	-	272,624	-	272,624
Net cash provided (used) by operating activities	<u>71,102</u>	<u>1,112,133</u>	<u>-</u>	<u>(274,669)</u>	<u>(592,003)</u>	<u>316,563</u>
Cash flows from noncapital financing activities:						
Transfers from other funds	-	-	-	-	577,342	577,342
Transfers to other funds	-	-	(126,823)	-	-	(126,823)
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(126,823)</u>	<u>-</u>	<u>577,342</u>	<u>450,519</u>
Cash flows from capital and related financing activities:						
Intergovernmental receipts	-	15,000	-	-	367,368	382,368
Proceeds from disposition of capital assets	-	90,807	-	-	-	90,807
Purchase of capital assets	(1,432,720)	(2,570,198)	-	-	(770,026)	(4,772,944)
Net cash used in capital and related financing activities	<u>(1,432,720)</u>	<u>(2,464,391)</u>	<u>-</u>	<u>-</u>	<u>(402,658)</u>	<u>(4,299,769)</u>
Cash flows from investing activities:						
Investment income received	64,489	356,045	-	340,240	59,832	820,606
Net cash provided by investing activities	<u>64,489</u>	<u>356,045</u>	<u>-</u>	<u>340,240</u>	<u>59,832</u>	<u>820,606</u>
Net increase in cash and cash equivalents	(1,297,129)	(996,214)	(126,823)	65,571	(357,487)	(2,712,082)
Cash and cash equivalents, January 1	2,266,109	8,097,287	126,823	7,244,350	1,774,215	19,508,784
Cash and cash equivalents, December 31	<u>\$ 968,980</u>	<u>\$ 7,101,073</u>	<u>\$ -</u>	<u>\$ 7,309,921</u>	<u>\$ 1,416,728</u>	<u>\$ 16,796,702</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (114,396)	\$ (292,445)	\$ -	\$ (432,365)	\$ (721,237)	\$ (1,560,443)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	126,125	1,415,439	-	-	652,976	2,194,540
(Increase) decrease in accounts receivable	(19,100)	1,908	-	3,558	(218,718)	(232,352)
Increase (decrease) in accounts payable	33,302	(83,355)	-	(104,356)	(755,857)	(910,266)
Increase (decrease) in claims payable	-	-	-	254,160	-	254,160
Increase (decrease) in accrued wages and compensated absences payable	74,077	21,903	-	4,334	76,279	176,593
(Increase) decrease in accounts payable due to purchase of capital assets on account	(28,906)	48,683	-	-	374,554	394,331
Total adjustments	<u>185,498</u>	<u>1,404,578</u>	<u>-</u>	<u>157,696</u>	<u>129,234</u>	<u>1,877,006</u>
Net cash provided (used) by operating activities	<u>\$ 71,102</u>	<u>\$ 1,112,133</u>	<u>\$ -</u>	<u>\$ (274,669)</u>	<u>\$ (592,003)</u>	<u>\$ 316,563</u>
Noncash Investing, Capital and Financing Activities						
Purchase of capital assets on account	\$ 59,084	\$ 8,492	\$ -	\$ -	\$ 2,565	\$ 70,141
Net book value of capital assets traded in on capital assets acquired	-	75,212	-	-	-	75,212
Trade in value of disposed assets	-	122,558	-	-	-	122,558
Transfer of non-cash assets	-	-	113,213	-	-	113,213

CITY OF GRAND JUNCTION, COLORADO



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.

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

Pension Trust Funds

Police Old Hire Pension Trust Fund ~ to account for assets for the Police Old Hire Defined Benefit Pension Plan invested in and administered by the Fire and Police Pension Association of Colorado for qualified 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, 2008

	Police Old Hire	Fire Old Hire	Total
ASSETS			
Cash and investments	\$ 2,590,260	\$ 8,805,830	\$ 11,396,090
LIABILITIES	-	-	-
NET ASSETS HELD IN TRUST FOR:			
Pension benefits	\$ 2,590,260	\$ 8,805,830	\$ 11,396,090

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
For the year ended December 31, 2008

	Police Old Hire	Fire Old Hire	Total
ADDITIONS			
Contributions:			
City	\$ 426,799	\$ 9,645	\$ 436,444
Plan member	-	290,337	290,337
State government	396,694	-	396,694
Total contributions	<u>823,493</u>	<u>299,982</u>	<u>1,123,475</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	(1,074,044)	(3,760,854)	(4,834,898)
Interest	23,719	89,778	113,497
Net investment income	<u>(1,050,325)</u>	<u>(3,671,076)</u>	<u>(4,721,401)</u>
Total additions	<u>(226,832)</u>	<u>(3,371,094)</u>	<u>(3,597,926)</u>
DEDUCTIONS			
Benefits	646,381	1,103,027	1,749,408
Administrative expense	26,316	92,742	119,058
Total deductions	<u>672,697</u>	<u>1,195,769</u>	<u>1,868,466</u>
Change in net assets	(899,529)	(4,566,863)	(5,466,392)
Net assets - beginning	<u>3,489,789</u>	<u>13,372,693</u>	<u>16,862,482</u>
Net assets - ending	<u>\$ 2,590,260</u>	<u>\$ 8,805,830</u>	<u>\$ 11,396,090</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
December 31, 2008

	Mesa County Valley School District 51 SLD Fee	General Trust	Employee Retirement Health Benefit	Total
ASSETS				
Cash and investments	\$ 109,655	\$ 468	\$ 1,078,334	\$ 1,188,457
Accounts receivable, net of allowance	-	-	1,641	1,641
Total assets	<u>109,655</u>	<u>468</u>	<u>1,079,975</u>	<u>1,190,098</u>
LIABILITIES				
	-	-	-	-
NET ASSETS HELD IN TRUST FOR				
OPEB Benefits			1,079,975	1,079,975
Individuals, organizations and others	109,655	468		110,123
Total Net Assets	<u>\$ 109,655</u>	<u>\$ 468</u>	<u>\$ 1,079,975</u>	<u>\$ 1,190,098</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
For the year ended December 31, 2008

	Mesa County Valley School District 51 SLD Fee	General Trust	Employee Retirement Health Benefit	Total
ADDITIONS				
Additions by participants	\$ 163,694	\$ -	\$ 385,789	\$ 549,483
Investment income	7,141	-	49,420	56,561
Total additions	<u>170,835</u>	<u>-</u>	<u>435,209</u>	<u>606,044</u>
DEDUCTIONS				
Distributions to participants	376,925	-	-	376,925
Health insurance premiums paid	-	-	357,858	357,858
Administrative expense	11,658	-	-	11,658
Total deductions	<u>388,583</u>	<u>-</u>	<u>357,858</u>	<u>746,441</u>
Change in net assets	(217,748)	-	77,351	(140,397)
Net assets - beginning	327,403	468	1,002,624	1,330,495
Net assets - ending	<u>\$ 109,655</u>	<u>\$ 468</u>	<u>\$ 1,079,975</u>	<u>\$ 1,190,098</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the year ended December 31, 2008

