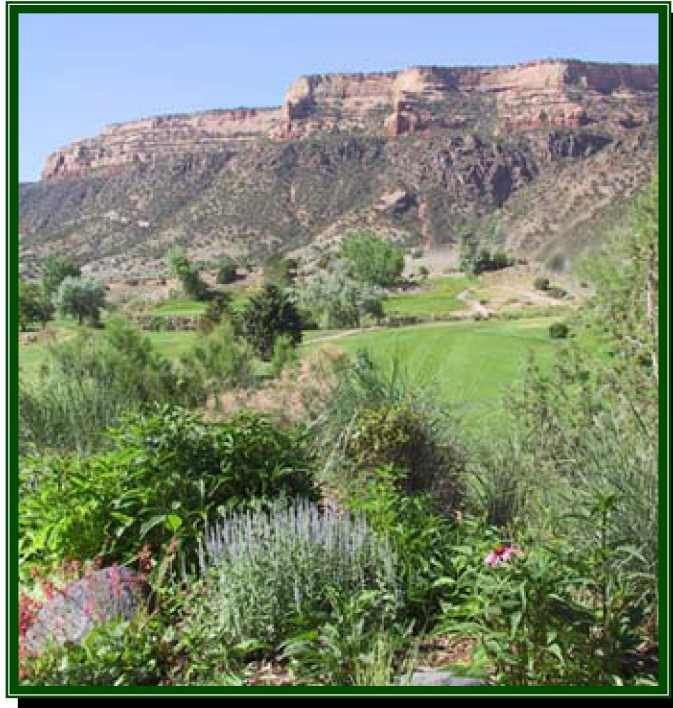


Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2007

City of Grand Junction, Colorado
Serving the Community Together



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

Prepared by:

*Department of Administration
Financial Operations*

*Jodi Romero
Manager*



TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal.....	3
Certificate of Achievement for Excellence in Financial Reporting.....	11
City Organization Chart.....	12
City Map, Election District Boundaries.....	13
List of City Officials.....	13

FINANCIAL SECTION

Report of Independent Certified Public Accountants.....	17
--	-----------

Management's Discussion and Analysis.....	19
--	-----------

Basic Financial Statements.....	29
--	-----------

Government-wide Financial Statements:	
Statement of Net Assets.....	31
Statement of Activities.....	32
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	34
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.....	35
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	37
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund.....	38
Statement of Net Assets – Proprietary Funds.....	39
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds.....	40
Statement of Cash Flows – Proprietary Funds.....	41
Statement of Fiduciary Net Assets – Fiduciary Funds.....	42
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	43
Notes To Financial Statements.....	45

Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds.....	69
Combining Balance Sheet – Nonmajor Governmental Funds.....	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	74
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Visitors and Convention Bureau.....	76
Enhanced 911 Special Revenue Fund.....	77
Parkland Expansion Special Revenue Fund.....	78
Economic Development Special Revenue Fund.....	79
Conservation Trust Special Revenue Fund.....	80
Community Development Special Revenue Fund.....	81
General Debt Service Fund.....	82
Ridges Debt Service Fund.....	83

TABLE OF CONTENTS

Page

FINANCIAL SECTION (continued)

Grand Junction West Water and Sanitation District Debt Fund	84
Grand Junction Public Finance Corporation Debt Service Fund	85
Sales Tax Capital Improvements Capital Projects Fund	86
Parkway Project Capital Projects Fund	87
Storm Drainage Development Capital Projects Fund.....	88
Street Assessment Projects Capital Projects Fund	89
Facilities Capital Projects Fund	90
Cemetery Perpetual Care Permanent Trust Fund.....	91
Nonmajor Proprietary Funds	92
Combining Statement of Net Assets – Nonmajor Proprietary Funds.....	94
Combining Statement of Revenues, Expenses, and Changes in Net Assets – Nonmajor Proprietary Funds	96
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	98
Combining Statement of Net Assets – Internal Service Funds.....	100
Combining Statement of Revenues, Expenses, and Changes in Net Assets – Internal Service Funds	101
Combining Statement of Cash Flows – Internal Service Funds	102
Fiduciary Funds	103
Combining Statement of Fiduciary Net Assets – Pension Trust Funds.....	104
Combining Statement of Changes in Fiduciary Net Assets – Pension Trust Funds.....	105
Combining Statement of Fiduciary Net Assets – Private-Purpose Trust Funds	106
Combining Statement of Changes in Fiduciary Net Assets – Private- Purpose Trust Funds	107
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	108
Downtown Development Authority – a component unit:	109
Balance Sheet – Governmental Funds.....	110
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	111
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
DDA Tax Increment Special Revenue Fund	112
Downtown Development Authority Special Revenue Fund	113
DDA Debt Service Fund	114
DDA TIF Capital Improvements Capital Projects	115

STATISTICAL SECTION

Table 1 - Net Assets	119
Table 2 - Changes in Net Assets.....	120
Table 3 - Fund Balances, Governmental Funds	122
Table 4 - Changes in Fund Balances, Governmental Funds	123
Table 5 - Sales Tax Revenue by Type of Industry.....	124
Table 6 - Direct and Overlapping Sales Tax Rates	125
Table 7 - Principal Sales Tax Payers	126

TABLE OF CONTENTS

	<u>Page</u>
Table 8 - Sales & Use Tax Collections	127
Table 9 - Ratio of Outstanding Debt by Type	128
Table 10 - Ratio of Net General Bonded Debt.....	129
Table 11 - Computation of Legal Debt Margin.....	130
Table 12 - Computation of Direct and Overlapping Debt	131
Table 13 - Revenue Bond Coverage	132
Table 14 - Demographic Statistics	133
Table 15 - Top 10 Principal Employers	134
Table 16 - Miscellaneous Statistics	135
Table 17 - Capital Asset Statistics by Function	136
Table 18 - Salaries and Surety Bonds of Principal Officials	137

SINGLE AUDIT

Independent Auditor's Report on Schedule of Expenditures of Federal Awards	139
Schedule of Expenditures of Federal Awards	141
Report On Compliance and On Internal Control Over Financial Reporting Based On An Audit of Financial Statements Performed In Accordance With Government Auditing Standards	143
Report On Compliance With Requirements Applicable To Each Major Program and Internal Control Over Compliance In Accordance With OMB Circular A-133	145
Schedule of Findings and Questioned Costs	147
Summary Schedule of Prior Audit Findings	149

REQUIRED SUPPLEMENTAL INFORMATION

Report of Independent Certified Public Accountants On Required Supplemental Information	151
Schedule of Revenues and Expenditures for Roads, Bridges and Streets.....	153



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Introductory Section



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Financial Operations Division

250 North 5th Street < Grand Junction, Colorado 81501-2668 < (970) 244-1515 < fax (970) 256-4090

June 17, 2008

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, 2007, 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, 2007, 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, 2007, 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, 2007, 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.

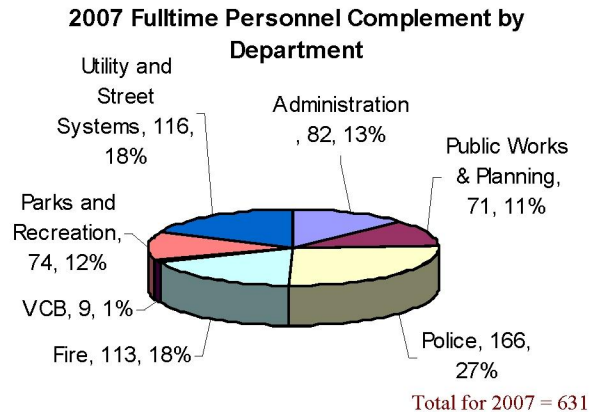
Accordingly, the Ridges Metropolitan District, Grand Junction West Water and Sanitation District, and Grand Junction Public Finance Corporation are reported as debt service funds of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements 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 36.90 square miles and serves an estimated population of 54,000. 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 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.

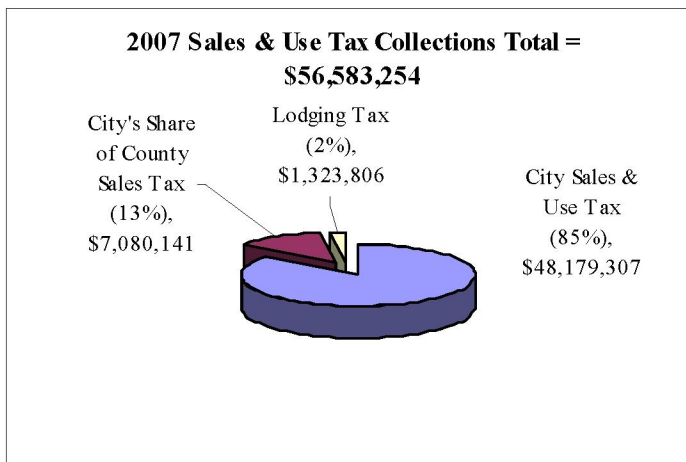
Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 38 as part of



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 69.

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. Debt has been kept to a minimum. The three-quarter percent increase in city sales taxes, effective January 1, 1988, provides funds for capital expenditures and economic development. The sales and use tax revenues, allocated to the General Fund, account for 66% of its revenues (excluding capital transfers). These tax revenues increased by 12%

from 2006 to 2007. 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 1998.



The area has historically experienced economic cycles of about ten to fifteen years, moving from strong economic growth and prosperity to significant decline and deterioration of the business base. The valley has now experienced population growth averaging almost 3%

a year for ten years. This growth has positively impacted the area economy as evidenced by the growing economy, which was the 14th fastest growing in the nation in 2007. The area growth in gross domestic product (GDP) more than doubled from \$2.5 billion in 1997 to \$5.3 billion in 2007. The City not only has the fastest job growth in Colorado but ranks 14th in the nation in this category as well. 3,300 new jobs were created in 2007 as unemployment dropped from 3.9% to

2.8%. This job growth has also translated into the fastest growing wage and income in the State as the median wage increased 12% over the last 18 months.

During the fiscal year ended December 31, 2007, the retail facet of the City's economy continued to grow as well. The City is addressing the challenges of this current growth and is planning for future growth.

The City also continues 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 business, 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 Grand Junction area an easy choice for relocation.

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

- Phase I of the \$110 million Riverside Parkway was completed and opened for traffic. The completion of the entire project is expected to be completed in the summer of 2008 with Phases II and III currently under construction and ahead of schedule.
- The construction of downtown parking structure was completed and opened in December.
- The \$3.4 million dollar 7th Street beautification project was completed and the Colorado Avenue beautification project will be started and completed in 2008.
- Phase I of the "Big Pipe" project which provides flood protection for almost 400 commercial and residential properties was completed this year. Phase II is to be completed in 2008 and Phase III will begin in 2008 with completion set for 2009. Total project cost is estimated at \$16 million.
- The City began preliminary design work for a new Public Safety Facility that will serve Police, and Fire Administration as well as the construction of Fire Station #1.
- The City addressed many other facility needs by remodeling a former National Guard Armory Building and current City shops building into a temporary storage for police evidence as well as the permanent housing for the City's Neighborhood Services and Facilities Divisions.

FUTURE OUTLOOK

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

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

A riverfront park area and trail system along the Colorado River is backed by the City through resources of personnel time, direct funding and facilitating grants from federal, state and private sources. The City has purchased land for this park and the riverfront trail system. Much of this property was the site of wrecking yards, which have now been removed. The park objectives are to provide additional recreational facilities, beautify the entrance to the City and improve flood control for the area. Several trails have been completed and are open to the public.

The purchase and development of the one hundred and three acre Canyon View Park was begun 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. Outside funding was used to construct a baseball field at Canyon View Park in 1998 and will continue in 2008 with the construction of 6 tennis courts, shade shelters and restrooms. Additional land at the large site has recently been developed at a cost of \$3.0 million. An additional site was purchased in 1996 for future development of a regional park. This site covers over two hundred and seven 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.

With the redevelopment and beautification of the intersection at 7th and Main Streets, and a new parking structure completed in 2007, the City's downtown is very vibrant and active. The Farmers Market which draws thousands of people to the downtown area has proved to be a very popular attraction during the summer growing season. The City's Downtown Development Association also has plans for future capital improvements in the downtown area funded in part by an additional \$6 million in Tax Increment Bonds that were sold in 2006.

The City Council will work extensively in 2008 implementing the recently developed Strategic Plan, a plan aimed at identifying the long term direction and nearer-term goals, objectives and action steps for the organization.

One of the major priorities in the Strategic Plan is maintaining the quality of life including the preservation and improvement of the infrastructure. The City's continuing 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 the long-range capital planning efforts. As part of our long-range financial planning process, these funds are projected and allocated to specific projects; while maintaining flexibility for future City Councils.

In 2003, the voters of the City of Grand Junction gave approval for the City to issue \$80 million in general revenue bonds to construct the Riverside Parkway. This is the most significant transportation project in the history of the City. The project entails building a loop around the City that extends from 24 Road/Redlands Parkway to the intersection of 29 Road and D Road. The lower section of the Parkway extends from 4th Avenue to the intersection of 27 ½ and D Road. The final connection will extend from Highway 50 on Orchard Mesa across the Colorado River and over I-70B and the Union Pacific Railroad tracks and connect to a new interchange at I-70. With the approval to issue general revenue debt, the City will be able to complete the entire project within 3 years, 17 years ahead of the original 20 year completion time. The City is also planning several other significant capital improvement projects including the building of a new public safety facility, development of the facility master plan, and various water and storm drainage system improvements.

The City continues to take the lead in promotion and funding for economic development for the area. Incentives and area promotion have brought numerous businesses to the valley. The City plans to continue the support and funding of this process to maintain and stabilize growth. The City works closely with the Grand Junction Economic Partnership, Mesa County, Mesa State College, and other local entities to further this economic development goal. 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. Another special event began in 1992. "Country Jam USA", a country music festival of four days in mid-summer, draws spectators and performers from all over the country to the Grand Valley.

The City has remained on the cutting edge of communication and technology. The E-911 Communications Center continues to upgrade its technology and capabilities to ensure public safety, and various meetings, including City Council meetings, are televised. The City has also been recognized for its state-of-the-art interactive web site.

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

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 2007 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 increased in 2007 due to higher yields. The net average yield on investments was 5.3%, up from 4.5% in 2006.

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 \$550,000. 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 2007, like previous years, the City of Grand Junction participated in six different qualified pension plans. Two old hire Police and Fire Pension Plans are Defined Benefit Plans administered by the Colorado FPPA, with only two active firemen working at this time. The other four plans are single employer defined contribution plans and cover all of our full time/part time permanent employees totaling approximately 650. Both City and employee contributions are invested at the direction of employees and no unfunded liability can ever exist for these plans. The two old hire plans are actuarially studied at least every two years and the unfunded liability they both have are being amortized no longer than 20 years.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2006. This was the twenty-third 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.

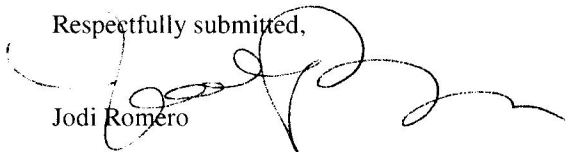
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, 2007.

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, 2006

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.