	Balance Beginning	Additions	Deletions	Balance Ending
<u>PARK IMPROVEMENT ADVISORY BOARD</u>				
ASSETS				
Cash and investments	\$ 198,123	\$ 257,132	\$ 173,038	\$ 282,217
Accounts receivable, net of allowance	-	425,683	425,683	-
Total assets	<u>\$ 198,123</u>	<u>\$ 682,815</u>	<u>\$ 598,721</u>	<u>\$ 282,217</u>
LIABILITIES				
Due to other governments	<u>\$ 198,123</u>	<u>\$ 701,493</u>	<u>\$ 617,399</u>	<u>\$ 282,217</u>
<u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ 284,294	\$ 256,633	\$ 204,747	\$ 336,180
LIABILITIES				
Due to other governments	<u>\$ 284,294</u>	<u>\$ 257,383</u>	<u>\$ 205,497</u>	<u>\$ 336,180</u>
<u>SEWER AND WATER DISTRICTS CLEARING</u>				
ASSETS				
Cash and investments	\$ 69,736	\$ 1,323,088	\$ 1,292,370	\$ 100,454
LIABILITIES				
Due to other governments	<u>\$ 69,736</u>	<u>\$ 1,323,088</u>	<u>\$ 1,292,370</u>	<u>\$ 100,454</u>
<u>DOWNTOWN BUSINESS IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ 101,429	\$ 321,347	\$ 284,068	\$ 138,708
LIABILITIES				
Due to other governments	<u>\$ 101,429</u>	<u>\$ 321,347</u>	<u>\$ 284,068</u>	<u>\$ 138,708</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 653,582	\$ 2,158,200	\$ 1,954,223	\$ 857,559
Accounts receivable, net of allowance	-	425,683	425,683	-
Total assets	<u>\$ 653,582</u>	<u>\$ 2,583,883</u>	<u>\$ 2,379,906</u>	<u>\$ 857,559</u>
LIABILITIES				
Due to other governments	653,582	2,603,311	2,399,334	857,559
Total liabilities	<u>\$ 653,582</u>	<u>\$ 2,603,311</u>	<u>\$ 2,399,334</u>	<u>\$ 857,559</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, 2008

	DDA Tax Increment	DDA Operations Special Revenue Fund	DDA Debt Service Fund	TIF Capital Improvements Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and investments	\$ 2,391,226	\$ 889,984	\$ 203	\$ -	\$ 3,281,413
Property taxes receivable	1,703,020	201,143	-	-	1,904,163
Accounts receivable	-	10,600	-	55,000	65,600
Due from other funds	55,000	-	-	-	55,000
Total assets	<u>4,149,246</u>	<u>1,101,727</u>	<u>203</u>	<u>55,000</u>	<u>5,306,176</u>
LIABILITIES					
Accounts payable	-	5,294	-	-	5,294
Accrued liabilities	-	7,129	-	-	7,129
Due to other funds	-	-	-	55,000	55,000
Deferred revenue	1,703,020	201,143	-	-	1,904,163
Compensated absences payable	-	371	-	-	371
Total liabilities	<u>1,703,020</u>	<u>213,937</u>	<u>-</u>	<u>55,000</u>	<u>1,971,957</u>
FUND BALANCES					
Reserved for debt service	-	-	203	-	203
Unreserved, undesignated	2,446,226	887,790	-	-	3,334,016
Total fund balances	<u>2,446,226</u>	<u>887,790</u>	<u>203</u>	<u>-</u>	<u>3,334,219</u>
Total liabilities and fund balances	<u>\$ 4,149,246</u>	<u>\$ 1,101,727</u>	<u>\$ 203</u>	<u>\$ 55,000</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.	5,999,915
Deposits on Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	395,000
Long-term liabilities such as loans payable, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds.	
Due to Primary Government	\$ (6,103,455)
Compensated absences	<u>(4,753)</u>
Total net assets -Component Unit - Downtown Development Authority. (page 31)	<u>\$ 3,620,926</u>

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, 2008

	DDA Tax Increment	DDA Operations Special Revenue Fund	DDA Debt Service Fund	TIF Capital Improvements Capital Project Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 1,847,455	\$ 234,385	\$ -	\$ -	\$ 2,081,840
Intergovernmental	435,218	-	-	-	435,218
Charges for services	-	4,477	-	-	4,477
Miscellaneous	-	272,537	-	-	272,537
Investment income	72,935	32,692	2	-	105,629
Total revenues	<u>2,355,608</u>	<u>544,091</u>	<u>2</u>	<u>-</u>	<u>2,899,701</u>
EXPENDITURES					
Current:					
Urban development and housing	31,539	268,695	-	2,565,092	2,865,326
Debt service:					
Interest and fiscal charges	-	-	100,000	-	100,000
Capital outlay	-	-	-	1,584,405	1,584,405
Total expenditures	<u>31,539</u>	<u>268,695</u>	<u>100,000</u>	<u>4,149,497</u>	<u>4,549,731</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,324,069</u>	<u>275,396</u>	<u>(99,998)</u>	<u>(4,149,497)</u>	<u>(1,650,030)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	54,803	100,000	-	154,803
Transfers out	(154,803)	-	-	-	(154,803)
Loan proceeds	-	-	-	4,103,455	4,103,455
Total other financing sources (uses)	<u>(154,803)</u>	<u>54,803</u>	<u>100,000</u>	<u>4,103,455</u>	<u>4,103,455</u>
Net change in fund balances	2,169,266	330,199	2	(46,042)	2,453,425
Fund balances - beginning	276,960	557,591	201	46,042	880,794
Fund balances - ending	<u>\$ 2,446,226</u>	<u>\$ 887,790</u>	<u>\$ 203</u>	<u>\$ -</u>	<u>\$ 3,334,219</u>

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

Net change in fund balances - total governmental funds (above) \$ 2,453,425

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 \$2,157,807 reduced depreciation (\$126,835) in the current period. 2,030,972

Governmental funds report deposits for capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives. 395,000

The issuance of long-term debt (\$4,103,455) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. (4,103,455)

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. 6,551

Change in net assets of the Component Unit - Downtown Development Authority (page 33) \$ 782,493

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,914,297	\$ 1,794,066	\$ 1,847,455	\$ 53,389
Intergovernmental	320,343	320,343	435,218	114,875
Investment income	55,055	55,055	72,935	17,880
Total revenues	<u>2,289,695</u>	<u>2,169,464</u>	<u>2,355,608</u>	<u>186,144</u>
EXPENDITURES				
Current:				
Urban development and housing	<u>34,055</u>	<u>34,055</u>	<u>31,539</u>	<u>2,516</u>
Excess of revenues over expenditures	2,255,640	2,135,409	2,324,069	188,660
OTHER FINANCING USES				
Transfers out	<u>(241,105)</u>	<u>(241,105)</u>	<u>(154,803)</u>	<u>86,302</u>
Net change in fund balance	2,014,535	1,894,304	2,169,266	274,962
Fund balances - beginning	<u>276,960</u>	<u>276,960</u>	<u>276,960</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,291,495</u>	<u>\$ 2,171,264</u>	<u>\$ 2,446,226</u>	<u>\$ 274,962</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 224,000	\$ 224,000	\$ 234,385	\$ 10,385
Charges for services	3,000	3,000	4,477	1,477
Miscellaneous	70,500	95,500	272,537	177,037
Investment income	20,770	20,770	32,692	11,922
Total revenues	<u>318,270</u>	<u>343,270</u>	<u>544,091</u>	<u>200,821</u>
EXPENDITURES				
Current:				
Urban development and housing	<u>195,700</u>	<u>269,238</u>	<u>268,695</u>	<u>543</u>
Excess of revenues over expenditures	122,570	74,032	275,396	201,364
OTHER FINANCING SOURCES				
Transfers in	<u>55,055</u>	<u>55,055</u>	<u>54,803</u>	<u>(252)</u>
Net change in fund balance	177,625	129,087	330,199	201,112
Fund balances - beginning	557,591	557,591	557,591	-
Fund balances - ending	<u>\$ 735,216</u>	<u>\$ 686,678</u>	<u>\$ 887,790</u>	<u>\$ 201,112</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, 2008