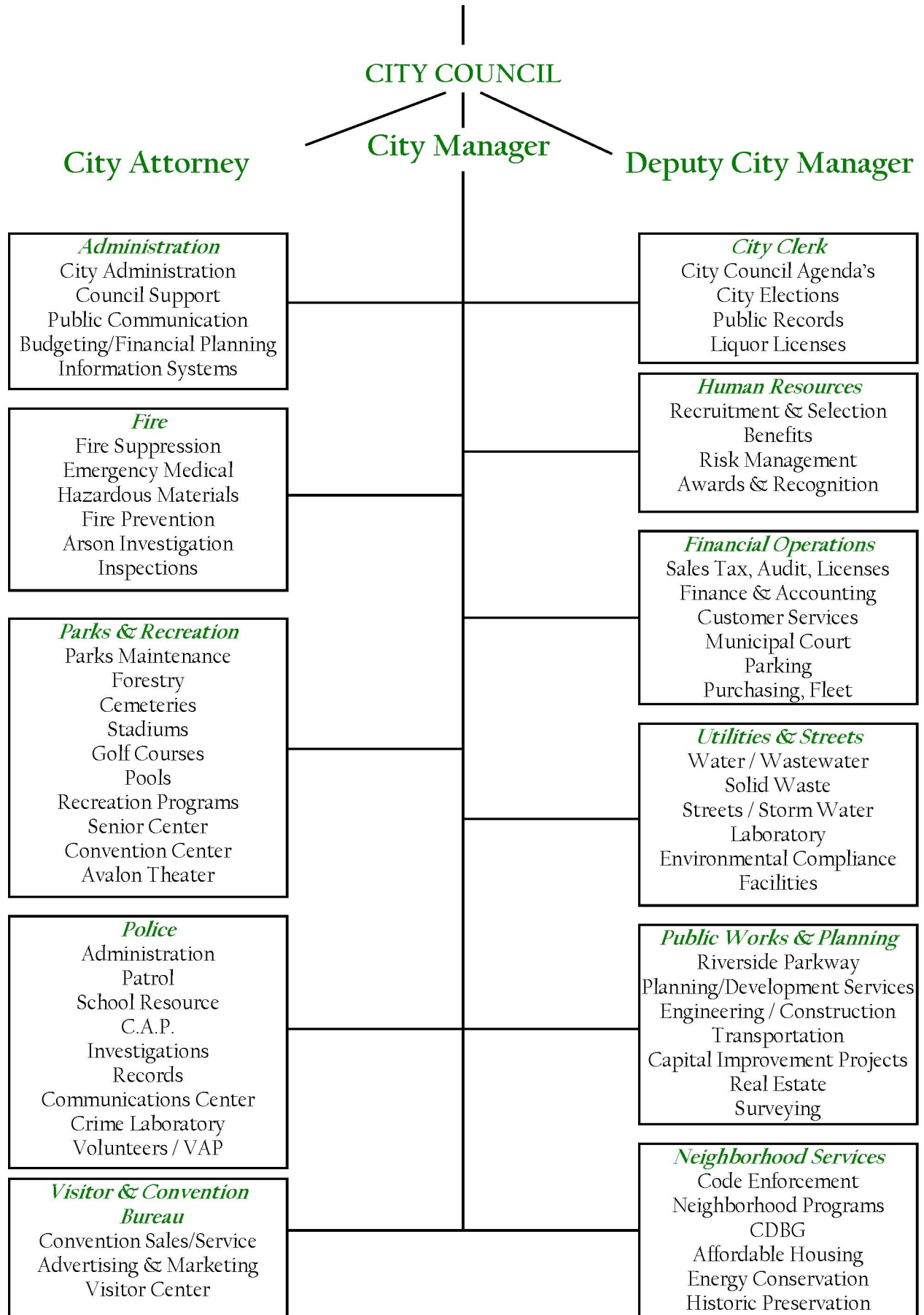
Charles S. Cox

President

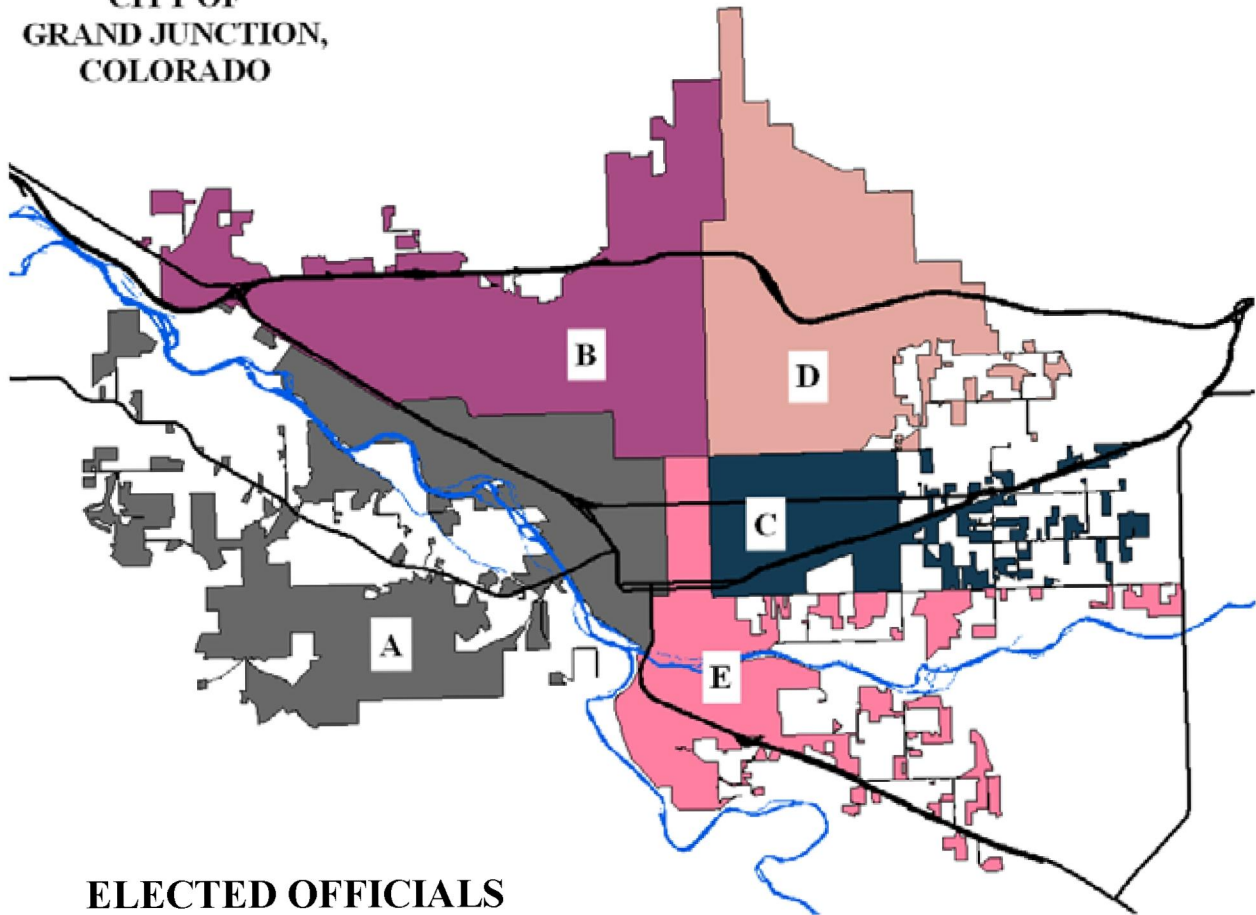
Jeffrey R. Emery

Executive Director

CITIZENS OF GRAND JUNCTION



**CITY OF
GRAND JUNCTION,
COLORADO**



ELECTED OFFICIALS

City Council	Expires
Jim Doody, Mayor – District A	May 2009
Bonnie Beckstein – Mayor Pro Tem – District D	May 2009
Bruce Hill – At Large	May 2011
Gregg Palmer - District B	May 2011
Linda Romer Todd - District C	May 2011
Teresa Coons – District E	May 2009
Doug Thomason - At Large	May 2009

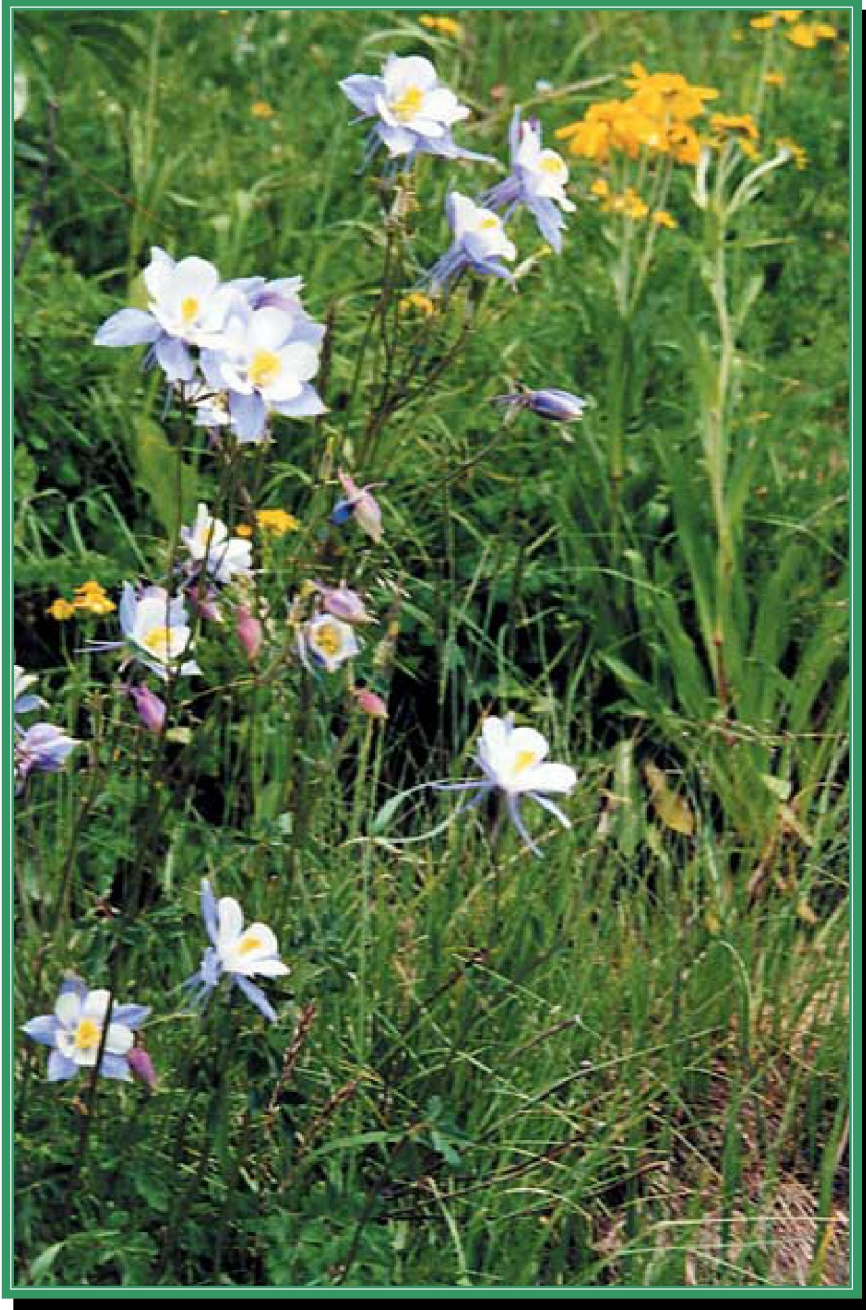
**ELECTION DISTRICT
BOUNDARIES**

APPOINTED OFFICIALS

Laurie Kadrich	City Manager
John P. Shaver	City Attorney
Care' McInnis Raaum	Municipal Judge

DEPARTMENT DIRECTORS

Laurie Kadrich	Administration
Ken Watkins	Fire Chief
Joe Stevens	Parks & Recreation
Bill Gardner	Police Chief
Greg Trainor	Utilities & Street Systems
Tim Moore	Public Works & Planning
Debbie Kovalik	Visitor and Convention Bureau





Financial Section



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 17, 2008

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, 2007, 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, 2007, 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 is not a required part of the basic financial statements but is 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, 2008 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, Steinbuckner, 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, 2007. 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 2007 by \$518 million (net assets). Of this amount \$66.1 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 12% over 2006, primarily due to a relatively healthy economy and some new retail activity.
- At the end of 2007, the unreserved and undesignated fund balance for the General Fund was \$25.6 million, or 49% of the total General Fund expenditures. This is up \$8.6 million from 2006 which was 36.5% of General Fund expenditures.
- The Sales Tax Capital Improvement Fund ended the year with a fund balance of \$6.6 million to assist next year's capital plan and the Parkway Project Capital Fund spent \$37.4 million towards the completion of the Riverside Parkway.
- General Fund revenues grew by 9% in 2007 mostly due to combined tax collections. In total, General Fund revenues of \$62.5 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 and Parkway Project Capital Fund. The balances of the other nineteen governmental funds are determined to be non-major and are included in the combining statements within this report.

The City of Grand Junction adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget. The General Fund budgetary comparison is presented as part of the basic governmental fund financial statements which can be found on page 34 through 38 of this report. All other required budgetary comparisons including the Sales Tax Capital Improvement Fund and Parkway Project Capital Fund are with the combining statements which can be found on pages 76 through 91 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.

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

The basic fiduciary fund financial statements can be found on pages 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 68 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Grand Junction's Local Highway Finance Report. This supplementary information can be found on page 153 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 72 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 \$517.5 million at the close of fiscal year 2007.

By far the largest portion (85.4%) 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	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 90,503	\$ 86,519	\$ 715	\$ 9,397	\$ 91,218	\$ 95,916
Capital assets	488,995	384,285	47,854	39,662	536,849	423,947
Total assets	<u>579,498</u>	<u>470,804</u>	<u>48,569</u>	<u>49,059</u>	<u>628,067</u>	<u>519,863</u>
Long-term debt outstanding	85,648	61,298	3,579	3,469	89,227	64,767
Other liabilities	19,786	15,993	1,140	4,346	20,926	20,339
Total liabilities	<u>105,434</u>	<u>77,291</u>	<u>4,719</u>	<u>7,815</u>	<u>110,153</u>	<u>85,106</u>
Net assets:						
Invested in capital assets, net of related debt	408,037	326,337	39,673	36,519	447,710	362,856
Restricted	3,693	5,379	-	611	3,693	5,990
Unrestricted	62,334	61,797	4,177	4,114	66,511	65,911
Total net assets	<u>\$474,064</u>	<u>\$393,513</u>	<u>\$43,850</u>	<u>\$41,244</u>	<u>\$517,914</u>	<u>\$434,757</u>

An additional portion of the City of Grand Junction's net assets 1.0% represents resources that are subject to external restrictions on how they may be used.

Changes in Net Assets

The City's total revenues of \$167.9 million exceeded program expenses of \$84.8 million for an increase in net assets of \$83.1 million.

CHANGES IN NET ASSETS

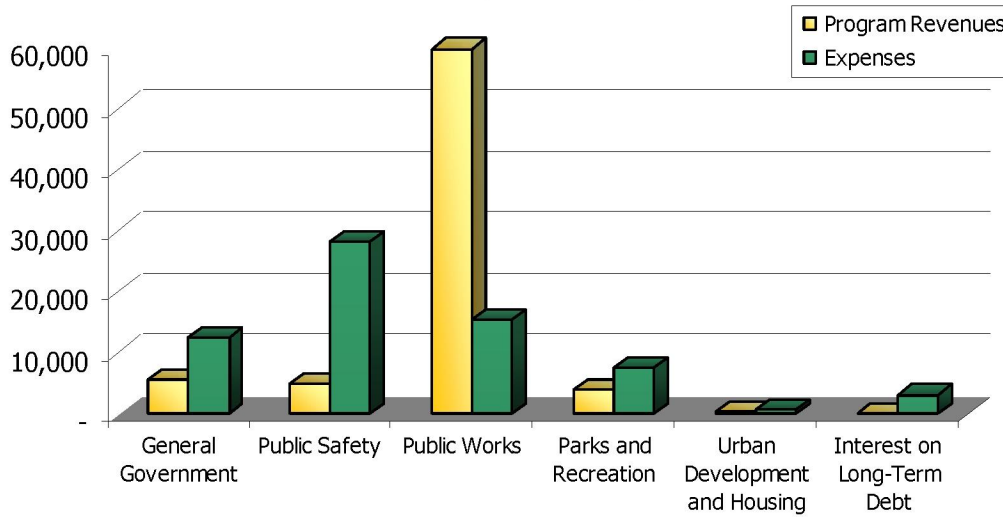
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 16,751	\$ 10,520	\$ 17,081	\$ 13,884	\$ 33,832	\$ 24,404
Operating grants	1,183	565	-	-	1,183	565
Capital grants	56,633	66,735	1,999	654	58,632	67,389
General revenues:						
Property taxes	5,926	5,618	-	-	5,926	5,618
Sales and use taxes	56,583	50,374	-	-	56,583	50,374
Other taxes	7,268	7,467	-	-	7,268	7,467
Other general revenues	4,274	3,174	225	255	4,274	3,429
Total revenues	148,618	144,453	19,305	14,793	167,923	159,246
Expenses:						
General government	12,413	8,776	-	-	12,413	8,776
Public safety	28,167	24,639	-	-	28,167	24,639
Public works	15,521	19,401	-	-	15,521	19,401
Parks and recreation	7,419	4,743	-	-	7,419	4,743
Urban development and housing	565	110	-	-	565	110
Interest on long-term debt	3,106	2,504	-	-	3,106	2,504
Water	-	-	4,672	4,350	4,672	4,350
Convention Center	-	-	2,968	2,806	2,968	2,806
Solid Waste Removal	-	-	2,820	2,632	2,820	2,632
Swimming pools	-	-	992	1,016	992	1,016
Golf	-	-	2,124	1,966	2,124	1,966
Parking	-	-	403	693	403	693
Irrigation systems	-	-	289	299	289	299
Ambulance transport	-	-	3,307	865	3,307	865
Total expenses	67,191	60,173	17,575	14,627	84,766	74,800
Excess before transfers	81,427	84,280	1,730	166	83,157	84,446
Transfers	-876	-2,094	876	2,094	-	-
Increase in net assets	80,551	82,186	2,606	2,260	83,157	84,446
Net assets 1/1/07	393,513	311,327	41,244	38,984	434,757	350,311
Net assets 12/31/07	\$474,064	\$393,513	\$43,850	\$41,244	\$517,914	\$434,757

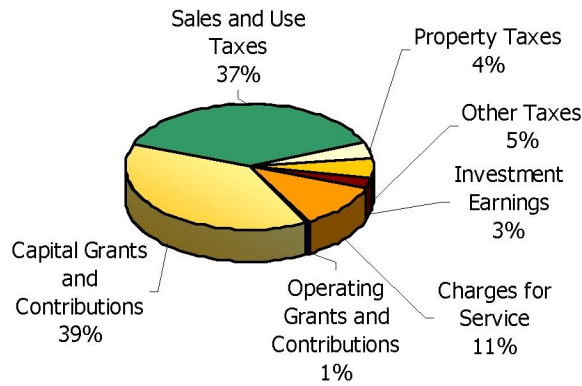
Governmental Activities

Governmental Activities increased the City of Grand Junction's net assets by \$80.5 million. Following are illustrative summaries of Governmental Activities breaking out revenues and expenses.

EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITES
(in Thousands)



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Sales and use tax revenue increased by 12.0% during the year. The majority of growth is attributed to a healthy economy and impacts of new retail outlets.

Property tax revenue increased by \$308 thousand, or 5.4%, 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

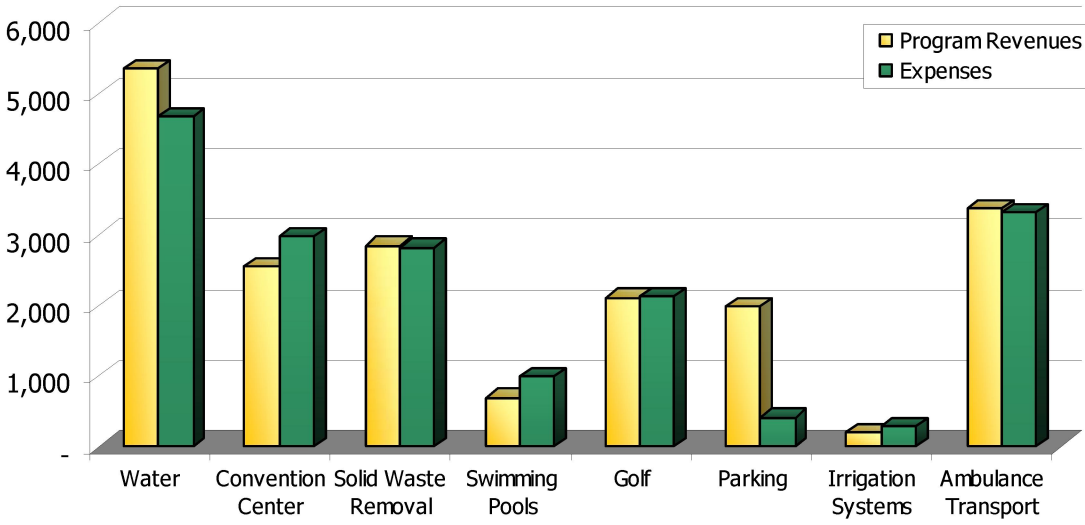
Net assets in Business-type activities increased by \$2.6 million. Business-type activities include Water, Convention Center, Solid Waste, Pools, Golf Courses, Parking, Irrigation, and Ambulance Transport.

The Two Rivers Convention Center, Pools Funds, Lincoln Park Golf Course and the Ambulance Transport Funds all received transfers from the General Fund to subsidize operations.

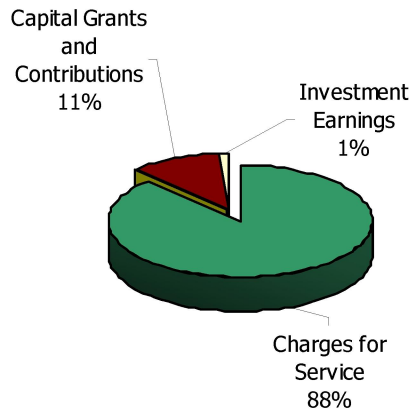
Unrestricted net assets at the end of the year for business-type activities amounted to \$4.2 million. Total growth in net assets for these funds was \$2.6 million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Grand Junction business-type activities.

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

EXPENSE AND PROGRAM REVENUES – BUSINESS TYPE ACTIVITIES



REVENUES BY SOURCE – BUSINESS TYPE ACTIVITIES



FINANCIAL ANALYSIS OF GOVERNMENT’S FUNDS

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

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

As of December 31, 2007, the City’s governmental funds (general, special revenue, debt service, capital projects, and permanent) reported combined fund balances of \$52.1 million. This represents a decrease of \$6.1 million over last year’s ending balances, mainly attributed to \$37.4 million in capital expenditures in the Parkway Project capital fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the General Fund budget was amended from an original budget appropriation total of \$56.7 million to a final budget of \$59.8 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 \$52.1 million while the final budgeted amount was \$52.6 million, reflecting an increase in the projection for tax revenue, interest earnings, and intergovernmental revenues, as well as charges for services and fines and forfeitures.

Actual General Fund expenditures (including transfers) totaled \$55.4 million. The year-end fund balance of \$34.3 million was \$11.5 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 \$10.8 million during the year. The General Fund's total fund balance increased \$7.8 million over last year. An analysis for this fund balance shows that it represents over 50% of projected revenues for the new fiscal year which ends December 31, 2008.

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 76% of total tax revenues and represents 66% of total general fund revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2007, 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, 2007.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$231,071	\$197,158	\$ 4,889	\$ 4,523	\$235,960	\$201,681
Buildings and systems	19,800	18,901	32,142	29,992	51,942	48,893
Improvements other than buildings	16,837	16,830	2,377	2,527	19,214	19,357
Vehicles, machinery & equipment	11,699	10,644	831	980	12,530	11,624
Infrastructure	146,042	96,272	-	-	146,042	96,272
Construction in progress	63,546	44,480	7,615	1,640	71,161	46,120
Total	\$488,995	\$384,285	\$47,854	\$39,662	\$536,849	\$423,947

Major capital additions during 2007 include:

	<u>2007</u>
Riverside Parkway	\$37,251,122
Downtown Parking Garage	6,391,710
Ranchman's Ditch	5,412,412
7 th Street: Pitkin to Grand	4,030,153
Street and Sidewalk Improvements	2,763,836
Two Rivers Convention Center HVAC	1,130,076
Artificial Turf LP Stadium	1,031,374
Equipment Replacement Program	1,029,835

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, 2007 the City of Grand Junction has \$83.7 million in outstanding debt. Of this amount \$80.8 million represents General Government debt. The largest portion, \$79.7 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 \$2.9 million of outstanding debt is bonds, notes and loans to be repaid by fee revenue and appropriated funds. Total debt service payments of approximately \$2.5 million in 2008 represents 4.6% 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, 2007.

OUTSTANDING DEBT, AT YEAR-END
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
General obligation (backed by by special tax revenue)	\$ 1,090	\$ 1,390	\$ -	\$ -	\$ 1,090	\$ 1,390
Revenue bonds and notes (backed by tax and fee revenue)	79,665	57,940	80	90	79,745	58,030
Loans (backed by fee revenue)	-	-	2,900	3,053	2,900	3,053
Total	<u>\$80,755</u>	<u>\$59,330</u>	<u>\$2,980</u>	<u>\$3,143</u>	<u>\$83,735</u>	<u>\$62,473</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

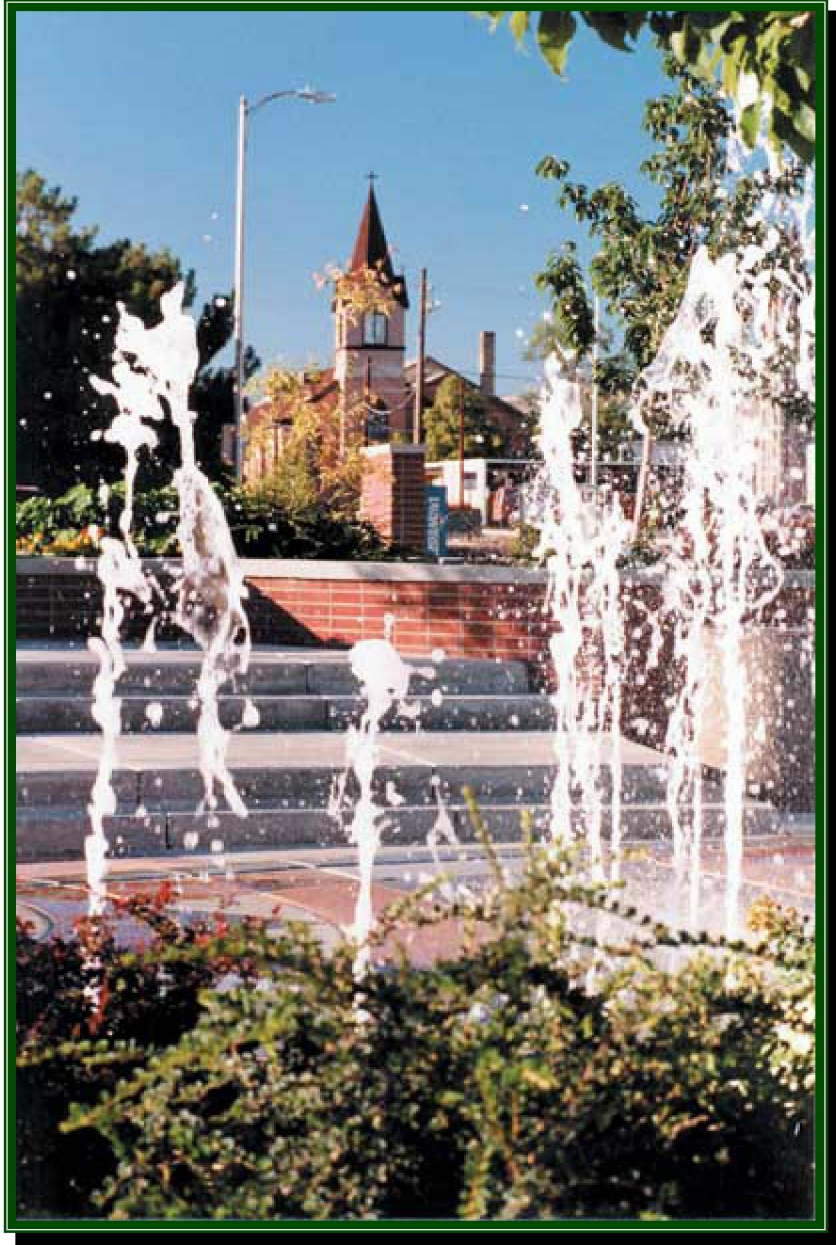
The City of Grand Junction is in a strong financial position. City-wide reserves are at levels required in the City's Budget Policy. The local economy continues to improve as evidenced by retail activity. Sales and Use Taxes are up 14.4% for the 1st Quarter of 2008, well above the projected rate of 9.4%. The energy, construction and health service industries continue to grow and the local community is proactive in creating the right business environment for successful companies to flourish and grow. 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 our ability to attract new businesses and retirees, all contribute to the current and future economic vitality of this community.

General Fund balances are well above the minimum working capital recommended in the City's budget policy. The City's investment in infrastructure is at an all time high as work continues on the Riverside Parkway Project. In the Spring of 2004 voters approved a bond issue to fund approximately 73% of this \$110 million project. \$10.5 million will be spent in 2008 on the final phase of this project and the Parkway is scheduled to open in August. Some of the other major capital improvement projects for 2008 include spending almost \$9.6 million on road construction and maintenance projects, and \$1.6 million on storm drainage improvements.

Rates in the Utility Funds were set to cover operating and capital costs. In 2008, water revenues will be bolstered by a 5% rate increase, while sewer fees will increase 2.5%. Solid waste rates will remain the same. A 12.8% increase in general government total revenue is expected in 2008 primarily due to increased sales and use tax collections which are expected to increase 9.4% over 2007 collections. The 2008 Budget includes funding for the subsidy of the Two Rivers Convention Center, Ambulance Transport 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, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 66,529,740	\$ 5,198,546	\$ 71,728,286	\$ 834,503
Other receivables, net of allowance for uncollectibles	16,656,091	1,835,357	18,491,448	1,838,786
Internal balances	6,416,976	(6,416,976)	-	-
Inventories	115,247	98,241	213,488	-
Bond issue costs	784,771	-	784,771	-
Capital assets (net of accumulated depreciation):				
Land	231,071,197	4,889,318	235,960,515	554,984
Buildings and systems	19,799,838	32,141,973	51,941,811	1,550,932
Improvements other than buildings	16,836,727	2,376,908	19,213,635	-
Equipment	11,699,325	830,873	12,530,198	99,559
Infrastructure	146,042,344	-	146,042,344	-
Construction in progress	63,546,136	7,614,956	71,161,092	1,763,468
Total assets	<u>579,498,392</u>	<u>48,569,196</u>	<u>628,067,588</u>	<u>6,642,232</u>
LIABILITIES				
Accounts payable and other current liabilities	11,014,468	1,089,560	12,104,028	7,914
Accrued interest payable	1,252,680	50,357	1,303,037	-
Unearned revenue	7,519,224	-	7,519,224	1,783,686
Noncurrent liabilities:				
Due within one year	5,174,164	206,633	5,380,797	2,000,895
Due in more than one year	80,474,048	3,372,749	83,846,797	11,304
Total liabilities	<u>105,434,584</u>	<u>4,719,299</u>	<u>110,153,883</u>	<u>3,803,799</u>
NET ASSETS				
Invested in capital assets, net of related debt	408,037,121	39,673,423	447,710,544	1,968,943
Restricted for :				
Perpetual care:				
Expendable	14,121	-	14,121	-
Nonexpendable	1,192,830	-	1,192,830	-
Debt service	310,612	-	310,612	-
Emergency reserves	2,175,000	-	2,175,000	-
Unrestricted	62,334,124	4,176,474	66,510,598	869,490
Total net assets	<u>\$ 474,063,808</u>	<u>\$ 43,849,897</u>	<u>\$ 517,913,705</u>	<u>\$ 2,838,433</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, 2007

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 12,412,910	\$ 5,451,358	\$ -	\$ -
Public safety	28,167,497	4,774,346	118,217	-
Public works	15,521,625	3,325,868	-	56,555,713
Parks and recreation	7,419,519	3,199,673	690,284	77,764
Urban development and housing	565,373	-	374,294	-
Interest on long-term debt	3,106,206	-	-	-
Total governmental activities	<u>67,193,130</u>	<u>16,751,245</u>	<u>1,182,795</u>	<u>56,633,477</u>
Business-type Activities:				
Water	4,671,765	4,987,126	-	366,817
Convention Center	2,968,119	2,544,726	-	-
Solid Waste Removal	2,820,253	2,841,130	-	-
Swimming Pools	991,685	697,770	-	-
Golf	2,123,769	2,106,921	-	-
Parking	402,916	343,471	-	1,630,000
Irrigation Systems	289,528	191,854	-	1,820
Ambulance Transport	3,306,822	3,367,979	-	-
Total business-type activities	<u>17,574,857</u>	<u>17,080,977</u>	<u>-</u>	<u>1,998,637</u>
Total primary government	<u>\$ 84,767,987</u>	<u>\$ 33,832,222</u>	<u>\$ 1,182,795</u>	<u>\$ 58,632,114</u>
Component unit:				
Downtown Development Authority	<u>\$ 4,633,804</u>	<u>\$ 75,394</u>	<u>\$ 70,860</u>	<u>\$ 265,616</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
\$ (6,961,552)	\$ -	\$ (6,961,552)	\$ -
(23,274,934)	-	(23,274,934)	-
44,359,956	-	44,359,956	-
(3,451,798)	-	(3,451,798)	-
(191,079)	-	(191,079)	-
<u>(3,106,206)</u>	<u>-</u>	<u>(3,106,206)</u>	<u>-</u>
<u>7,374,387</u>	<u>-</u>	<u>7,374,387</u>	<u>-</u>
-	682,178	682,178	-
-	(423,393)	(423,393)	-
-	20,877	20,877	-
-	(293,915)	(293,915)	-
-	(16,848)	(16,848)	-
-	1,570,555	1,570,555	-
-	(95,854)	(95,854)	-
-	61,157	61,157	-
<u>-</u>	<u>1,504,757</u>	<u>1,504,757</u>	<u>-</u>
\$ <u>7,374,387</u>	\$ <u>1,504,757</u>	\$ <u>8,879,144</u>	\$ <u>-</u>
-	-	-	(4,221,934)
56,583,254	-	56,583,254	-
5,926,469	-	5,926,469	1,498,752
2,147,224	-	2,147,224	-
1,732,774	-	1,732,774	-
3,388,467	-	3,388,467	-
4,185,692	225,584	4,411,276	198,530
88,000	-	88,000	(49,744)
<u>(875,719)</u>	<u>875,719</u>	<u>-</u>	<u>-</u>
<u>73,176,161</u>	<u>1,101,303</u>	<u>74,277,464</u>	<u>1,647,538</u>
80,550,548	2,606,060	83,156,608	(2,574,396)
393,513,260	41,243,837	434,757,097	5,412,829
\$ <u>474,063,808</u>	\$ <u>43,849,897</u>	\$ <u>517,913,705</u>	\$ <u>2,838,433</u>