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES	\$		
Investment Income	-	2	2
EXPENDITURES			
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	186,050	100,000	86,050
Total expenditures	186,050	100,000	86,050
Deficiency of revenues under expenditures	(186,050)	(99,998)	86,052
OTHER FINANCING SOURCES			
Transfers in	186,050	100,000	(86,050)
Net change in fund balance	-	2	2
Fund balances - beginning	201	201	-
Fund balances - ending	\$ 201	\$ 203	\$ 2

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 23,990	23,990	\$ -	\$ (23,990)
EXPENDITURES				
Current:				
Urban development and housing	3,000,000	3,899,497	2,565,092	1,334,405
Capital projects	250,000	250,000	1,584,405	(1,334,405)
Total expenditures	<u>3,250,000</u>	<u>4,149,497</u>	<u>4,149,497</u>	<u>-</u>
Deficiency of revenues under expenditures	(3,226,010)	(4,125,507)	(4,149,497)	(23,990)
OTHER FINANCING SOURCES				
Loan proceeds	3,500,000	3,500,000	4,103,455	603,455
Total other financing sources	<u>3,500,000</u>	<u>3,500,000</u>	<u>4,103,455</u>	<u>603,455</u>
Net change in fund balance	273,990	(625,507)	(46,042)	579,465
Fund balances - beginning	46,042	46,042	46,042	-
Fund balances - ending	<u>\$ 320,032</u>	<u>\$ (579,465)</u>	<u>\$ -</u>	<u>\$ 579,465</u>



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Statistical Section

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

Contents	Pages
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the City's financial condition has changed over time.	123-127
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the City's largest revenue source, sales tax.	128-131
<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.	132-136
<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.	137-138
<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.	139-141



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TABLE 1

City of Grand Junction, Colorado
NET ASSETS
 Last Seven Fiscal Years

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Governmental Activities							
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
Restricted	3,741,227	5,303,737	3,837,095	3,944,221	5,379,428	3,692,563	14,005,393
Unrestricted	35,339,502	33,760,361	40,263,463	50,448,036	61,797,292	62,334,124	42,974,226
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>
Business-type Activities							
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
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)
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>
Primary Government							
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
Restricted	7,241,227	7,090,857	4,742,232	3,944,221	5,990,272	3,692,563	14,005,393
Unrestricted	35,408,272	36,805,048	43,614,198	55,734,498	65,911,388	66,510,598	42,702,905
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>
Component Unit:							
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
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)
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>

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 Seven Fiscal Years

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental Activities:							
General Government	\$ 10,397,825	\$ 8,276,802	\$ 9,548,713	\$ 9,596,763	\$ 8,775,975	\$ 12,412,910	\$ 16,143,424
Public Safety	17,966,339	19,871,283	23,823,248	22,904,850	24,638,801	28,167,497	32,088,791
Public Works	12,220,526	12,780,174	10,223,079	15,386,497	19,400,979	15,521,625	19,680,247
Parks and Recreation	4,740,433	5,318,756	6,684,183	5,175,343	4,743,303	7,419,519	7,955,933
Urban Development and Housing	720,043	622,802	347,218	415,306	110,694	565,373	545,715
Interest of Long-Term Debt	295,421	234,037	2,301,710	2,571,874	2,503,750	3,106,206	3,378,440
Total Governmental Activities Expense	<u>46,340,587</u>	<u>47,103,854</u>	<u>52,928,151</u>	<u>56,050,633</u>	<u>60,173,502</u>	<u>67,193,130</u>	<u>79,792,550</u>
Business-Type Activities:							
Water	3,826,901	4,009,508	4,158,777	4,222,594	4,349,852	4,671,765	5,067,168
Convention Center	1,828,188	1,988,176	2,130,427	2,641,066	2,805,768	2,968,119	3,514,396
Solid Waste Removal	2,160,155	2,190,000	2,302,588	2,340,292	2,632,219	2,820,253	2,907,325
Swimming Pools	829,676	815,682	826,992	919,684	1,015,665	991,685	1,014,976
Golf	1,896,274	1,919,148	2,040,033	1,898,642	1,966,353	2,123,769	2,285,777
Cemeteries	333,865	339,191	-	-	-	-	-
Parking	220,257	272,728	244,869	321,282	693,381	402,916	1,829,547
Irrigation Systems	248,603	250,073	279,556	273,642	298,439	289,528	318,708
Ambulance Transport	-	-	-	-	865,138	3,306,822	3,414,924
Total Business-Type Activities Expense	<u>11,343,919</u>	<u>11,784,506</u>	<u>11,983,242</u>	<u>12,617,202</u>	<u>14,626,815</u>	<u>17,574,857</u>	<u>20,352,821</u>
Total Primary Government Expenses	<u>\$ 57,684,506</u>	<u>\$ 58,888,360</u>	<u>\$ 64,911,393</u>	<u>\$ 68,667,835</u>	<u>\$ 74,800,317</u>	<u>\$ 84,767,987</u>	<u>\$ 100,145,371</u>
Total Component Unit Expenses	<u>\$ 569,356</u>	<u>\$ 1,213,309</u>	<u>\$ 464,709</u>	<u>\$ 386,262</u>	<u>\$ 1,378,932</u>	<u>\$ 4,633,804</u>	<u>\$ 2,117,208</u>
Program Revenues							
Governmental Activities:							
Charge for Service:							
General Government	\$ 4,040,068	\$ 1,707,755	\$ 2,072,365	\$ 2,201,868	\$ 2,350,160	\$ 5,451,358	\$ 2,929,275
Public Safety	2,806,777	4,194,882	4,270,121	4,636,026	4,503,743	4,774,346	5,895,984
Public Works	344,444	668,873	1,137,608	1,100,555	2,595,528	3,325,868	5,554,332
Parks and Recreation	750,033	799,011	1,187,450	1,294,737	1,070,852	3,199,673	2,286,100
Operating Grants and Contributions	1,104,192	733,500	492,464	718,425	565,044	1,182,795	1,548,954
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
Total Governmental Activities Program Revenues	<u>33,391,412</u>	<u>24,462,955</u>	<u>29,788,827</u>	<u>44,055,882</u>	<u>77,820,633</u>	<u>74,567,517</u>	<u>81,646,243</u>
Business-Type Activities:							
Water	4,673,955	4,746,675	4,397,730	4,476,728	4,670,635	4,987,126	5,293,379
Convention Center	1,171,731	1,315,342	1,603,083	2,114,443	2,437,970	2,544,726	2,840,966
Solid Waste Removal	2,218,985	2,234,155	2,260,492	2,427,094	2,500,954	2,841,130	3,051,483
Swimming Pools	440,721	431,336	394,625	628,073	691,810	697,770	680,496
Golf	1,606,520	1,641,313	1,648,009	1,802,903	1,956,584	2,106,921	2,221,204
Cemeteries	167,763	173,935	-	-	-	-	-
Parking	326,772	384,785	355,546	326,381	338,286	343,471	504,766
Irrigation Systems	170,415	170,378	172,016	178,709	179,837	191,854	204,956
Ambulance Transport	-	-	-	-	1,107,880	3,367,979	3,525,155
Operating Grants and Contributions	106,727	109,551	159,346	-	-	-	-
Capital Grants and Contributions	87,870	201,921	110,044	237,705	654,170	1,998,637	523,422
Total Business-Type Activities Program Revenues	<u>10,971,459</u>	<u>11,409,391</u>	<u>11,100,891</u>	<u>12,192,036</u>	<u>14,538,126</u>	<u>19,079,614</u>	<u>18,845,827</u>
Total Primary Government Program Revenues	<u>\$ 44,362,871</u>	<u>\$ 35,872,346</u>	<u>\$ 40,889,718</u>	<u>\$ 56,247,918</u>	<u>\$ 92,358,759</u>	<u>\$ 93,647,131</u>	<u>\$ 100,492,070</u>
Total Component Unit Program Revenues	<u>\$ 397,380</u>	<u>\$ 319,453</u>	<u>\$ 298,779</u>	<u>\$ 247,614</u>	<u>\$ 315,417</u>	<u>\$ 411,870</u>	<u>\$ 712,232</u>
Net (Expense)/ Revenue							
Governmental Activities	\$ (12,949,175)	\$ (22,640,899)	\$ (23,139,324)	\$ (11,994,751)	\$ 17,647,131	\$ 7,374,387	\$ 1,853,693
Business-Type Activities	(372,460)	(375,115)	(882,351)	(425,166)	(88,689)	1,504,757	(1,506,994)
Total Primary Government Net Expense	<u>\$ (13,321,635)</u>	<u>\$ (23,016,014)</u>	<u>\$ (24,021,675)</u>	<u>\$ (12,419,917)</u>	<u>\$ 17,558,442</u>	<u>\$ 8,879,144</u>	<u>\$ 346,699</u>
Total Component Unit Net Expense	<u>\$ (171,976)</u>	<u>\$ (893,856)</u>	<u>\$ (165,930)</u>	<u>\$ (138,648)</u>	<u>\$ (1,063,515)</u>	<u>\$ (4,221,934)</u>	<u>\$ (1,404,976)</u>

TABLE 2 (Continued)

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

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

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 Seven Fiscal Years

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
General Fund							
Reserved	\$ 488,060	\$ 2,064,060	\$ 2,146,185	\$ 2,105,728	\$ 6,391,927	\$ 7,958,173	\$ 9,135,472
Unreserved	11,345,770	11,175,753	13,084,091	17,146,236	20,157,996	26,430,185	18,320,471
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>
All Other Governmental Funds							
Reserved	\$ 3,741,227	\$ 3,803,737	\$ 54,425,376	\$ 37,456,559	\$ 6,659,252	\$ 1,517,413	\$ 10,916,914
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
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
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>
Total Governmental Funds	<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>

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 Seven Fiscal Years

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Revenues							
Taxes	\$ 43,675,042	\$ 45,761,262	\$ 50,191,182	\$ 53,601,820	\$ 63,459,234	\$ 69,778,188	\$ 78,042,097
Licenses, Fees, and Permits	111,935	118,616	111,452	114,921	101,165	113,224	129,993
Intergovernmental	1,983,885	1,961,442	3,065,737	2,002,220	3,535,141	4,260,519	12,009,672
Charges for Services	4,810,031	5,488,457	5,884,254	6,077,290	11,513,267	8,633,619	8,997,208
Fines and Forfeitures	486,548	564,294	701,941	546,162	1,001,569	1,152,790	1,094,388
Special Assessments	101,142	34,230	148,289	65,949	75,103	146,610	24,493
Investment Earnings	938,331	488,268	1,547,469	1,622,584	2,982,954	3,270,125	1,968,465
Other Income	1,463,642	2,012,121	1,237,322	2,646,942	1,185,987	902,798	283,116
Other Contributions	82,571	11,891	192,283	49,232	70,874	1,063,174	873,869
Total Revenues	<u>53,653,127</u>	<u>56,440,581</u>	<u>63,079,929</u>	<u>66,727,120</u>	<u>83,925,294</u>	<u>89,321,047</u>	<u>103,423,301</u>
Expenditures							
General Government	\$ 8,332,174	\$ 8,288,652	\$ 8,716,681	\$ 9,207,102	\$ 10,404,115	\$ 12,336,103	\$ 15,596,506
Public Safety	17,350,391	18,553,410	19,977,861	20,490,870	22,930,060	25,791,977	29,657,426
Public Works	7,333,200	7,564,156	8,049,960	8,185,303	8,865,640	9,562,091	10,779,300
Parks and Recreation	4,385,230	4,731,828	5,378,915	5,302,211	5,795,820	6,432,863	7,273,190
Urban Development and Housing	720,042	622,802	347,218	593,786	249,847	565,373	545,715
Debt Service							-
Principal Retirement	788,891	826,281	869,787	1,914,672	2,216,032	2,584,661	3,907,232
Interest	304,665	239,118	1,538,367	2,829,739	2,757,618	3,254,707	3,693,947
Bond Issuance Costs	-	-	723,626	-	-	-	-
Capital Outlay: Construction	8,860,186	10,555,511	19,983,688	25,615,550	46,927,452	55,331,874	36,484,253
Total Expenditures	<u>48,074,779</u>	<u>51,381,758</u>	<u>65,586,103</u>	<u>74,139,233</u>	<u>100,146,584</u>	<u>115,859,649</u>	<u>107,937,569</u>
Other Financing Sources (Uses)							
Transfers In	3,071,622	3,787,288	8,278,967	7,907,490	13,272,934	25,222,052	41,941,154
Transfers Out	(5,296,866)	(5,921,856)	(7,949,841)	(9,651,371)	(16,525,848)	(28,794,574)	(43,974,059)
Revenue Bonds Issued	-	-	57,075,000	-	654,860	22,925,000	-
Bond Premium	-	-	3,652,683	-	-	997,936	-
Sale of Capital Assets	-	-	-	-	-	90,367	641,837
Total Other Financing Sources(Uses)	<u>(2,225,244)</u>	<u>(2,134,568)</u>	<u>61,056,809</u>	<u>(1,743,881)</u>	<u>(2,598,054)</u>	<u>20,440,781</u>	<u>(1,391,068)</u>
Net Change In Fund Balances	\$ <u>3,353,104</u>	\$ <u>2,924,255</u>	\$ <u>58,550,635</u>	\$ <u>(9,155,994)</u>	\$ <u>(18,819,344)</u>	\$ <u>(6,097,821)</u>	\$ <u>(5,905,336)</u>
Debt Service as a Percentage of Noncapital Expenditures	2.6%	2.4%	5.0%	9.6%	9.0%	9.4%	10.6%