City of Grand Junction
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2007

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Parkway Project Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 24,891,069	\$ 5,280,888	\$ 3,568,205	\$ 13,284,694	\$ 47,024,856
Interest receivable	275,042	-	18,767	-	293,809
Accounts receivable, net of allowances					
for uncollectibles	4,779,847	2,879	-	542,358	5,325,084
Taxes receivable	7,227,715	1,614,310	-	323,164	9,165,189
Special assessments receivable	-	131,788	-	-	131,788
Due from other funds	799,375	-	-	-	799,375
Advances to other funds	5,617,601	-	-	-	5,617,601
Intergovernmental receivables	875,810	569,003	108,109	-	1,552,922
Total assets	<u>\$ 44,466,459</u>	<u>\$ 7,598,868</u>	<u>\$ 3,695,081</u>	<u>\$ 14,150,216</u>	<u>\$ 69,910,624</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,261,769	\$ 776,764	\$ 4,229,673	\$ 573,008	\$ 6,841,214
Accrued liabilities	1,588,617	22,504	18,108	1,523,841	3,153,070
Due to other funds	-	-	-	242,730	242,730
Deferred revenue	7,227,715	131,788	-	178,261	7,537,764
Total liabilities	<u>10,078,101</u>	<u>931,056</u>	<u>4,247,781</u>	<u>2,517,840</u>	<u>17,774,778</u>
Fund balances:					
Reserved for:					
Advances	5,617,601	-	-	-	5,617,601
Perpetual care	-	-	-	1,206,951	1,206,951
Debt service	165,572	-	-	310,462	476,034
Emergency	2,175,000	-	-	-	2,175,000
Unreserved:					
Designated for subsequent year's expenditures-					
General fund	768,651	-	-	-	768,651
Special revenue funds	-	-	-	40,755	40,755
Capital projects funds	-	4,821,810	-	3,421,963	8,243,773
Undesignated, reported in:					
General fund	25,661,534	-	-	-	25,661,534
Special revenue funds	-	-	-	4,675,812	4,675,812
Debt Service	-	-	-	150	150
Capital projects funds	-	1,846,002	(552,700)	1,976,283	3,269,585
Total fund balances	<u>34,388,358</u>	<u>6,667,812</u>	<u>(552,700)</u>	<u>11,632,376</u>	<u>52,135,846</u>
Total liabilities and fund balances	<u>\$ 44,466,459</u>	<u>\$ 7,598,868</u>	<u>\$ 3,695,081</u>	<u>\$ 14,150,216</u>	<u>\$ 69,910,624</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, 2007

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

Total fund balance - governmental funds (page 34)	\$	52,135,846
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		478,378,447
Long-term assets are not available to pay current expenditures, and therefore, are deferred in the funds.		18,540
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 \$30,428,450 and liabilities (\$2,194,800) of the internal service funds are included in governmental activities in the statement of net assets.		28,233,650
Long-term liabilities including bonds and notes payable, capital leases, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	\$	(1,090,000)
Revenue bonds		(76,000,000)
Bond premium (to be amortized over life of debt)		(3,664,693)
Bond issuance costs		163,569
Deferred charge for issue costs (to be amortized over life of debt)		621,202
Promissory notes		(203,753)
Net pension obligation		(826,960)
Accrued interest payable		(1,252,680)
Compensated absences		(2,449,360)
		(84,702,675)
 Total net assets - governmental activities	 \$	 <u><u>474,063,808</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, 2007

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Parkway Project Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property					
Sales and use	\$ 5,765,993	\$ -	\$ -	\$ 160,476	\$ 5,926,469
Franchise	41,581,163	12,950,510	-	2,051,581	56,583,254
Severance	2,147,224	-	-	-	2,147,224
Other	2,525,869	-	-	-	2,525,869
Licenses and permits	2,595,372	-	-	-	2,595,372
Intergovernmental revenues	113,224	-	-	-	113,224
Charges for services	236,247	3,034,099	108,109	882,064	4,260,519
Fines and forfeitures	5,072,304	49,569	13,121	3,498,625	8,633,619
Special assessments	1,145,580	-	-	7,210	1,152,790
Investment earnings	-	146,610	-	-	146,610
Other income	1,340,089	419,254	716,589	794,193	3,270,125
Other contributions	241	5,886	-	896,671	902,798
Other contributions	(19,841)	-	-	-	-
Total revenues	<u>62,503,465</u>	<u>16,605,928</u>	<u>837,819</u>	<u>1,083,015</u>	<u>89,321,047</u>
EXPENDITURES					
Current:					
General government	9,668,139	-	-	-	12,336,103
Public safety	25,791,977	-	-	2,667,964	25,791,977
Public works	9,562,091	-	-	-	9,562,091
Parks and recreation	6,432,863	-	-	-	6,432,863
Urban development and housing	193,175	-	-	-	565,373
Debt service:					
Principal retirement	-	500,000	-	372,198	2,084,661
Interest and fiscal charges	-	-	-	2,084,661	2,584,661
Capital outlay:					
Construction	-	-	-	3,254,707	3,254,707
Total expenditures	<u>51,648,245</u>	<u>12,252,210</u>	<u>37,414,691</u>	<u>5,664,973</u>	<u>55,331,874</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,855,220</u>	<u>4,353,718</u>	<u>(36,576,872)</u>	<u>(4,670,668)</u>	<u>(115,859,649)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	730,566	7,257,063	6,972,910	10,261,513	25,222,052
Transfers out	(3,747,351)	(17,898,862)	-	(7,148,361)	(28,794,574)
Revenue Bond Proceeds	-	-	22,925,000	-	22,925,000
Bond Premium	-	-	997,936	-	997,936
Sale of capital assets	-	-	90,367	-	90,367
Total other financing sources and uses	<u>(3,016,785)</u>	<u>(10,641,799)</u>	<u>30,986,213</u>	<u>3,113,152</u>	<u>20,440,781</u>
Net change in fund balances	<u>7,838,435</u>	<u>(6,288,081)</u>	<u>(5,590,659)</u>	<u>(1,557,516)</u>	<u>(6,097,821)</u>
Fund balances -- beginning	26,549,923	13,455,893	5,037,959	13,189,892	58,233,667
Fund balances -- ending	<u>\$ 34,388,358</u>	<u>\$ 6,667,812</u>	<u>\$ (552,700)</u>	<u>\$ 11,632,376</u>	<u>\$ 52,135,846</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, 2007

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

Net change in fund balances - total governmental funds (page 36) \$ (6,097,821)

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 \$55,524,039 exceeded depreciation (\$7,299,172) in the current period. 48,224,867

The net effect of various miscellaneous transactions involving capital assets (i.e. sales and disposals) is to decrease net assets. (78,976)

The net effect of the donation of capital assets is to increase net assets. Assets received were \$55,983,133 while assets donated to others were (\$749,787). 55,233,346

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 2,524

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.

Revenue bonds issued	(22,925,000)	
Bond premium (net of current amortization)	(622,624)	
Debt principal payments	2,584,661	
Bond issuance costs	163,569	
Deferred charge for bond issuance cost	(35,935)	
Increase in accrued interest	(354,445)	
Decrease in net pension obligation	113,384	
Decrease in compensated absences	145,232	
	(20,931,158)	(20,931,158)

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	\$ 2,309,126	
Expenses due to external customers	(2,719,172)	
Gain on disposition of property	76,609	
Investment income	915,567	
Operating income from operations	3,615,636	4,197,766
	4,197,766	4,197,766

Change in net assets of governmental activities (page 33) \$ 80,550,548

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, 2007

	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	\$ 5,591,956	\$ 5,629,255	\$ 5,765,993	\$ -	\$ 5,765,993	\$ 136,738
Sales and use	31,672,514	32,531,568	41,581,163	(660,273)	40,920,890	8,389,322
Franchise	2,328,000	2,263,404	2,147,224	-	2,147,224	(116,180)
Severance	3,000,000	2,257,957	2,525,869	-	2,525,869	267,912
Other	2,421,300	2,485,149	2,595,372	4,766	2,600,138	114,989
Licenses and permits	113,750	120,525	113,224	-	113,224	(7,301)
Intergovernmental revenues	217,773	181,168	236,247	-	236,247	55,079
Charges for services	5,175,681	5,270,098	5,072,304	-	5,072,304	(197,794)
Fines and forfeitures	911,021	1,108,583	1,145,580	-	1,145,580	36,997
Investment earnings	700,000	700,000	1,340,089	(202,180)	1,137,909	437,909
Other income	6,700	7,282	241	-	241	(7,041)
Other contributions	35,350	34,170	(19,841)	-	(19,841)	(54,011)
Total revenues	52,174,045	52,589,159	62,503,465	(857,687)	61,645,778	9,056,619
EXPENDITURES						
Current:						
General government:						
Administration	3,184,227	2,669,958	3,121,347	-	3,121,347	(451,389)
Administrative services	3,838,556	4,058,586	3,777,840	-	3,777,840	280,746
Community development	2,884,571	3,311,135	2,768,952	-	2,768,952	542,183
Total general government	9,907,354	10,039,679	9,668,139	-	9,668,139	371,540
Public safety:						
Police protection	15,100,597	16,371,629	16,120,597	-	16,120,597	251,032
Fire protection	9,749,230	9,908,105	9,671,380	-	9,671,380	236,725
Total public safety	24,849,827	26,279,734	25,791,977	-	25,791,977	487,757
Public works	9,542,144	9,650,414	9,562,091	-	9,562,091	88,323
Parks and recreation	6,539,191	6,726,892	6,432,863	-	6,432,863	294,029
Urban development and housing	130,000	190,968	193,175	-	193,175	(2,207)
Total expenditures	50,968,516	52,887,687	51,648,245	-	51,648,245	1,239,442
Excess (deficiency) of revenues over (under) expenditures	1,205,529	(298,528)	10,855,220	(857,687)	9,997,533	10,296,061
OTHER FINANCING SOURCES (USES)						
Transfers in	72,000	861,531	730,566	-	730,566	(130,965)
Transfers out	(3,162,333)	(4,306,959)	(3,747,351)	-	(3,747,351)	559,608
Total other financing sources and uses	(3,090,333)	(3,445,428)	(3,016,785)	-	(3,016,785)	428,643
Net change in fund balances	(1,884,804)	(3,743,956)	7,838,435	(857,687)	6,980,748	10,724,704
Fund balances -- beginning	26,549,923	26,549,923	26,549,923	-	26,549,923	-
Fund balances -- ending	\$ 24,665,119	\$ 22,805,967	\$ 34,388,358	\$ (857,687)	\$ 33,530,671	\$ 10,724,704

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, 2007

	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	\$ 3,903,950	\$ -	\$ 151,178	\$ 1,143,418	\$ 5,198,546	\$ 19,508,784
Accounts receivable, net of allowance	251,245	418,473	1,585	1,127,698	1,799,001	184,696
Intergovernmental receivable	13,962	22,394	-	-	36,356	2,603
Inventory	-	-	-	98,241	98,241	115,247
Total current assets	<u>4,169,157</u>	<u>440,867</u>	<u>152,763</u>	<u>2,369,357</u>	<u>7,132,144</u>	<u>19,811,330</u>
Noncurrent assets:						
Capital assets:						
Land	2,494,086	153,001	1,350,875	891,356	4,889,318	-
Buildings, improvements, plant and system	36,719,080	8,524,856	694,312	11,569,403	57,507,651	1,001,390
Equipment	383,496	366,570	19,551	1,699,631	2,469,248	24,504,001
Construction in progress	-	-	7,586,364	28,592	7,614,956	-
Less accumulated depreciation	<u>(13,504,524)</u>	<u>(2,041,892)</u>	<u>(456,100)</u>	<u>(8,624,629)</u>	<u>(24,627,145)</u>	<u>(14,888,271)</u>
Total capital assets (net of accumulated depreciation)	<u>26,092,138</u>	<u>7,002,535</u>	<u>9,195,002</u>	<u>5,564,353</u>	<u>47,854,028</u>	<u>10,617,120</u>
Total noncurrent assets	<u>26,092,138</u>	<u>7,002,535</u>	<u>9,195,002</u>	<u>5,564,353</u>	<u>47,854,028</u>	<u>10,617,120</u>
Total assets	<u>30,261,295</u>	<u>7,443,402</u>	<u>9,347,765</u>	<u>7,933,710</u>	<u>54,986,172</u>	<u>30,428,450</u>
LIABILITIES						
Current liabilities:						
Accounts payable	53,495	116,710	451,746	153,565	775,516	761,686
Accrued liabilities	94,403	48,080	6,148	165,413	314,044	211,685
Accrued interest payable	50,357	-	-	-	50,357	-
Compensated absences payable	16,595	5,420	435	21,502	43,952	18,712
Claims payable	-	-	-	-	-	966,520
Current portion of promissory notes payable	162,681	-	-	-	162,681	-
Due to other funds	-	271,649	254,469	273,257	799,375	-
Total current liabilities	<u>377,531</u>	<u>441,859</u>	<u>712,798</u>	<u>613,737</u>	<u>2,145,925</u>	<u>1,958,603</u>
Noncurrent liabilities:						
Compensated absences payable	209,479	68,423	5,494	271,429	554,825	236,197
Advances from other funds - general fund	-	-	4,945,531	672,070	5,617,601	-
Promissory notes payable	2,817,924	-	-	-	2,817,924	-
Total noncurrent liabilities	<u>3,027,403</u>	<u>68,423</u>	<u>4,951,025</u>	<u>943,499</u>	<u>8,990,350</u>	<u>236,197</u>
Total liabilities	<u>3,404,934</u>	<u>510,282</u>	<u>5,663,823</u>	<u>1,557,236</u>	<u>11,136,275</u>	<u>2,194,800</u>
NET ASSETS						
Invested in capital assets, net of related debt	23,111,533	7,002,535	3,995,002	5,564,353	39,673,423	10,617,120
Unrestricted	3,744,828	(69,415)	(311,060)	812,121	4,176,474	17,616,530
Total net assets	<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>

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, 2007

	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	\$ 4,920,327	\$ 2,544,646	\$ 343,471	\$ 9,035,959	\$ 16,844,403	\$ 10,705,320
Other income	13,660	-	-	-	13,660	1,403,321
Total operating revenues	<u>4,933,987</u>	<u>2,544,646</u>	<u>343,471</u>	<u>9,035,959</u>	<u>16,858,063</u>	<u>12,108,641</u>
Operating expenses:						
Personnel services	2,283,729	1,390,102	149,907	4,088,435	7,912,173	4,959,491
Costs of sales and services	1,436,271	1,354,276	95,055	4,879,459	7,765,061	4,682,770
Depreciation and amortization	780,531	223,741	42,954	503,709	1,550,935	1,957,593
Total operating expenses	<u>4,500,531</u>	<u>2,968,119</u>	<u>287,916</u>	<u>9,471,603</u>	<u>17,228,169</u>	<u>11,599,854</u>
Operating income (loss)	<u>433,456</u>	<u>(423,473)</u>	<u>55,555</u>	<u>(435,644)</u>	<u>(370,106)</u>	<u>508,787</u>
Nonoperating revenues (expenses):						
Intergovernmental	-	-	1,630,000	169,695	1,799,695	-
Miscellaneous	53,139	80	-	-	53,219	-
Investment income	204,671	-	(27,823)	48,736	225,584	915,567
Gain (loss) on disposition of property and equipment	(44,305)	-	25,000	-	(19,305)	76,609
Interest expense	(126,929)	-	(140,000)	(60,454)	(327,383)	-
Total nonoperating revenues (expenses)	<u>86,576</u>	<u>80</u>	<u>1,487,177</u>	<u>157,977</u>	<u>1,731,810</u>	<u>992,176</u>
Income (loss) before contributions and transfers						
operating transfers	520,032	(423,393)	1,542,732	(277,667)	1,361,704	1,500,963
Capital contributions - tap fees	157,585	-	-	1,820	159,405	-
Contributed capital	209,232	-	-	-	209,232	-
Transfers in	-	1,434,542	-	228,879	1,663,421	2,700,753
Transfers out	(41,541)	-	-	(746,161)	(787,702)	(3,950)
Change in net assets	845,308	1,011,149	1,542,732	(793,129)	2,606,060	4,197,766
Total net assets - beginning	<u>26,011,053</u>	<u>5,921,971</u>	<u>2,141,210</u>	<u>7,169,603</u>	<u>41,243,837</u>	<u>24,035,884</u>
Total net assets - ending	<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>