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 ¹
 Last Ten Fiscal Years

Fiscal Year	Auto & Campers	Building Materials	Clothing/ Department Stores	Drug Stores	Furniture & Appliances	Grocery Stores	Liquor Stores	Motels & Hotels	Other	Restaurants	Service Stations	Total Sales Tax	Total Direct Tax Rate
1999	2,880,870	2,396,327	5,672,493	112,708	634,601	727,291	408,451	802,996	7,748,361	2,492,976	219,166	24,096,240	2.75%
2000	2,799,610	2,231,228	6,320,853	174,204	683,090	734,541	427,131	736,196	8,843,661	2,591,340	227,846	25,769,700	2.75%
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%

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

Source: City Financial Operations Division: Sales Tax Reports

**2008
 Sales Tax Revenue
 by Type of Industry**

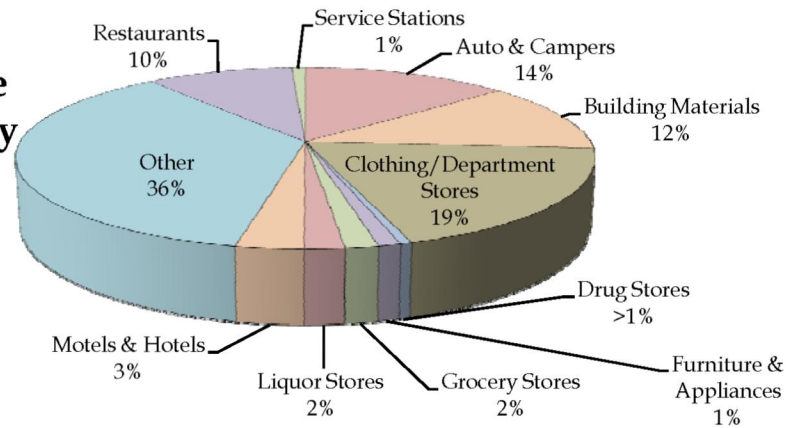


TABLE 6

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

Fiscal Year	City Direct Rate		Overlapping Rates		Total Overlapping Sales Tax Rate
	City of Grand Junction	Total Direct Sales Tax Rate	Mesa County	State of Colorado	
1999	2.75%	2.75%	2.00%	2.90%	7.65%
2000	2.75%	2.75%	2.00%	2.90%	7.65%
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%

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

TABLE 7

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Aggregate Top Ten Filers ^{1,2}	\$ 7,132,922	\$ 7,686,310	\$ 8,086,274	\$ 8,778,808	\$ 8,081,004	\$ 8,587,499	\$ 9,200,730	\$ 10,330,320	\$ 10,843,864	\$ 11,216,552
Aggregate All Other Filers ²	16,963,318	18,083,390	19,519,350	20,577,504	22,195,998	23,906,474	25,710,079	30,676,780	34,645,088	35,809,729
Total Sales Tax	<u>\$ 24,096,240</u>	<u>\$ 25,769,700</u>	<u>\$ 27,605,624</u>	<u>\$ 29,356,312</u>	<u>\$ 30,277,002</u>	<u>\$ 32,493,973</u>	<u>\$ 34,910,809</u>	<u>\$ 41,007,100</u>	<u>\$ 45,488,952</u>	<u>\$ 47,026,281</u>
Top Ten Filers as a Percentage of Total Sales Tax	29.60%	29.83%	29.29%	29.90%	26.69%	26.43%	26.35%	25.19%	23.84%	23.85%

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

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

Source: City Financial Operations Division: Sales Tax Reports

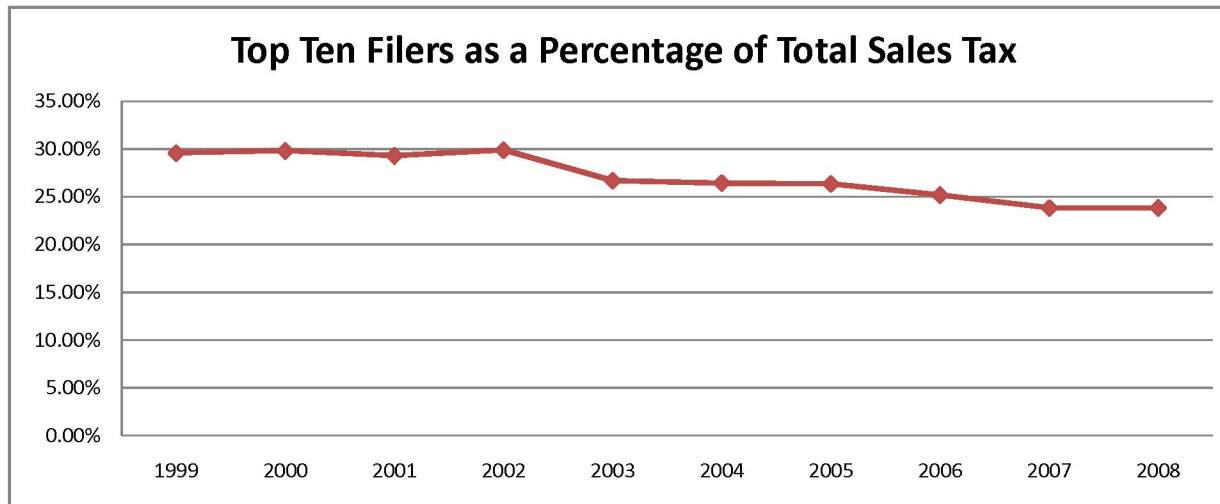


TABLE 8

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
1999	24,096,240	839,390	3,611,934	643,697	29,191,261
2000	25,769,700	1,056,721	3,925,730	679,814	31,431,965
2001	27,605,624	1,002,862	4,191,997	716,990	33,517,473
2002	29,356,312	920,312	4,401,660	784,942	35,463,226
2003	30,277,002	1,780,922	4,594,439	770,315	37,422,678
2004	32,493,973	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