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, 2007

Business-Type Activities - Enterprise Funds

	Water Fund	Two Rivers Convention Center Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
Cash flows from operating activities:						
Cash received from customers and users	\$ 4,969,255	\$ 2,486,528	\$ 342,321	\$ 7,838,381	\$ 15,636,485	\$ 11,123,426
Cash paid to suppliers	(1,447,223)	(1,321,426)	(76,079)	(3,904,092)	(6,748,820)	(4,275,422)
Cash paid to employees	(2,246,250)	(1,381,098)	(147,335)	(4,020,367)	(7,795,050)	(4,954,179)
Miscellaneous nonoperating receipts	53,139	80	-	32,845	86,064	1,336,177
Net cash provided (used) by operating activities	<u>1,328,921</u>	<u>(215,916)</u>	<u>118,907</u>	<u>(53,233)</u>	<u>1,178,679</u>	<u>3,230,002</u>
Cash flows from noncapital financing activities:						
Transfers to/from another fund	(41,541)	1,434,543	-	(517,282)	875,720	2,696,803
Increase (decrease) in amount due other funds	-	27,701	143,747	227,587	399,035	-
Intergovernmental receipts	-	-	1,630,000	169,695	1,799,695	-
Net cash provided by noncapital financing activities	<u>(41,541)</u>	<u>1,462,244</u>	<u>1,773,747</u>	<u>(120,000)</u>	<u>3,074,450</u>	<u>2,696,803</u>
Cash flows from capital and related financing activities:						
Tap fees	157,585	-	-	1,820	159,405	-
Principal payments:						
Promissory notes	(162,166)	-	-	-	(162,166)	-
Proceeds of interfund capital loans	-	-	2,556,253	427,557	2,983,810	-
Interest paid	(124,847)	-	(140,000)	(60,453)	(325,300)	-
Proceeds from disposition of capital assets	-	-	25,000	-	25,000	61,301
Purchase of capital assets	(1,848,350)	(1,246,328)	(6,391,710)	(91,978)	(9,578,366)	(3,273,673)
Net cash used in capital and related financing activities	<u>(1,977,778)</u>	<u>(1,246,328)</u>	<u>(3,950,457)</u>	<u>276,946</u>	<u>(6,897,617)</u>	<u>(3,212,372)</u>
Cash flows from investing activities:						
Investment income received	204,671	-	(27,823)	48,736	225,584	915,567
Net cash provided by investing activities	<u>204,671</u>	<u>-</u>	<u>(27,823)</u>	<u>48,736</u>	<u>225,584</u>	<u>915,567</u>
Net increase (decrease) in cash and cash equivalents	(485,727)	-	(2,085,626)	152,449	(2,418,903)	3,629,999
Cash and cash equivalents, January 1	4,389,677	-	2,236,804	990,969	7,617,450	15,878,785
Cash and cash equivalents, December 31	<u>\$ 3,903,950</u>	<u>\$ -</u>	<u>\$ 151,178</u>	<u>\$ 1,143,418</u>	<u>\$ 5,198,547</u>	<u>\$ 19,508,784</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ 433,456	\$ (423,473)	\$ 55,555	\$ (435,644)	\$ (370,106)	\$ 508,787
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	780,531	223,741	42,954	503,709	1,550,935	1,957,593
(Increase) decrease in accounts receivable	35,268	(58,118)	(1,150)	(110,185)	(134,185)	350,962
(Increase) decrease in inventory	-	-	-	(19,544)	(19,544)	(11,443)
Increase (decrease) in accounts payable	3,791	32,850	(302,370)	(133,872)	(399,601)	796,839
Increase (decrease) in claims payable	-	-	-	-	-	(40,915)
Increase (decrease) in accrued liabilities and compensated absences payable	37,479	9,004	2,572	68,066	117,121	5,312
(Increase) decrease in accounts payable due to the purchase of capital assets on account	(14,743)	-	321,346	74,237	380,840	(337,133)
Miscellaneous nonoperating receipts included in operating activities	53,139	80	-	-	53,219	-
Total adjustments	<u>895,465</u>	<u>207,557</u>	<u>63,352</u>	<u>382,411</u>	<u>1,548,785</u>	<u>2,721,215</u>
Net cash provided (used) by operating activities	<u>\$ 1,328,921</u>	<u>\$ (215,916)</u>	<u>\$ 118,907</u>	<u>\$ (53,233)</u>	<u>\$ 1,178,679</u>	<u>\$ 3,230,002</u>
Noncash Investing, Capital and Financing Activities						
Purchase of capital assets on account	\$ 19,673	\$ -	\$ 24,155	\$ -	\$ 43,828	\$ 464,474
Capital Contributions	209,232	-	-	-	209,232	-
Net book value of capital assets traded in on capital assets acquired	-	-	-	-	-	104,478
Trade in value of disposed assets	-	-	-	-	-	146,315

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, 2007

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund	Agency Funds
ASSETS				
Cash and cash equivalents	\$ 30,773	\$ 1,339,959	\$ 11,849,363	\$ 653,582
Investments				
Short term investments	384,864	-	-	-
U.S. Government securities	1,851,827	-	-	-
Corporate bonds	2,511,158	-	-	-
Domestic equity securities	5,367,753	-	-	-
International securities	2,928,944	-	-	-
Venture capital	1,112,339	-	-	-
Real estate	868,505	-	-	-
Securities lending investment pool	1,806,319	-	-	-
Accounts receivable, net of allowance	-	11,039	-	-
Total assets	<u>16,862,482</u>	<u>1,350,998</u>	<u>11,849,363</u>	<u>653,582</u>
LIABILITIES				
Accounts payable	-	20,503	-	-
Due to other governments	-	-	-	653,582
Total liabilities	<u>-</u>	<u>20,503</u>	<u>-</u>	<u>\$ 653,582</u>
NET ASSETS				
Held in trust for:				
External investment pool participants	-	-	11,849,363	
Pension benefits	16,862,482	-	-	
Individuals, organizations and others	-	1,330,495	-	
Total net assets	<u>\$ 16,862,482</u>	<u>\$ 1,330,495</u>	<u>\$ 11,849,363</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, 2007

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund
ADDITIONS			
Additions by participants	\$ -	\$ 622,028	\$ 10,036,126
Employer contributions	405,135	-	-
Plan members contributions	227,982	-	-
Other Contributions	396,660	-	-
Total contributions	<u>1,029,777</u>	<u>622,028</u>	<u>10,036,126</u>
Investment earnings:			
Interest	725,703	60,131	714,092
Net increase (decrease) in fair value of investments	<u>823,723</u>	<u>-</u>	<u>-</u>
Net investment earnings	<u>1,549,426</u>	<u>60,131</u>	<u>714,092</u>
Total additions	<u>2,579,203</u>	<u>682,159</u>	<u>10,750,218</u>
DEDUCTIONS			
Distributions to participants	-	154,018	8,720,287
Health insurance premiums paid	-	250,531	-
Benefits and refunds	1,653,976	-	-
Administrative expenses	<u>116,076</u>	<u>5,687</u>	<u>-</u>
Total deductions	<u>1,770,052</u>	<u>410,236</u>	<u>8,720,287</u>
Change in net assets	809,151	271,923	2,029,931
Net assets available - beginning	<u>16,053,331</u>	<u>1,058,572</u>	<u>9,819,432</u>
Net assets available - ending	<u>\$ 16,862,482</u>	<u>\$ 1,330,495</u>	<u>\$ 11,849,363</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. 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 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 and printing, self-insurance activities, and communication services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

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

The *Pension Trust Funds* account for Police and Fire defined benefit pension plans administered by the Fire and Police 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 5 years and to include mutual funds (composed of U.S. Government obligations) and collateralized mortgage obligations. Some additional restrictions apply to the various investments.

Assets of the pension trust funds may be invested by the Fire and Police 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 2007 taxes collectible in 2008 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, the Visitors and Convention Bureau (VCB) Special Revenue Fund and the Sales Tax Capital Improvements Fund. The annual budget for the General Fund is prepared on the modified accrual basis of accounting excluding certain basis differences of tax accruals and the effects of payments by the State of Colorado made on-behalf of City employees to a retirement plan (see Note 9). The annual budget for the VCB Special Revenue Fund is prepared on the modified accrual basis of accounting except for certain basis differences of tax accruals and the inclusion of the proceeds and repayments of advances from other funds. The annual budget for the Sales Tax Capital Improvements Fund is prepared on the modified accrual basis of accounting except for certain basis differences of tax accruals and retainages held on construction contracts. Annual appropriation budgets are also adopted for all proprietary funds on the accrual basis of accounting modified to include capital expenditures and debt service principal payments and to exclude depreciation and amortization. The budget is prepared under the direction of the City Administrative Services Director. The appropriations are adopted, and may not be exceeded, on a total fund basis.

The details of the budget calendar follow:

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

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

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

Supplemental appropriation ordinances during 2007 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	\$56,662,598	\$59,830,320
Special Revenue Funds:		
Enhanced 911	1,157,541	3,782,917
Visitors and Convention Bureau	1,966,307	2,246,580
Community Development	450,000	483,168
Parkland Expansion	260,000	1,449,705
Economic Development	454,356	1,131,350
Capital Projects Funds:		
Sales Tax Capital Improvement	23,062,986	35,636,946
Storm Drainage Improvement	8,075,000	9,391,054
Parkway Project Capital	32,268,000	38,102,438
Facilities Capital	2,000,000	2,950,100
General Debt Service Fund	4,839,888	4,961,513

Fund	Original Amount	Amended Amount
<i>Business-Type Activities</i>		
Enterprise Funds:		
Water	\$4,870,283	\$6,580,462
Two Rivers Convention Center	3,653,855	4,003,606
Swimming Pools	945,107	1,021,823
Golf Courses	2,002,507	2,084,851
Parking	5,946,748	7,152,193
Irrigation Systems	221,552	226,028
Ambulance Transport	2,004,311	3,115,858
Internal Service Funds:		
Data Processing	3,015,943	3,317,472
Equipment	3,373,906	3,861,145
Stores	108,032	108,477
Self Insurance	1,320,296	1,486,625
Communications Center	3,645,848	7,123,060
<i>Component Unit - Downtown Development Authority:</i>		
Special Revenue Funds:		
DDA/TIF Special Revenue	2,369,540	2,401,540
DDA Capital Improvements	4,530,000	4,771,000

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

The Parkway Project Capital Improvements Fund had a deficit fund equity as of December 31, 2007.

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 10 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, 2007, is as follows:

	Bank Balance	Carrying Balance
Cash on hand	\$ -	\$ 4,415
Insured deposits	200,000	200,000
Deposits collateralized in single institutional pools	12,153,349	11,403,218
	<u>\$12,353,349</u>	<u>\$11,607,633</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, 2007, 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	\$53,315	0.00
U.S. agency notes	AAA	20,102,595	35.68
FHLMC	AAA	15,700,626	39.23
FHLMC	Not rated	3,000,430	19.31
FNMA	AAA	2,163,389	60.18
FNMA	Not rated	7,172,803	41.68
State investment pools	AAA	23,961,656	1.75
Pension trust fund	Not rated	16,862,482	0.00
Total		<u>\$89,017,295</u>	<u>20.92</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, 2007, is as follows:

General Fund	\$5,349
Enterprise Funds:	
Water	\$ 160
Solid Waste Removal	274
Two Rivers Convention Center	259
Ambulance Transport	1,703,752
	<u>\$1,704,445</u>
Internal Service Funds:	
Communications Center	<u>\$ 817</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007 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	\$197,158,287	\$ 33,990,288	\$ 77,378	\$231,071,197
Construction in progress	44,479,741	44,951,396	25,885,001	63,546,136
Total capital assets, not being depreciated	<u>241,638,028</u>	<u>78,941,684</u>	<u>25,962,379</u>	<u>294,617,333</u>
<i>Capital assets, being depreciated:</i>				
Buildings	26,589,375	2,323,442	765,797	28,147,020
Improvements other than buildings	25,351,509	1,126,853	-	26,478,362
Equipment	26,996,000	3,565,190	650,325	29,910,865
Infrastructure	160,197,710	54,854,992	42,719	215,009,983
Total capital assets, being depreciated	<u>239,134,594</u>	<u>61,870,477</u>	<u>1,458,841</u>	<u>299,546,230</u>
<i>Less accumulated depreciation for:</i>				
Buildings	7,687,729	675,463	16,010	8,347,182
Improvements other than buildings	8,521,611	1,120,024	-	9,641,635
Equipment	16,352,340	2,376,924	517,724	18,211,540
Infrastructure	63,926,004	5,084,354	42,719	68,967,639
Total accumulated depreciation	<u>96,487,684</u>	<u>9,256,765</u>	<u>576,453</u>	<u>105,167,996</u>
Total capital assets, being depreciated, net	<u>142,646,910</u>	<u>52,613,712</u>	<u>882,388</u>	<u>194,378,234</u>
Governmental activities capital assets, net	<u>\$384,284,938</u>	<u>\$131,555,396</u>	<u>\$ 26,844,767</u>	<u>\$488,995,567</u>

	Beginning Balance	Increase	Decreases	Ending Balance
Business-type activities				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,522,826	\$ 366,492	\$ -	\$ 4,889,318
Construction in progress	1,640,066	6,053,810	78,920	7,614,956
Total capital assets, not being depreciated	<u>6,162,892</u>	<u>6,420,302</u>	<u>78,920</u>	<u>12,504,274</u>
<i>Capital assets, being depreciated:</i>				
Buildings and systems	50,091,700	3,419,835	359,119	53,152,416
Improvements other than buildings	4,355,233	-	-	4,355,233
Equipment	2,643,719	22,900	197,371	2,469,248
Total capital assets, being depreciated	<u>57,090,652</u>	<u>3,442,735</u>	<u>556,490</u>	<u>59,976,897</u>
<i>Less accumulated depreciation for:</i>				
Buildings and systems	20,100,099	1,226,746	316,402	21,010,443
Improvements other than buildings	1,828,011	150,314	-	1,978,325
Equipment	1,663,766	170,392	195,783	1,638,375
Total accumulated depreciation	<u>23,591,876</u>	<u>1,547,452</u>	<u>512,185</u>	<u>24,627,143</u>
Total capital assets, being depreciated, net	<u>33,498,776</u>	<u>1,895,283</u>	<u>44,305</u>	<u>35,349,754</u>
Business-type activities capital assets, net	<u>\$ 39,661,668</u>	<u>\$ 8,315,585</u>	<u>\$ 123,225</u>	<u>\$ 47,854,028</u>

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

Governmental Activities	
General government	\$ 200,980
Public safety	358,454
Public works	5,677,143
Parks and recreation	1,062,595
Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets	<u>1,957,593</u>
Total depreciation expense – governmental activities	<u>\$9,256,765</u>
Business-Type Activities	
Water	\$ 777,048
Solid waste	21,734
Meeting and convention center	223,741
Golf courses	146,143
Swimming pools	207,400
Parking	42,954
Irrigation	88,119
Ambulance Transport	40,313
Total depreciation expense – business-type activities	<u>\$1,547,452</u>

Land with a basis of \$77,378 was sold for \$90,367, resulting in a gain of \$12,989.

Discretely Presented Component Unit

Activity for the *Downtown Development Authority* for the year ended December 31, 2007, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 554,984	\$ -	\$ -	\$ 554,984
Construction in progress	1,759,388	4,080	-	1,763,468
Total capital assets, not being depreciated	2,314,372	4,080	-	2,318,452
<i>Capital assets, being depreciated:</i>				
Buildings	2,292,988	-	-	2,292,988
Improvements other than buildings	108,000	-	108,000	-
Equipment	224,900	61,757	-	286,657
Total capital assets, being depreciated	2,625,888	61,757	108,000	2,579,645
<i>Less accumulated depreciation for:</i>				
Buildings	666,830	75,226	-	742,056
Improvements other than buildings	45,900	2,700	48,600	-
Equipment	173,417	13,681	-	187,098
Total accumulated depreciation	886,147	91,607	48,600	929,154
Total capital assets, being depreciated, net	1,739,741	(29,850)	59,400	1,650,491
DDA capital assets, net	\$ 4,054,113	\$ (25,770)	\$59,400	\$ 3,968,943

Construction Commitments

The City and its component unit have several ongoing construction projects as of December 31, 2007 composed of the following:

	Spent to <u>12/31/2007</u>	Projected cost <u>of completion</u>
Primary Government		
Riverside Parkway	\$ 95,277,050	\$ 105,777,050
Other street projects	6,715,758	22,950,000
Drainage projects	6,271,181	11,671,000
Park development	3,000	438,000
Facilities/other	7,895,458	10,268,000
Component Unit		
Development projects	\$ 1,763,468	\$ 1,800,000

\$80 million of the Riverside Parkway construction project is funded with general fund revenue bond proceeds while the remaining primary government projects will be funded through accumulated proceeds from dedicated sales tax and appropriated fund balance.

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, 2007:

Primary Government - City of Grand Junction:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds:					
<i>Ridges</i>	\$1,240,000	\$ -	\$ 150,000	\$1,090,000	\$ 155,000
<i>GJWWS</i>	149,950	-	149,950	-	-
Revenue bonds:					
<i>Parkway</i>	54,825,000	22,925,000	1,750,000	76,000,000	3,360,000
<i>Premium</i>	3,042,070	997,936	375,313	3,664,693	488,892
Promissory notes:					
<i>Sales Tax Capital Improvement Fund</i>	72,892	-	34,711	38,181	38,181
Intergovernmental Agreement:					
<i>Bookcliff Middle School</i>	665,572	-	500,000	165,572	165,572
Net pension obligation:					
<i>Police Defined Benefit Plan</i>	742,565	690,240	823,459	609,346	-
<i>Fire Defined Benefit Plan</i>	197,779	299,540	279,705	217,614	-
Claims payable	1,007,435	-	40,915	966,520	966,520
Compensated absences	3,076,306	2,767,958	2,718,535	3,125,729	229,442
Governmental activity long-term liabilities	<u>\$65,019,569</u>	<u>\$27,680,674</u>	<u>\$6,822,588</u>	<u>\$85,877,655</u>	<u>\$5,403,607</u>
Business-Type Activities					
Promissory notes:					
<i>Water Systems</i>	\$ 89,850	\$ -	\$ 9,409	\$ 80,441	\$ 9,880
Loan payable					
<i>Water Systems</i>	3,108,585	-	156,237	2,952,348	156,237
Less deferred amounts:					
For loan discount	(55,664)	3,480	-	(52,184)	(3,436)
Compensated absences	527,481	530,241	458,945	598,777	43,953
Business-type activity long-term liabilities	<u>\$3,670,252</u>	<u>\$533,721</u>	<u>\$624,591</u>	<u>\$3,579,382</u>	<u>\$206,634</u>

Component Unit – Downtown Development Authority:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Tax increment bonds	\$2,180,500	\$ -	\$2,180,500	\$ -	\$ -
Note payable	-	2,000,000	-	2,000,000	2,000,000
Compensated absences	11,046	12,774	11,621	12,199	895
Total	<u>\$2,191,546</u>	<u>\$2,012,774</u>	<u>\$2,192,121</u>	<u>\$2,012,199</u>	<u>\$2,000,895</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 \$254,907 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, 2007, are comprised of the following:

Primary Government – City of Grand Junction:

GENERAL OBLIGATION BONDS:

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

Year	Principal	Interest	Total
2008	\$155,000	\$66,490	\$221,490
2009	165,000	57,035	222,035
2010	175,000	46,970	221,970
2011	185,000	36,295	221,295
2012	200,000	25,010	225,010
2013	210,000	12,810	222,810
	<u>\$1,090,000</u>	<u>\$244,610</u>	<u>\$1,334,610</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 \$76,000,000 unpaid principal at December 31, 2007, payable over the following term:

Year	Principal	Interest	Total
2008	\$3,360,000	\$3,623,637	\$6,983,637
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
2013-2017	20,445,000	11,352,312	31,797,312
2018-2022	25,110,000	5,905,912	31,015,912
2023-2024	11,835,000	568,931	12,403,931
	<u>\$76,000,000</u>	<u>\$34,132,340</u>	<u>\$110,132,340</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 \$38,181 unpaid principal at December 31, 2007, payable over the following term:

Year	Principal	Interest	Total
2008	\$38,181	\$3,819	\$42,000

\$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 \$80,441 unpaid principal at December 31, 2007, payable over the following term:

Year	Principal	Interest	Total
2008	\$9,880	\$4,022	\$13,902
2009	10,374	3,528	13,902
2010	10,892	3,010	13,902
2011	11,437	2,465	13,902
2012	12,009	1,893	13,902
2013-2014	25,849	1,954	27,803
	<u>\$80,441</u>	<u>\$16,872</u>	<u>\$97,313</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 second installment of \$500,000 was paid to the District on July 1, 2007. There was \$165,572 unpaid principal and additional markups at December 31, 2007. The agreement provides for interest on the unpaid balance at the rate of 4% per annum from the date of completion. The remaining principal payment of \$165,572, plus interest, is due and payable on July 1, 2008.

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, 2007 was \$2,952,348 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2008	\$156,237	\$116,835	\$273,072
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
2013-2017	969,750	418,726	1,388,476
2018-2022	1,147,537	233,562	1,381,099
	<u>\$2,952,348</u>	<u>\$1,194,571</u>	<u>\$4,146,919</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	\$4,870,283	\$6,580,462	\$4,627,458	\$1,254,756	\$5,882,214	\$ 698,248
Solid Waste Removal Two Rivers	2,883,872	2,883,872	2,820,253	(21,734)	2,798,519	85,353
Convention Center	3,653,855	4,003,606	2,968,119	1,022,587	3,990,706	12,900
Swimming Pools	945,107	1,021,823	991,685	(178,809)	812,876	208,947
Lincoln Park Golf	646,520	669,729	707,709	(38,179)	669,530	199
Tiara Rado Golf	1,355,987	1,415,122	1,416,059	(1,364)	1,414,695	427
Parking Authority	5,946,748	7,152,193	427,916	6,042,733	6,470,649	681,544
Irrigation	221,552	226,028	289,529	(88,119)	201,410	24,618
Ambulance Transport	2,004,311	3,115,858	3,306,822	(936,954)	2,369,868	745,990
Internal Service Funds:						
Data Processing	3,015,943	3,317,472	2,768,824	333,973	3,102,797	214,675
Equipment	3,373,906	3,861,145	3,668,616	(249,930)	3,418,686	442,459
Stores	108,032	108,477	96,715	(1,700)	95,015	13,462
Self-Insurance	1,320,296	1,486,625	1,292,276	3,950	1,296,226	190,399
Communications Center	3,645,848	7,123,060	3,773,425	1,233,735	5,007,160	2,115,900

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2007, is as follows:

Due to/from other funds:

	Due from Other Funds	Due to Other Funds
General Fund	\$799,375	\$ -
Parking Enterprise Fund to cover the cost of operations	-	254,469
Two River Convention Center Enterprise Fund to cover the cost of operations	-	271,649
Ambulance Transport Fund to cover the cost of operations	-	157,906
Swimming Pools Enterprise Fund to cover the cost of operations	-	65,531
Lincoln Park Golf Course Enterprise Fund to pay current portion of advance	-	24,349
Tiara Rado Golf Course Enterprise Fund to pay current portion of advance	-	25,471
Total	\$799,375	\$799,375

Advances to/from other funds:

	Advance to Other Funds	Advance from Other Funds
General Fund	\$5,617,601	\$ -
Ambulance Transport Fund to cover the cost of operations	-	473,719
Tiara Rado Golf Enterprise Fund to cover the cost of new driving range	-	198,351
Parking Enterprise fund to cover partial cost of new parking garage	-	4,945,531
Total	<u>\$5,617,601</u>	<u>\$5,617,601</u>

Interfund Transfers:

Transfers Out:	Transfers In:							
	General Fund	Sales Tax CIP	Parkway Fund	Two Rivers Convention Center	Nonmajor Governmental	Internal Service	Nonmajor Proprietary	Total
General Fund	\$ -	\$3,536,369	\$ -	\$164,603	\$ -	\$ -	\$46,379	\$3,747,351
Sales Tax CIP	-	-	6,284,910	1,269,939	10,261,513	-	82,500	17,898,862
Water Fund	-	41,541	-	-	-	-	-	41,541
Nonmajor Governmental	80,455	3,679,153	688,000	-	-	2,700,753	-	7,148,361
Internal Service	3,950	-	-	-	-	-	-	3,950
Nonmajor Proprietary	646,161	-	-	-	-	-	25,000	671,161
Total Transfers Out	<u>\$730,566</u>	<u>\$7,257,063</u>	<u>\$6,972,910</u>	<u>\$1,434,542</u>	<u>\$10,261,513</u>	<u>\$2,700,753</u>	<u>\$153,879</u>	<u>\$29,511,226</u>

Transfers into the General Fund were primarily to repay the cash advance for the Ambulance Transport Fund in the amount of \$646,161.

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 HVAC and repay the parkway debt.

Transfers into the Internal Service Fund of \$2,700,753 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, 2007, was \$39,784,072. Covered wages and contributions in 2007 were as follows:

<u>General Employee Plan</u>	
Covered wages	\$21,009,993
City contribution	1,260,671
Employee contribution	1,260,671

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 2007 were as follows:

<u>New Hire – Police & Fire</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Covered wages	\$6,311,672	\$5,594,911
City contribution	674,562	595,858
Employee contribution	674,562	595,858

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 2007, there were no police officers participating in the defined benefit plans. Covered wages of fire fighters in 2007 were as follows:

<u>Old Hire Rank Escalation</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Covered wages	\$ -	\$139,649
City contribution	-	9,317
Employee contribution	-	911

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

B. DEFINED BENEFIT PLANS

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

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

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

City employees participating in the system are required to contribute 10% of their base earnings to the system. During 2007, there were no active policemen covered by the Police Old Hire Plan and 22 retirees and beneficiaries receiving benefits. The City's payroll for firefighters covered by the system was \$139,649 out of a total payroll of \$39,784,072 for the year ended December 31, 2007. There were 2 active firefighters contributing to the Fire Old Hire Plan and 39 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, 2007, were as follows:

	Police Old Hire Plan	Fire Old Hire Plan	Total
City contribution	\$426,799	\$265,803	\$692,602
Employee contributions	-	13,902	13,902
State contribution	396,660	-	396,660
Total	<u>\$823,459</u>	<u>\$279,705</u>	<u>\$1,103,164</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 2007, 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)	\$715,531	\$308,815
Interest on net pension obligation (NPO)	62,251	22,829
Adjustment to ARC	<u>(87,542)</u>	<u>(32,104)</u>
Annual pension cost	690,240	299,540
Contributions made	<u>823,459</u>	<u>279,705</u>
Increase (Decrease) in NPO	(133,219)	19,835
NPO – January 1, 2006	<u>742,565</u>	<u>197,779</u>
NPO – December 31, 2006	<u>\$609,346</u>	<u>\$217,614</u>
Actuarial valuation date	1/1/06	1/1/06
Actuarial cost method	Entry age normal	Entry age normal

Amortization method	Level percent of pay, closed	Level percent of pay, closed
Remaining amortization period	16 years	16 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 – 13.25%	4.75 – 13.25%
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	12/31/05	658,134	64.85%	877,749
	12/31/06	615,915	121.95%	742,565
	12/31/07	690,240	119.30%	609,346
Fire Old Hire Plan	12/31/05	327,436	119.90%	292,291
	12/31/06	334,930	128.22%	197,779
	12/31/07	299,540	93.38%	217,614

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>				
1/1/06	\$ 2,407,072	\$ 6,524,614	\$ 4,117,542	37%
1/1/04	2,373,408	6,870,885	4,497,477	35%
1/1/02	2,503,638	6,635,865	4,132,227	38%
<i>Fire Old Hire Plan</i>				
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%
1/1/02	14,023,374	14,410,033	386,659	97%

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. 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, 2007 and for the year then ended, are as follows:

<u>Statement of Net Assets</u>	
Assets:	
Current assets	\$ 12,795,676
Noncurrent assets	1,207,448
Net property, plant, and equipment	<u>55,768,598</u>
Total assets	<u>\$69,771,722</u>
Liabilities:	
Current liabilities	\$ 1,284,099
Long-term debt	<u>9,850,979</u>
Total liabilities	<u>11,135,078</u>
Net Assets	
Invested in capital assets, net of related debt	45,320,887
Unrestricted	<u>13,315,757</u>
Total net assets	<u>\$ 58,636,644</u>
<u>Statement of Revenue and Expenses</u>	
Operating revenue	\$ 7,218,044
Operating expenses	<u>7,008,976</u>
Operating income	209,068
Net nonoperating revenue and expenses	154,404
Capital contributions	<u>3,910,227</u>
Change in net assets	<u>4,273,699</u>
Total net assets - beginning	<u>54,362,945</u>
Total net assets - ending	<u>\$ 58,636,644</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 \$11,849,363 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 \$1,946,499 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, 2007 was \$10,035,000 payable over the following term from *Business activities*:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$755,000	\$422,343	\$1,177,343
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
2013-2017	2,495,000	1,292,633	3,787,633
2018-2022	2,350,000	913,819	3,263,819
2023-2024	1,170,000	134,849	1,304,849
	<u>\$10,035,000</u>	<u>\$4,197,114</u>	<u>\$14,232,114</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, 2007, and for the year then ended are as follows:

<u>Balance Sheet</u>	
Assets:	
Cash	\$390,120
Loans receivable	<u>32,712</u>
Total assets	<u>\$422,832</u>
Liabilities and fund equity:	
Liabilities	
Accounts payable	<u>\$ 800</u>
Total liabilities	<u>800</u>
Fund equity:	
Fund balance:	
Reserved for interest and loans receivable	61,460
Unreserved, undesignated	<u>360,572</u>
Total fund equity	<u>422,032</u>
Total liabilities and fund equity	<u>\$422,832</u>
<u>Statement of Revenues and Expenditures</u>	
Interest and other income	\$ 18,270
Expenditures	<u>(2,400)</u>
Excess of revenues over expenditures	<u>\$ 15,870</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 11. 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 \$966,520 in the Self-Insurance Internal Service Fund at December 31, 2007, 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 2006 and 2007 were:

	January 1 Claims Payable	Claims and Changes in Estimates	Claim Payments	December 31 Claims Payable
2006	\$1,786,347	\$(20,493)	\$(758,419)	\$1,007,435
2007	\$1,007,435	\$548,183	\$(589,098)	\$ 966,520

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 12. 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, 2007, 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 13. 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 14. 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, \$2,126,687 has been reserved for payment of the debt as of December 31, 2007.

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, 2007, totaling \$2,175,000 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.



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.

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.

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, 2007

	Special Revenue							
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Economic Development	Conservation Trust	Community Development	Total	General
ASSETS								
Cash and investments	\$ 1,000,580	\$ 590,365	\$ 2,191,404	\$ 661,378	\$ 1,040	\$ -	\$ 4,444,767	\$ 150
Accounts receivable	3,472	264,160	2,775	-	-	250,295	520,702	-
Taxes receivable	157,219	-	-	-	-	-	157,219	-
Total assets	<u>\$ 1,161,271</u>	<u>\$ 854,525</u>	<u>\$ 2,194,179</u>	<u>\$ 661,378</u>	<u>\$ 1,040</u>	<u>\$ 250,295</u>	<u>\$ 5,122,688</u>	<u>\$ 150</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ 125,444	\$ 9,900	\$ 634	\$ -	\$ -	\$ 756	\$ 136,734	\$ -
Accrued liabilities	26,657	-	-	-	-	-	26,657	-
Due to other funds	-	-	-	-	-	242,730	242,730	-
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>152,101</u>	<u>9,900</u>	<u>634</u>	<u>-</u>	<u>-</u>	<u>243,486</u>	<u>406,121</u>	<u>-</u>
Fund balances:								
Reserved for perpetual care	-	-	-	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-	-	-
Unreserved:								
Designated for subsequent year's expenditures	-	-	-	40,755	-	-	40,755	-
Undesignated	1,009,170	844,625	2,193,545	620,623	1,040	6,809	4,675,812	150
Total fund balances	<u>1,009,170</u>	<u>844,625</u>	<u>2,193,545</u>	<u>661,378</u>	<u>1,040</u>	<u>6,809</u>	<u>4,716,567</u>	<u>150</u>
Total liabilities and fund balances	<u>\$ 1,161,271</u>	<u>\$ 854,525</u>	<u>\$ 2,194,179</u>	<u>\$ 661,378</u>	<u>\$ 1,040</u>	<u>\$ 250,295</u>	<u>\$ 5,122,688</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	
\$ 200,743	\$ 109,209	\$ 510	\$ 310,612	\$ 2,003,521	\$ 2,412,026	\$ 2,916,157	\$ 7,331,704	\$ 1,197,611	\$ 13,284,694
8,746	3,570	-	12,316	-	-	-	-	9,340	542,358
165,945	-	-	165,945	-	-	-	-	-	323,164
<u>\$ 375,434</u>	<u>\$ 112,779</u>	<u>\$ 510</u>	<u>\$ 488,873</u>	<u>\$ 2,003,521</u>	<u>\$ 2,412,026</u>	<u>\$ 2,916,157</u>	<u>\$ 7,331,704</u>	<u>\$ 1,206,951</u>	<u>\$ 14,150,216</u>
\$ -	\$ -	\$ -	\$ -	\$ 314,669	\$ -	\$ 121,605	\$ 436,274	\$ -	\$ 573,008
-	-	-	-	334,413	1,155,472	7,299	1,497,184	-	1,523,841
-	-	-	-	-	-	-	-	-	242,730
174,691	3,570	-	178,261	-	-	-	-	-	178,261
<u>174,691</u>	<u>3,570</u>	<u>-</u>	<u>178,261</u>	<u>649,082</u>	<u>1,155,472</u>	<u>128,904</u>	<u>1,933,458</u>	<u>-</u>	<u>2,517,840</u>
-	-	-	-	-	-	-	-	1,206,951	1,206,951
200,743	109,209	510	310,462	-	-	-	-	-	310,462
-	-	-	-	1,354,439	-	2,067,524	3,421,963	-	3,462,718
-	-	-	150	-	1,256,554	719,729	1,976,283	-	6,652,245
<u>200,743</u>	<u>109,209</u>	<u>510</u>	<u>310,612</u>	<u>1,354,439</u>	<u>1,256,554</u>	<u>2,787,253</u>	<u>5,398,246</u>	<u>1,206,951</u>	<u>11,632,376</u>
<u>\$ 375,434</u>	<u>\$ 112,779</u>	<u>\$ 510</u>	<u>\$ 488,873</u>	<u>\$ 2,003,521</u>	<u>\$ 2,412,026</u>	<u>\$ 2,916,157</u>	<u>\$ 7,331,704</u>	<u>\$ 1,206,951</u>	<u>\$ 14,150,216</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, 2007