Source: City Financial Operations Division: Sales Tax Reports

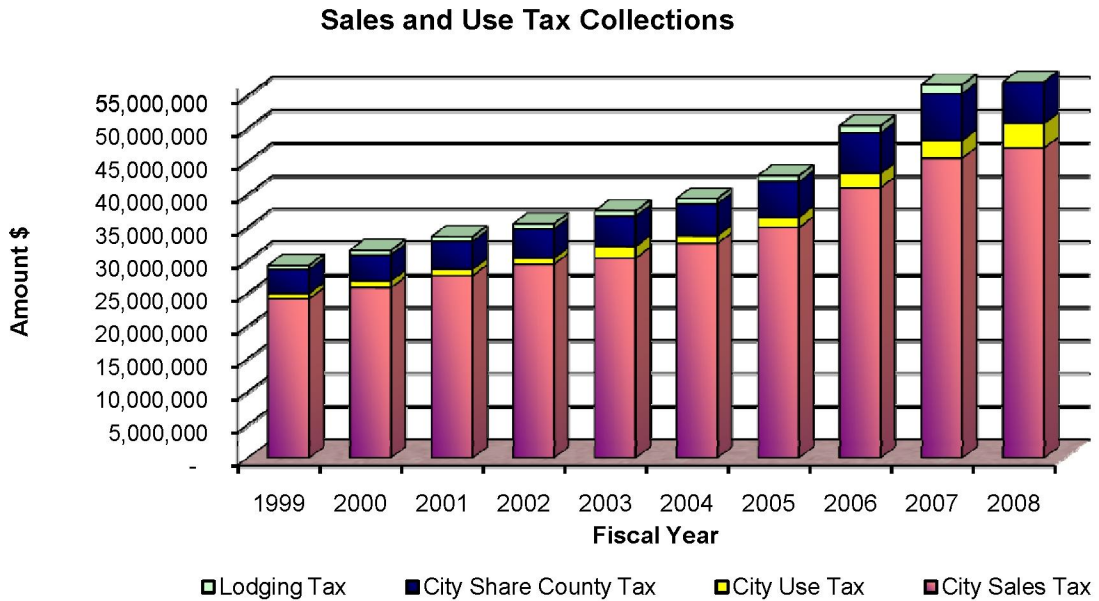


TABLE 9

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

Fiscal Year	Popu- lation ^A	Personal Income In Thousands ^C	Governmental Activities			Business-Type Activities		Total Primary Government	Ratio of Outstanding Debt to Personal Income	Outstanding Debt Per Capita	
			General Obligation Bonds ¹	Revenue Bonds	Promissory Notes	Capital Leases	Promissory Notes				Loan Payable
2002	45,675	1,164,438	2,396,600	-	182,921	2,460,093	123,215	3,500,233	8,663,062	0.54%	137
2003	46,850	1,208,824	2,171,383	-	159,213	1,882,737	115,474	3,490,034	7,818,841	0.47%	121
2004	48,314	1,318,103	1,927,348	60,604,780	133,134	1,283,063	107,346	3,347,672	67,403,343	4.97%	1,355
2005	49,422	1,426,022	1,668,791	59,359,891	104,448	655,636	98,812	3,200,316	65,087,894	4.45%	1,283
2006	51,631	1,587,447	1,389,950	57,867,070	72,893	-	89,850	3,052,921	62,472,684	3.85%	1,183
2007	53,662	1,739,829	1,090,000	79,664,693	38,181	-	80,441	2,900,164	83,773,479	4.75%	1,541
2008	55,222	1,888,427 ^D	935,000	75,815,801	-	-	70,561	2,747,362	79,568,724	4.16%	1,424

¹ 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

- ^A Colorado DOLA Demography Section - All other City Financial Operations Division
- ^B Estimate, based on prior year data and growth trend
- ^C Bureau of Economic Analysis
- ^D Estimate, based on prior year data and growth trend

TABLE 10

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

Fiscal Year	Population ^A	Personal Income in Thousands ^C	Gross Bonded Debt ¹	Debt Service Monies Available	Debt Payable From Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Personal Income	Bonded Debt Per Capita
1999	43,354	1,014,744	-	-	-	-	0.00%	-
2000	42,879	1,068,545	-	-	-	-	0.00%	-
2001	44,788	1,137,481	-	-	-	-	0.00%	-
2002	45,675	1,164,438	-	-	-	-	0.00%	-
2003	46,850	1,208,824	-	-	-	-	0.00%	-
2004	48,314	1,318,103	60,727,683	52,948,731	-	7,778,952	0.59%	161
2005	49,422	1,426,022	59,359,891	36,917,477	-	22,442,414	1.57%	454
2006	51,631	1,587,447	57,867,070	6,240,215	-	51,626,855	3.25%	1,000
2007	53,662	1,739,829	79,664,693	3,568,205	-	76,096,488	4.37%	1,418
2008	55,222 ^B	1,888,427 ^D	75,815,801	-	-	75,815,801	4.01%	1,373

Notes:

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

Source:

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

^B Estimate, based on prior year data and growth trend

^C Bureau of Economic Analysis

^D Estimate, based on prior year data and growth trend

TABLE 11

City of Grand Junction, Colorado
COMPUTATION OF LEGAL DEBT MARGIN
 December 31, 2008

Estimated actual value as determined by Assessor ^A		\$ <u><u>6,415,810,716</u></u>
Debt limit - 3% of actual value		\$ 192,474,321
Total General Obligation Debt ^B	\$ 935,000	
Less: Ridges Metropolitan District bonds supported by a special tax levy paid only within the District ^B	<u>(935,000)</u>	
Total amount of debt applicable to debt limit		<u>-</u>
Legal debt margin		\$ <u><u>192,474,321</u></u>
Source:		
^A Mesa County Assessor		
^B City Financial Operations Division		

TABLE 12

City of Grand Junction, Colorado
COMPUTATION OF DIRECT AND OVERLAPPING DEBT ¹
 December 31, 2008

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Grand Junction</u>	<u>Amount Applicable to City of Grand Junction</u>
Direct:			
City of Grand Junction ^A	\$ 72,640,000	100.00%	\$ 72,640,000
Overlapping:			
Mesa County Valley School District No. 51 ^B	125,180,000	50.60%	63,341,466
Total			<u>\$ 135,981,466</u>

Notes:

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

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

Source:

^A City Financial Operations Division

^B 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
1999	4,438,162	2,862,601	1,575,561	-	-	-	-
2000	4,861,061	2,970,243	1,890,818	-	-	-	-
2001	5,052,597	3,285,854	1,766,743	-	-	-	-
2002	4,833,602	3,252,288	1,581,314	-	-	-	-
2003	4,811,215	3,285,692	1,525,523	-	-	-	-
2004	4,507,115	3,369,394	1,137,721	-	-	-	-
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	3,980,188	1,969,878	-	-	-	-

Source: City Financial Operations Division

TABLE 14

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

Fiscal Year	City ^A Population	County ^A Population	Personal Income in Thousands ^U	Per Capita Income ^U	School ^B Enrollment	Unemployment Rate ^{E, F}	
						City of Grand Junction	State of Colorado
1999	43,354	114,573	1,014,744	23,406	19,567	3.9%	3.0%
2000	42,879 ^C	116,255 ^C	1,068,545	24,920	19,633	3.3%	2.7%
2001	44,788	120,122	1,137,481	25,397	19,768	3.8%	3.8%
2002	45,675	122,463	1,164,438	25,494	20,035	5.0%	5.7%
2003	46,850	125,072	1,208,824	25,802	20,170	5.6%	6.1%
2004	48,314	127,808	1,318,103	27,282	20,207	5.5%	5.6%
2005	49,422	129,630	1,426,022	28,854	20,660	5.0%	5.1%
2006	51,631	135,468	1,587,447	30,746	20,877	4.0%	4.4%
2007	53,662	140,416	1,739,829	32,422	21,396	3.3%	3.9%
2008	55,222 ^G	N/A	1,888,427	34,197	22,272	3.9%	4.9%

Note:

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

Source:

- A US Census Bureau and Colorado DOLA Demography Office
- B Mesa County Valley School District No. 51 - District wide enrollment
- C 2000 Census
- D Bureau of Economic Analysis
- E US Department of Labor, Bureau of Labor Statistics
- F 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
- G Estimate, based on prior year data and growth trend
- N/A Data not yet available