	Special Revenue							Total	General
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Economic Development	Conservation Trust	Community Development			
REVENUES									
Taxes	\$ 2,051,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,051,581	\$ -	
Intergovernmental	-	-	-	-	507,770	374,294	882,064	-	
Charges for services	55,164	1,336,824	-	-	-	-	1,391,988	-	
Miscellaneous	997	(40)	1,847,455	-	-	-	1,848,412	-	
Investment income	46,746	93,324	120,668	4,807	7,028	-	272,573	-	
Total revenues	<u>2,154,488</u>	<u>1,430,108</u>	<u>1,968,123</u>	<u>4,807</u>	<u>514,798</u>	<u>374,294</u>	<u>6,446,618</u>	<u>-</u>	
EXPENDITURES									
Current:									
General government	2,197,145	-	14,446	453,397	-	-	2,664,988	-	
Urban development and housing	-	-	-	-	-	372,198	372,198	-	
Debt service:									
Principal	-	-	-	-	-	-	-	1,784,711	
Interest	-	-	-	-	-	-	-	3,176,802	
Capital outlay	-	-	-	-	-	-	-	-	
Total expenditures	<u>2,197,145</u>	<u>-</u>	<u>14,446</u>	<u>453,397</u>	<u>-</u>	<u>372,198</u>	<u>3,037,186</u>	<u>4,961,513</u>	
Excess (deficiency) of revenues over (under) expenditures	(42,657)	1,430,108	1,953,677	(448,590)	514,798	2,096	3,409,432	(4,961,513)	
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	450,000	-	-	450,000	4,961,513	
Transfers out	(27,000)	(2,700,753)	(1,432,947)	(80,000)	(513,758)	(28,455)	(4,782,913)	-	
Total other financing sources (uses)	<u>(27,000)</u>	<u>(2,700,753)</u>	<u>(1,432,947)</u>	<u>370,000</u>	<u>(513,758)</u>	<u>(28,455)</u>	<u>(4,332,913)</u>	<u>4,961,513</u>	
Net change in fund balance	(69,657)	(1,270,645)	520,730	(78,590)	1,040	(26,359)	(923,481)	-	
Fund balances - beginning	1,078,827	2,115,270	1,672,815	739,968	-	33,168	5,640,048	150	
Fund balances - ending	<u>\$ 1,009,170</u>	<u>\$ 844,625</u>	<u>\$ 2,193,545</u>	<u>\$ 661,378</u>	<u>\$ 1,040</u>	<u>\$ 6,809</u>	<u>\$ 4,716,567</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		
\$ 160,386	\$ 90	\$ -	\$ 160,476	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,212,057	
-	-	-	-	-	-	-	-	-	882,064	
-	-	-	-	-	2,070,203	-	2,070,203	36,434	3,498,625	
-	40,180	-	40,180	98,304	-	-	98,304	-	1,986,896	
15,208	10,532	-	25,740	77,362	158,966	193,431	429,759	66,121	794,193	
<u>175,594</u>	<u>50,802</u>	<u>-</u>	<u>226,396</u>	<u>175,666</u>	<u>2,229,169</u>	<u>193,431</u>	<u>2,598,266</u>	<u>102,555</u>	<u>9,373,835</u>	
2,974	2	-	2,976	-	-	-	-	-	2,667,964	
-	-	-	-	-	-	-	-	-	372,198	
150,000	149,950	-	2,084,661	-	-	-	-	-	2,084,661	
75,490	2,415	-	3,254,707	-	-	-	-	-	3,254,707	
-	-	-	-	5,470,397	-	194,576	5,664,973	-	5,664,973	
<u>228,464</u>	<u>152,367</u>	<u>-</u>	<u>5,342,344</u>	<u>5,470,397</u>	<u>-</u>	<u>194,576</u>	<u>5,664,973</u>	<u>-</u>	<u>14,044,503</u>	
(52,870)	(101,565)	-	(5,115,948)	(5,294,731)	2,229,169	(1,145)	(3,066,707)	102,555	(4,670,668)	
-	-	-	4,961,513	4,600,000	-	250,000	4,850,000	-	10,261,513	
-	-	-	-	-	(1,625,448)	(688,000)	(2,313,448)	(52,000)	(7,148,361)	
-	-	-	4,961,513	4,600,000	(1,625,448)	(438,000)	2,536,552	(52,000)	3,113,152	
(52,870)	(101,565)	-	(154,435)	(694,731)	603,721	(439,145)	(530,155)	50,555	(1,557,516)	
253,613	210,774	510	465,047	2,049,170	652,833	3,226,398	5,928,401	1,156,396	13,189,892	
<u>\$ 200,743</u>	<u>\$ 109,209</u>	<u>\$ 510</u>	<u>\$ 310,612</u>	<u>\$ 1,354,439</u>	<u>\$ 1,256,554</u>	<u>\$ 2,787,253</u>	<u>\$ 5,398,246</u>	<u>\$ 1,206,951</u>	<u>\$ 11,632,376</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,805,256	\$ 2,049,321	\$ 2,051,581	\$ 2,260
Charges for services	6,600	25,100	55,164	30,064
Miscellaneous	100	100	997	897
Investment income	30,000	30,000	46,746	16,746
Total revenues	<u>1,841,956</u>	<u>2,104,521</u>	<u>2,154,488</u>	<u>49,967</u>
EXPENDITURES				
Current:				
General government:	<u>1,966,307</u>	<u>2,219,580</u>	<u>2,197,145</u>	<u>22,435</u>
Deficiency of revenues under expenditures	(124,351)	(115,059)	(42,657)	72,402
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Net change in fund balance	(124,351)	(142,059)	(69,657)	72,402
Fund balances - beginning	1,078,827	1,078,827	1,078,827	-
Fund balances - ending	<u>\$ 954,476</u>	<u>\$ 936,768</u>	<u>\$ 1,009,170</u>	<u>\$ 72,402</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 1,225,000	\$ 1,225,000	\$ 1,336,824	\$ 111,824
Miscellaneous	-	-	(40)	(40)
Investment income	75,000	75,000	93,324	18,324
Total revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,430,108</u>	<u>130,108</u>
EXPENDITURES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	1,300,000	1,300,000	1,430,108	130,108
OTHER FINANCING USES				
Transfers out	<u>(1,157,541)</u>	<u>(3,782,917)</u>	<u>(2,700,753)</u>	<u>1,082,164</u>
Net change in fund balance	142,459	(2,482,917)	(1,270,645)	1,212,272
Fund balances - beginning	2,115,270	2,115,270	2,115,270	-
Fund balances - ending	<u>\$ 2,257,729</u>	<u>\$ (367,647)</u>	<u>\$ 844,625</u>	<u>\$ 1,212,272</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 318,000	\$ 1,418,000	\$ 1,847,455	\$ 429,455
Investment income	55,000	55,000	120,668	65,668
Total revenues	<u>373,000</u>	<u>1,473,000</u>	<u>1,968,123</u>	<u>495,123</u>
EXPENDITURES				
Current:				
General government:	<u>30,000</u>	<u>30,000</u>	<u>14,446</u>	<u>15,554</u>
Excess of revenues over expenditures	343,000	1,443,000	1,953,677	510,677
OTHER FINANCING USES				
Transfers out	<u>(230,000)</u>	<u>(1,419,705)</u>	<u>(1,432,947)</u>	<u>(13,242)</u>
Total other financing uses	<u>(230,000)</u>	<u>(1,419,705)</u>	<u>(1,432,947)</u>	<u>(13,242)</u>
Net change in fund balance	113,000	23,295	520,730	497,435
Fund balances - beginning	1,672,815	1,672,815	1,672,815	-
Fund balances - ending	<u>\$ 1,785,815</u>	<u>\$ 1,696,110</u>	<u>\$ 2,193,545</u>	<u>\$ 497,435</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 4,807	\$ 4,807
EXPENDITURES				
Current:				
General government:	454,356	1,051,350	453,397	597,953
Deficiency of revenues under expenditures	(454,356)	(1,051,350)	(448,590)	593,146
OTHER FINANCING SOURCES (USES)				
Transfers in	450,000	450,000	450,000	
Transfers out	-	(80,000)	(80,000)	-
Total other financing sources (uses)	450,000	370,000	370,000	-
Net change in fund balance	(4,356)	(681,350)	(78,590)	593,146
Fund balances - beginning	739,968	739,968	739,968	-
Fund balances - ending	\$ 735,612	\$ 58,618	\$ 661,378	\$ 593,146

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, 2007

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 550,000	\$ 507,770	\$ (42,230)
Investment income	5,000	7,028	2,028
Total revenues	<u>555,000</u>	<u>514,798</u>	<u>(40,202)</u>
EXPENDITURES			
	-	-	-
Excess of revenues over expenditures	555,000	514,798	(40,202)
OTHER FINANCING USES			
Transfers out	<u>(555,000)</u>	<u>(513,758)</u>	41,242
Net change in fund balance	-	1,040	1,040
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,040</u>	<u>\$ 1,040</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 450,000	\$ 450,000	\$ 374,294	\$ (75,706)
EXPENDITURES				
Current:				
Urban development and housing	430,000	463,168	372,198	90,970
Excess (deficiency) of revenues over (under) expenditures	20,000	(13,168)	2,096	15,264
OTHER FINANCING USES				
Transfers out	(20,000)	(20,000)	(28,455)	(8,455)
Net change in fund balance	-	(33,168)	(26,359)	6,809
Fund balances - beginning	33,168	33,168	33,168	-
Fund balances - ending	\$ 33,168	\$ -	\$ 6,809	\$ 6,809

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Principal retirement	1,784,711	1,784,711	1,784,711	-
Interest and fiscal charges	3,055,177	3,176,802	3,176,802	-
Total expenditures	<u>4,839,888</u>	<u>4,961,513</u>	<u>4,961,513</u>	<u>-</u>
Deficiency of revenues under expenditures	(4,839,888)	(4,961,513)	(4,961,513)	-
OTHER FINANCING SOURCES				
Transfers in	<u>4,839,888</u>	<u>4,961,513</u>	<u>4,961,513</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balances - beginning	150	150	150	-
Fund balances - ending	<u>\$ 150</u>	<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, 2007

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Taxes	\$ 162,000	\$ 160,386	\$ (1,614)
Investment income	9,000	15,208	6,208
Total revenues	<u>171,000</u>	<u>175,594</u>	<u>4,594</u>
EXPENDITURES			
Current:			
General government	4,300	2,974	1,326
Debt service:			
Principal retirement	150,000	150,000	-
Interest and fiscal charges	75,490	75,490	-
Total expenditures	<u>229,790</u>	<u>228,464</u>	<u>1,326</u>
Deficiency of revenues under expenditures	(58,790)	(52,870)	5,920
Fund balances - beginning	253,613	253,613	-
Fund balances - ending	<u>\$ 194,823</u>	<u>\$ 200,743</u>	<u>\$ 5,920</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, 2007

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Taxes	\$ -	\$ 90	\$ 90
Miscellaneous	36,000	40,180	4,180
Investment income	8,000	10,532	2,532
Total revenues	<u>44,000</u>	<u>50,802</u>	<u>6,802</u>
EXPENDITURES			
Current:			
General government	2,000	2	1,998
Debt service:			
Principal retirement	149,950	149,950	-
Interest and fiscal charges	2,415	2,415	-
Total expenditures	<u>154,365</u>	<u>152,367</u>	<u>1,998</u>
Deficiency of revenues under expenditures	(110,365)	(101,565)	8,800
Fund balances - beginning	210,774	210,774	-
Fund balances - ending	<u>\$ 100,409</u>	<u>\$ 109,209</u>	<u>\$ 8,800</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
Deficiency of revenues under expenditures	-	-	-	-
OTHER FINANCING SOURCES	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances - beginning	510	510	510	-
Fund balances - ending	\$ 510	\$ 510	\$ 510	\$ -

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, 2007

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes	\$ 12,075,727	\$ 12,806,115	\$ 12,950,510	\$ (1,614,310)	\$ 11,336,200	\$ (1,469,915)
Intergovernmental	1,079,427	1,338,377	3,034,099	(233,494)	2,800,605	1,462,228
Special assessments	226,776	226,776	146,610	-	146,610	(80,166)
Investment income	300,000	300,000	419,254	(60,837)	358,417	58,417
Miscellaneous	-	-	55,455	-	55,455	55,455
Total revenues	<u>13,681,930</u>	<u>14,671,268</u>	<u>16,605,928</u>	<u>(1,908,641)</u>	<u>14,697,287</u>	<u>26,019</u>
EXPENDITURES						
Debt service:						
Principal retirement	500,000	500,000	500,000	-	500,000	-
Capital outlay:						
Construction	<u>9,081,939</u>	<u>17,301,344</u>	<u>12,252,210</u>	<u>(5,440)</u>	<u>12,246,770</u>	<u>5,054,574</u>
Total expenditures	<u>9,581,939</u>	<u>17,801,344</u>	<u>12,752,210</u>	<u>(5,440)</u>	<u>12,746,770</u>	<u>5,054,574</u>
Excess (deficiency) of revenues over (under) expenditures	4,099,991	(3,130,076)	3,853,718	(1,903,201)	1,950,517	5,080,593
OTHER FINANCING SOURCES (USES)						
Transfers in	7,267,448	10,065,715	7,257,063	-	7,257,063	(2,808,652)
Transfers out	(13,541,047)	(17,835,602)	(17,898,862)	-	(17,898,862)	(63,260)
Total other financing sources (uses)	<u>(6,273,599)</u>	<u>(7,769,887)</u>	<u>(10,641,799)</u>	<u>-</u>	<u>(10,641,799)</u>	<u>(2,871,912)</u>
Net change in fund balance	(2,173,608)	(10,899,963)	(6,788,081)	(1,903,201)	(8,691,282)	2,208,681
Fund balances - beginning	13,455,893	13,455,893	13,455,893	-	13,455,893	-
Fund balances - ending	<u>\$ 11,282,285</u>	<u>\$ 2,555,930</u>	<u>\$ 6,667,812</u>	<u>\$ (1,903,201)</u>	<u>\$ 4,764,611</u>	<u>\$ 2,208,681</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, 2007

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Intergovernmental	\$ 500,000	\$ 450,000	\$ 108,109	\$ (108,109)	\$ -	\$ (450,000)
Charges for Services	265,000	428,186	13,121	-	13,121	(415,065)
Investment income	320,000	453,000	716,589	909	717,498	264,498
Total revenues	<u>1,085,000</u>	<u>1,331,186</u>	<u>837,819</u>	<u>(107,200)</u>	<u>730,619</u>	<u>(600,567)</u>
EXPENDITURES						
Capital outlay:						
Construction	<u>32,268,000</u>	<u>38,102,438</u>	<u>37,414,691</u>	<u>(1,542,426)</u>	<u>35,872,265</u>	<u>2,230,173</u>
Total expenditures	<u>32,268,000</u>	<u>38,102,438</u>	<u>37,414,691</u>	<u>(1,542,426)</u>	<u>35,872,265</u>	<u>2,230,173</u>
Deficiency of revenues under expenditures	(31,183,000)	(36,771,252)	(36,576,872)	1,435,226	(35,141,646)	1,629,606
OTHER FINANCING SOURCES						
Transfers in	6,288,000	6,972,910	6,972,910	-	6,972,910	-
Revenue Bond Proceeds	23,000,000	22,925,000	22,925,000	-	22,925,000	-
Bond Premium		997,936	997,936	-	997,936	-
Sale of Capital assets		91,000	90,367	-	90,367	(633)
Total other financing sources	<u>29,288,000</u>	<u>30,986,846</u>	<u>30,986,213</u>	<u>-</u>	<u>30,986,213</u>	<u>(633)</u>
Net change in fund balance	(1,895,000)	(5,784,406)	(5,590,659)	1,435,226	(4,155,433)	1,628,973
Fund balances - beginning	5,037,959	5,037,959	5,037,959	-	5,037,959	-
Fund balances - ending	<u>\$ 3,142,959</u>	<u>\$ (746,447)</u>	<u>\$ (552,700)</u>	<u>\$ 1,435,226</u>	<u>\$ 882,526</u>	<u>\$ 1,628,973</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,000,000	\$ 3,000,000	\$ -	\$ (3,000,000)
Miscellaneous:				
Development fees	85,000	85,000	98,304	13,304
Investment income	10,000	10,000	77,362	67,362
Total revenues	<u>3,095,000</u>	<u>3,095,000</u>	<u>175,666</u>	<u>(2,919,334)</u>
EXPENDITURES				
Capital outlay:				
Construction	<u>8,075,000</u>	<u>9,391,054</u>	<u>5,470,397</u>	<u>3,920,657</u>
Deficiency of revenues under expenditures	(4,980,000)	(6,296,054)	(5,294,731)	1,001,323
OTHER FINANCING SOURCES				
Transfers in	<u>1,200,000</u>	<u>4,600,000</u>	<u>4,600,000</u>	<u>-</u>
Net change in fund balance	(3,780,000)	(1,696,054)	(694,731)	1,001,323
Fund balances - beginning	2,049,170	2,049,170	2,049,170	-
Fund balances - ending	<u>\$ (1,730,830)</u>	<u>\$ 353,116</u>	<u>\$ 1,354,439</u>	<u>\$ 1,001,323</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Development fees	\$ 2,250,000	\$ 2,510,000	\$ 2,070,203	\$ (439,797)
Investment income	50,000	50,000	158,966	108,966
Total revenues	<u>2,300,000</u>	<u>2,560,000</u>	<u>2,229,169</u>	<u>(330,831)</u>
EXPENDITURES				
-	-	-	-	-
Excess of revenues over expenditures	2,300,000	2,560,000	2,229,169	(330,831)
OTHER FINANCING USES				
Transfers out	<u>(1,625,448)</u>	<u>(1,625,448)</u>	<u>(1,625,448)</u>	-
Net change in fund balance	674,552	934,552	603,721	(330,831)
Fund balances - beginning	652,833	652,833	652,833	-
Fund balances - ending	<u>\$ 1,327,385</u>	<u>\$ 1,587,385</u>	<u>\$ 1,256,554</u>	<u>\$ (330,831)</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 50,000	\$ 50,000	\$ 193,431	\$ 143,431
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>193,431</u>	<u>143,431</u>
EXPENDITURES				
Capital outlay:				
Construction	<u>1,312,000</u>	<u>2,262,100</u>	<u>194,576</u>	<u>2,067,524</u>
Deficiency of revenues under expenditures	(1,262,000)	(2,212,100)	(1,145)	2,210,955
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	250,000	250,000	-
Transfers out	(688,000)	(688,000)	(688,000)	-
Total other financing sources (uses)	<u>(438,000)</u>	<u>(438,000)</u>	<u>(438,000)</u>	<u>-</u>
Net change in fund balance	(1,700,000)	(2,650,100)	(439,145)	2,210,955
Fund balances - beginning	3,226,398	3,226,398	3,226,398	-
Fund balances - ending	<u>\$ 1,526,398</u>	<u>\$ 576,298</u>	<u>\$ 2,787,253</u>	<u>\$ 2,210,955</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, 2007

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Perpetual care revenue	\$ 18,700	\$ 36,434	\$ 17,734
Investment income	52,000	66,121	14,121
Total revenues	<u>70,700</u>	<u>102,555</u>	<u>31,855</u>
EXPENDITURES			
	-	-	-
Excess revenues over expenditures	70,700	102,555	31,855
OTHER FINANCING USES			
Transfers out	<u>(52,000)</u>	<u>(52,000)</u>	-
Net change in fund balance	18,700	50,555	31,855
Fund balances - beginning	1,156,396	1,156,396	-
Fund balances - ending	<u>\$ 1,175,096</u>	<u>\$ 1,206,951</u>	<u>\$ 31,855</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.

City of Grand Junction, Colorado
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
December 31, 2007

	Business-Type Activities - Enterprise Funds			
	Solid Waste Removal	Swimming Pools	Lincoln Park Golf Course	Tiara Rado Golf Course
ASSETS				
Current assets:				
Cash and investments	\$ 573,940	\$ -	\$ -	\$ 218,891
Accounts receivable, net of allowance	286,269	103,541	-	-
Intergovernmental receivable	-	-	-	-
Inventory	-	-	30,952	67,289
Total current assets	<u>860,209</u>	<u>103,541</u>	<u>30,952</u>	<u>286,180</u>
Noncurrent assets:				
Capital assets:				
Land	-	-	19,370	871,986
Buildings, improvements, plant and system	36,299	4,296,835	1,732,968	2,128,242
Equipment	848,372	267,915	67,266	127,663
Construction in progress	-	28,592	-	-
Less accumulated depreciation	<u>(709,581)</u>	<u>(3,305,909)</u>	<u>(876,447)</u>	<u>(1,574,032)</u>
Total capital assets (net of accumulated depreciation)	<u>175,090</u>	<u>1,287,433</u>	<u>943,157</u>	<u>1,553,859</u>
Total noncurrent assets	<u>175,090</u>	<u>1,287,433</u>	<u>943,157</u>	<u>1,553,859</u>
Total assets	<u>1,035,299</u>	<u>1,390,974</u>	<u>974,109</u>	<u>1,840,039</u>
LIABILITIES				
Current liabilities:				
Accounts payable	67,975	19,522	14,381	27,808
Accrued liabilities	38,696	13,766	9,502	22,523
Compensated absences payable	9,189	941	1,875	5,141
Due to other funds	-	65,531	24,349	25,471
Total current liabilities	<u>115,860</u>	<u>99,760</u>	<u>50,107</u>	<u>80,943</u>
Noncurrent liabilities:				
Compensated absences payable	115,994	11,877	23,671	64,892
Advances from other funds - general fund	-	-	-	198,351
Total noncurrent liabilities	<u>115,994</u>	<u>11,877</u>	<u>23,671</u>	<u>263,243</u>
Total liabilities	<u>231,854</u>	<u>111,637</u>	<u>73,778</u>	<u>344,186</u>
NET ASSETS				
Invested in capital assets, net of related debt	175,090	1,287,433	943,157	1,553,859
Unrestricted	628,355	(8,096)	(42,826)	(58,006)
Total net assets	<u>\$ 803,445</u>	<u>\$ 1,279,337</u>	<u>\$ 900,331</u>	<u>\$ 1,495,853</u>

<u>Irrigation</u>	<u>Ambulance Transport</u>	<u>Total</u>
\$ 168,599	\$ 181,988	\$ 1,143,418
17,299	720,589	1,127,698
-	-	-
-	-	98,241
<u>185,898</u>	<u>902,577</u>	<u>2,369,357</u>
-	-	891,356
3,375,059	-	11,569,403
-	388,415	1,699,631
-	-	28,592
<u>(2,098,191)</u>	<u>(60,469)</u>	<u>(8,624,629)</u>
1,276,868	327,946	5,564,353
<u>1,276,868</u>	<u>327,946</u>	<u>5,564,353</u>
<u>1,462,766</u>	<u>1,230,523</u>	<u>7,933,710</u>
331	23,548	153,565
4,864	76,062	165,413
555	3,801	21,502
-	157,906	273,257
<u>5,750</u>	<u>261,317</u>	<u>613,737</u>
7,008	47,987	271,429
-	473,719	672,070
<u>7,008</u>	<u>521,706</u>	<u>943,499</u>
<u>12,758</u>	<u>783,023</u>	<u>1,557,236</u>
1,276,868	327,946	5,564,353
173,140	119,554	812,121
<u>\$ 1,450,008</u>	<u>\$ 447,500</u>	<u>\$ 6,376,474</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, 2007

	Business-Type Activities - Enterprise Funds			
	Solid Waste Removal	Swimming Pools	Lincoln Park Golf Course	Tiara Rado Golf Course
Operating revenues:				
Charges for sales and services	\$ 2,841,130	\$ 528,075	\$ 636,844	\$ 1,470,077
Operating expenses:				
Personal services	904,912	482,668	340,547	686,071
Costs of sales and services	1,893,607	301,617	284,476	645,555
Depreciation and amortization	21,734	207,400	80,273	65,870
Total operating expenses	<u>2,820,253</u>	<u>991,685</u>	<u>705,296</u>	<u>1,397,496</u>
Operating income (loss)	<u>20,877</u>	<u>(463,610)</u>	<u>(68,452)</u>	<u>72,581</u>
Nonoperating revenues (expenses):				
Intergovernmental	-	169,695	-	-
Investment income	32,638	-	(1,071)	7,302
Interest expense	-	-	(2,413)	(18,564)
Total nonoperating revenues (expenses)	<u>32,638</u>	<u>169,695</u>	<u>(3,484)</u>	<u>(11,262)</u>
Income (loss) before contributions and transfers	<u>53,515</u>	<u>(293,915)</u>	<u>(71,936)</u>	<u>61,319</u>
Capital contributions - tap fees	-	-	-	-
Transfers in	-	116,879	12,000	-
Transfers out	-	-	-	-
Change in net assets	<u>53,515</u>	<u>(177,036)</u>	<u>(59,936)</u>	<u>61,319</u>
Total net assets - beginning	749,930	1,456,373	960,267	1,434,534
Total net assets - ending	<u>\$ 803,445</u>	<u>\$ 1,279,337</u>	<u>\$ 900,331</u>	<u>\$ 1,495,853</u>

Irrigation	Ambulance Transport	Total
\$ 191,854	\$ 3,367,979	\$ 9,035,959
87,068	1,587,169	4,088,435
114,341	1,639,863	4,879,459
88,119	40,313	503,709
<u>289,528</u>	<u>3,267,345</u>	<u>9,471,603</u>
<u>(97,674)</u>	<u>100,634</u>	<u>(435,644)</u>
-	-	169,695
9,636	231	48,736
-	(39,477)	(60,454)
<u>9,636</u>	<u>(39,246)</u>	<u>157,977</u>
(88,038)	61,388	(277,667)
1,820	-	1,820
-	100,000	228,879
<u>-</u>	<u>(746,161)</u>	<u>(746,161)</u>
(86,218)	(584,773)	(793,129)
1,536,226	1,032,273	7,169,603
<u>\$ 1,450,008</u>	<u>\$ 447,500</u>	<u>\$ 6,376,474</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the year ended December 31, 2007

	Business-Type Activities - Enterprise Funds			
	Solid Waste Removal	Swimming Pools	Lincoln Park Golf Course	Tiara Rado Golf Course
Cash flows from operating activities:				
Cash received from customers and users	\$ 2,787,687	\$ 485,567	\$ 636,702	\$ 1,439,238
Cash paid to suppliers	(1,879,093)	(329,571)	(326,296)	(659,520)
Cash paid to employees	(906,942)	(477,053)	(336,650)	(677,953)
Miscellaneous nonoperating receipts	-	-	142	32,703
Net cash provided (used) by operating activities	<u>1,652</u>	<u>(321,057)</u>	<u>(26,102)</u>	<u>134,468</u>
Cash flows from noncapital financing activities:				
Transfers (to) from other funds	-	116,879	12,000	-
Increase (decrease) in amount due other funds	-	63,075	4,829	1,777
Intergovernmental receipts	-	169,695	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>349,649</u>	<u>16,829</u>	<u>1,777</u>
Cash flows from capital and related financing activities:				
Tap fees	-	-	-	-
Advance (Repayment) of interfund capital loans	-	-	(20,691)	(25,471)
Interest paid	-	-	(2,413)	(18,564)
Purchase of capital assets	-	(28,592)	(22,574)	(40,812)
Net cash used in capital and related financing activities	<u>-</u>	<u>(28,592)</u>	<u>(45,678)</u>	<u>(84,847)</u>
Cash flows from investing activities:				
Investment income received	32,638	-	(1,071)	7,302
Net cash provided (used) by investing activities	<u>32,638</u>	<u>-</u>	<u>(1,071)</u>	<u>7,302</u>
Net increase (decrease) in cash and cash equivalents	34,290	-	(56,022)	58,700
Cash and cash equivalents, January 1	539,650	-	56,022	160,191
Cash and cash equivalents, December 31	<u>\$ 573,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,891</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 20,877	\$ (463,610)	\$ (68,452)	\$ 72,581
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	21,734	207,400	80,273	65,870
(Increase) decrease in accounts receivable	(53,443)	(42,508)	-	1,865
(Increase) decrease in inventory	-	-	(3,350)	(16,194)
Increase (decrease) in accounts payable	14,514	(60,248)	(79,456)	2,230
Increase (decrease) in accrued liabilities and compensated absences payable	(2,030)	5,615	3,897	8,116
(Increase) decrease in accounts payable due to the purchase of fixed assets on account	-	32,294	40,986	-
Total adjustments	<u>(19,225)</u>	<u>142,553</u>	<u>42,350</u>	<u>61,887</u>
Net cash provided (used) by operating activities	<u>\$ 1,652</u>	<u>\$ (321,057)</u>	<u>\$ (26,102)</u>	<u>\$ 134,468</u>

Irrigation	Ambulance Transport	Total
\$ 199,330	\$ 2,289,857	\$ 7,838,381
(120,527)	(589,085)	(3,904,092)
(84,641)	(1,537,128)	(4,020,367)
-	-	32,845
(5,838)	163,644	(53,233)
-	(646,161)	(517,282)
-	157,906	227,587
-	-	169,695
-	(488,255)	(120,000)
1,820	-	1,820
-	473,719	427,557
-	(39,476)	(60,453)
-	-	(91,978)
1,820	434,243	276,946
9,636	231	48,736
9,636	231	48,736
5,618	109,863	152,449
162,981	72,125	990,969
\$ 168,599	\$ 181,988	\$ 1,143,418
\$ (97,674)	\$ 100,634	\$ (435,644)
88,119	40,313	503,709
7,476	(23,575)	(110,185)
-	-	(19,544)
(6,186)	(4,726)	(133,872)
2,427	50,041	68,066
-	957	74,237
91,836	63,010	382,411
\$ (5,838)	\$ 163,644	\$ (53,233)

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2007

	Data Processing	Equipment	Stores	Self- Insurance	Communications Center	Total
ASSETS						
Current assets:						
Cash and investments	\$ 2,266,109	\$ 8,097,287	\$ 126,823	\$ 7,244,350	\$ 1,774,215	\$ 19,508,784
Accounts receivable, net of allowance	-	3,882	56	5,657	175,101	184,696
Intergovernmental receivable	-	1,345	-	-	1,258	2,603
Inventory	-	-	115,247	-	-	115,247
Total current assets	<u>2,266,109</u>	<u>8,102,514</u>	<u>242,126</u>	<u>7,250,007</u>	<u>1,950,574</u>	<u>19,811,330</u>
Noncurrent assets:						
Capital assets:						
Buildings and improvements	-	-	-	-	1,001,390	1,001,390
Equipment	1,086,390	17,311,889	22,995	-	6,082,727	24,504,001
Less accumulated depreciation	<u>(752,393)</u>	<u>(11,388,071)</u>	<u>(18,745)</u>	<u>-</u>	<u>(2,729,062)</u>	<u>(14,888,271)</u>
Total capital assets (net of accumulated depreciation)	<u>333,997</u>	<u>5,923,818</u>	<u>4,250</u>	<u>-</u>	<u>4,355,055</u>	<u>10,617,120</u>
Total assets	<u>2,600,106</u>	<u>14,026,332</u>	<u>246,376</u>	<u>7,250,007</u>	<u>6,305,629</u>	<u>30,428,450</u>
LIABILITIES						
Current liabilities:						
Accounts payable	73,868	151,576	3,832	129,656	402,754	761,686
Accrued liabilities	70,990	24,390	2,508	7,588	106,209	211,685
Compensated absences payable	8,048	2,261	-	1,987	6,416	18,712
Claims payable	-	-	-	966,520	-	966,520
Total current liabilities	<u>152,906</u>	<u>178,227</u>	<u>6,340</u>	<u>1,105,751</u>	<u>515,379</u>	<u>1,958,603</u>
Noncurrent liabilities						
Compensated absences payable	<u>101,586</u>	<u>28,535</u>	<u>-</u>	<u>25,080</u>	<u>80,996</u>	<u>236,197</u>
Total liabilities	<u>254,492</u>	<u>206,762</u>	<u>6,340</u>	<u>1,130,831</u>	<u>596,375</u>	<u>2,194,800</u>
NET ASSETS						
Invested in capital assets	333,997	5,923,818	4,250	-	4,355,055	10,617,120
Unrestricted	<u>2,011,617</u>	<u>7,895,752</u>	<u>235,786</u>	<u>6,119,176</u>	<u>1,354,199</u>	<u>17,616,530</u>
Total net assets	<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>

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, 2007

	Data Processing	Equipment	Stores	Self- Insurance	Communications Center	Total
Operating revenues:						
Charges for sales and services:	\$ 2,744,440	\$ 3,517,713	\$ 91,719	\$ 1,101,071	\$ 3,250,377	\$ 10,705,320
Miscellaneous	-	1,658	6,977	1,336,177	58,509	1,403,321
Total operating revenues	<u>2,744,440</u>	<u>3,519,371</u>	<u>98,696</u>	<u>2,437,248</u>	<u>3,308,886</u>	<u>12,108,641</u>
Operating expenses:						
Personal services	1,639,258	568,973	78,095	256,198	2,416,967	4,959,491
Costs of sales and services	1,098,373	1,724,613	16,919	1,036,078	806,787	4,682,770
Depreciation and amortization	31,192	1,375,030	1,700	-	549,671	1,957,593
Total operating expenses	<u>2,768,823</u>	<u>3,668,616</u>	<u>96,714</u>	<u>1,292,276</u>	<u>3,773,425</u>	<u>11,599,854</u>
Operating income (loss)	<u>(24,383)</u>	<u>(149,245)</u>	<u>1,982</u>	<u>1,144,972</u>	<u>(464,539)</u>	<u>508,787</u>
Nonoperating revenues (expenses):						
Investment income	124,582	438,752	6,051	346,182	-	915,567
Gain (loss) on disposition of property and equipment	-	76,609	-	-	-	76,609
Total nonoperating revenues (expenses)	<u>124,582</u>	<u>515,361</u>	<u>6,051</u>	<u>346,182</u>	<u>-</u>	<u>992,176</u>
Income (loss) before transfers	100,199	366,116	8,033	1,491,154	(464,539)	1,500,963
Transfers in	-	-	-	-	2,700,753	2,700,753
Transfers out	-	-	-	(3,950)	-	(3,950)
Change in net assets	100,199	366,116	8,033	1,487,204	2,236,214	4,197,766
Total net assets - beginning	<u>2,245,415</u>	<u>13,453,454</u>	<u>232,003</u>	<u>4,631,972</u>	<u>3,473,040</u>	<u>24,035,884</u>
Total net assets - ending	<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>

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2007

	Data Processing	Equipment	Stores	Self Insurance	Communications Center	Total
Cash flows from operating activities:						
Cash received from customers and users	\$ 2,747,450	\$ 3,517,600	\$ 98,877	\$ 1,104,647	\$ 3,654,852	\$ 11,123,426
Cash paid to suppliers	(1,095,911)	(1,754,681)	(25,767)	(949,801)	(449,262)	(4,275,422)
Cash paid to employees	(1,634,304)	(565,982)	(84,516)	(259,469)	(2,409,908)	(4,954,179)
Miscellaneous nonoperating receipts	-	-	-	1,336,177	-	1,336,177
Net cash provided (used) by operating activities	<u>17,235</u>	<u>1,196,937</u>	<u