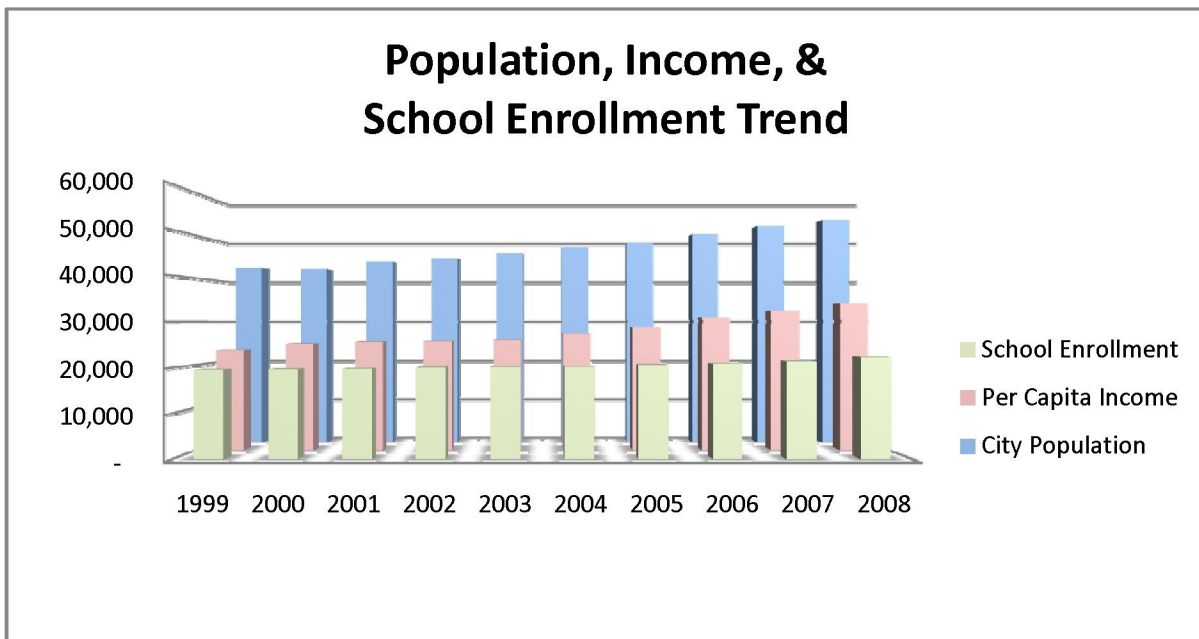


TABLE 15

City of Grand Junction, Colorado
TOP 10 PRINCIPAL EMPLOYERS
 December 31, 2008
 Last Six Fiscal Years

Employer	Type of Business	Prior to 2003	Number of Employees 2003 ^A	Percentage of Total 2003	Number of Employees 2004 ^A	Percentage of Total 2004	Number of Employees 2005 ^A	Percentage of Total 2005	Number of Employees 2006 ^A	Percentage of Total 2006	Number of Employees 2007 ^A	Percentage of Total 2007	Number of Employees 2008 ^B	Percentage of Total 2008
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%
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%
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%
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%
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%
Mesa County	Government	N/A	869	1.38%	872	1.35%	927	1.38%	925	1.29%	977	1.28%	982	1.24%
Halliburton Energy	Services	N/A		0.00%			415	0.62%	700	0.97%	800	1.05%	977	1.24%
Walmart	Retail	N/A	1,000	1.59%	860	1.33%	865	1.29%	910	1.27%	865	1.13%	860	1.09%
City Markets, Inc.	Retail	N/A	600	0.95%	600	0.93%	400	0.60%	589	0.82%	590	0.77%	650	0.82%
Community Hospital	Medical	N/A	420	0.67%	415	0.64%	414	0.62%					574	0.73%
Star Tek USA	Services	N/A	550	0.87%					600	0.83%	625	0.82%		
Rocky Mountain Health Plans	Insurance	N/A			386	0.60%								
Total of All Employees^B		N/A	62,987		64,540		67,033		71,935		76,344		78,903	

Source:

^A Grand Junction Chamber of Commerce
^B Grand Junction Economic Partnership
 N/A Data Not Available

2008 Percentage of Employment

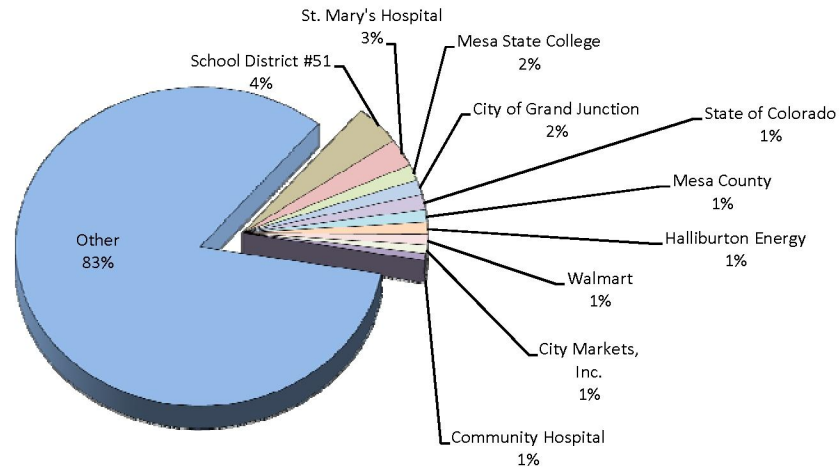


TABLE 16

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

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

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

Function	2002	2003	2004	2005	2006	2007	2008
General Government	90	100	101	102	119	113	116
Fire Protection	75	79	79	83	98	98	99
Parks and Recreation	68	71	72	70	70	74	87
Police Protection							
Sworn	83	85	81	83	91	100	102
Non-Sworn	58	63	62	60	70	65	78
Public Works	172	172	175	170	161		
Public Works and Planning ¹						71	77
Utility and Street Systems ¹						116	120
Total	546	570	570	568	609	637	679

Building permits:^B

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

Elections:^A

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%

Education:

Type	2002	2003	2004	2005	2006	2007	2008
Mesa County Valley School District No. 51 Enrollment: ^C							
Elementary	9,192	9,232	9,274	9,482	10,153	10,147	10,783
Middle	4,558	4,664	4,765	4,872	4,751	4,729	4,882
High	5,872	5,817	6,168	6,306	5,973	6,520	6,607
Mesa State College Enrollment: ^D	5,555	5,725	5,725	6,235	5,938	6,127	6,205

¹ 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:

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

TABLE 17

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

Function	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Police ^B							
Stations	1	1	1	1	1	1	1
Vehicular Patrol Units	30	30	30	30	31	33	35
Canine Units	4	4	3	3	3	3	3
Motorcycles Units	4	4	4	4	6	6	6
Bicycles (Attached to Patrol Units)	13	18	18	18	23	23	26
Fire Stations ^C	4	4	5	5	5	5	5
Public Works ^A							
Area (Sq Miles)	32.87	33.12	34.25	34.65	35.47	36.9	37.46
Paved Streets (Lane Miles)	886.29	916.5	964.76	1010.37	1050.33	1081.24	1124.74
Unpaved Streets (Lane Miles)	0	0	8.33	8.33	8.5	8.02	9.22
Total Streets (Lane Miles)	886.29	916.5	973.09	1018.7	1058.83	1089.26	1133.96
Parks and Recreation ^D							
Developed Parks (Acres)	427.19	427.19	434.69	434.69	434.69	434.69	434.69
Undeveloped Parks (Acres)	589.18	589.18	581.68	581.68	581.68	581.68	581.68
Total Parks (Acres)	1016.37	1016.37	1016.37	1016.37	1016.37	1016.37	1016.37
Swimming Pools	2	2	2	2	2	2	2
Waterslides	1	1	1	1	1	1	2
Tennis Courts	10	10	16	16	16	16	22
Shelters	13	18	19	19	19	19	21
Baseball Stadiums(Lighted)	1	1	1	1	1	1	1
Baseball Stadiums(Unlighted)	1	1	1	1	1	1	1
Football/Track Stadium (Lighted)	1	1	1	1	1	1	1
Softball Fields(Lighted)	8	8	8	8	8	8	8
Golf Courses	2	2	2	2	2	2	2
Golf Courses (Acres)	156	156	156	156	156	156	156
Outdoor Basketball Courts (Lighted)	1	1	1	1	1	1	2
Outdoor Basketball Courts (Unlighted)	6	7	7	7	7	7	10
Multi-purpose Fields (Lighted)				1	1	1	1
Multi-purpose Fields (Unlighted)				10	10	10	10
Auditorium	1	1	1	1	1	1	1
Senior Recreation Center	1	1	1	1	1	1	1
Riverfront Trail (Miles)	14.8	14.8	14.8	14.8	14.8	14.8	18.7
Skateparks	2	2	2	2	2	2	2
Activity Center					1	1	1
Utilities ^E							
Storm sewers (Miles)	60	88	136	166.83	135.24	216.07	138.57
Sanitary sewer (Miles)	488	498	589	316.14	502.57	537.64	589.7

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

Source:

^A City Administration GIS Department

^B City Police Department

^C City Fire Department

^D City Parks and Recreation Department

^E City Public Works Department

TABLE 18

City of Grand Junction, Colorado
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
 Year ended December 31, 2008

<u>Name of Official</u> ^A	<u>Title</u> ^A	<u>Annual Salary</u> ^B
Gregg Palmer	Mayor	\$ 8,500
Other Councilmembers in Aggregate		38,438
Laurie M. Kadrich	City Manager	152,275
John P. Shaver	City Attorney	137,288
Care' L. McInnis	Municipal Court Administrator	64,273
Stephanie A. Tuin	City Clerk	82,692
Jodilyn M. Romero	Financial Operations Manager	110,715
Tim W. Moore	Public Works and Planning Director	118,905
Kenneth R. Watkins	Fire Chief	115,012
Erik Joe Stevens	Parks and Recreation Director	83,978
Rob L. Schoeber (9/15/08)	Parks and Recreation Director	27,498
William P. Gardner	Police Chief	121,039
Gregory O. Trainor	Utilities, Streets, and Facilities Director	118,060
Deborah A. Kovalik	Visitors and Convention Bureau Director	102,956

Note: All employees including the Financial Operations Manager are covered by a blanket bond in the amount of \$2,000,000 in excess of the City's retention of \$150,000. ^B

Source: ^A City Clerk
^B City Financial Operations Division



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

June 17, 2009

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, 2008, and have issued our report thereon dated June 17, 2009. 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, Steinhilber, 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, 2008

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>2008 Amount of Award Expended</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct			
Community Development Block Grants/ Entitlement Grants	14.218	\$ 3,394,767	\$ 359,740
U.S. DEPARTMENT OF JUSTICE			
Direct			
Edward Byrne Memorial Justice Asst. Grant	16.579	72,017	31,967
Public Safety Partnership and Community Policing Grants	16.710	449,777	203,713
Passed Through Colorado Division of Criminal Justice Juvenile Accountability Incentive Block Grant Program	16.523	17,813	<u>7,416</u>
Total U. S. Department of Justice			243,096
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Mesa County, Colorado The Drug Free Community Support Program	93.276	36,907	36,907
U.S. DEPARTMENT OF COMMERCE			
Passed Through Eagle County Public Safety Interoperable Communications Grant	11.555	505,775	45,032
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Colorado Department of Local Affairs Pre-Disaster Mitigation	97.017	3,000,000	2,818,815
U.S. DEPARTMENT OF ENERGY			
Passed Through the Colorado Governor's Office of Energy Management and Conservation State Energy Program	81.041	15,000	<u>15,000</u>
Total Federal Award Expenditures			<u>\$ 3,518,590</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, 2008

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-recipients</u>
Edward Byrne Memorial Justice Asst. Grant	16.579	\$ 31,967
Public Safety Partnership and Community Policing Grant	16.710	115,963

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 17, 2009

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, 2008, and have issued our report thereon dated June 17, 2008. 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 opinion on the basic 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic 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 basic 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, Steinbirchner, Davis + Co., P.C.

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

June 17, 2009

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 *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. 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 are applicable to each of its major federal programs for the year ended December 31, 2008.

To the City Council
City of Grand Junction, Colorado
Page Two

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 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, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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, Steinbichner, Davis + Co., P.C.

City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2008

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:

Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____	yes	<u> ✓ </u>	no
-------------------------------------------------------------------------------------------------------------------------	-------	-----	--------------	----

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.017	Pre-Disaster Mitigation

Dollar threshold used to distinguish between
Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?	<u> ✓ </u>	yes	_____	no
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City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2008

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, 2008

Prior year findings:

There were no prior year findings.



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON REQUIRED SUPPLEMENTAL INFORMATION

June 17, 2009

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, 2008, and have issued our report thereon dated June 17, 2009. 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, Steinbuechner, Davis + Co., P.C.



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

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Grand Junction, Colorado
	YEAR ENDING : December 2008
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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	11,306,709
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,989,482
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	633,324
2. General fund appropriations	8,215,533	b. Snow and ice removal	232,633
3. Other local imposts (from page 2)	1,967,035	c. Other	
4. Miscellaneous local receipts (from page 2)	2,080,339	d. Total (a. through c.)	865,957
5. Transfers from toll facilities		4. General administration & miscellaneous	482,072
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	14,644,220
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	12,262,907	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	2,381,313	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	14,644,220	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	14,644,220

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	76,000,000	0	3,360,000	72,640,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	14,644,220	14,644,220	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2008

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	23,783	a. Interest on investments	210,792
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	116,591
5. Specific Ownership &/or Other	1,943,252	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,943,252	h. Other	1,752,956
c. Total (a. + b.)	1,967,035	i. Total (a. through h.)	2,080,339
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,718,004	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	224,216	d. Federal Transit Admin	
d. Other (Specify) Energy Impact Grant	439,093	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	0
f. Total (a. through e.)	663,309	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	2,381,313	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		66,362	66,362
b. Engineering Costs		727,121	727,121
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		7,529,642	7,529,642
(3). System Preservation		2,830,671	2,830,671
(4). System Enhancement & Operation		152,913	152,913
(5). Total Construction (1) + (2) + (3) + (4)	0	10,513,226	10,513,226
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	11,306,709	11,306,709
			(Carry forward to page 1)

Notes and Comments: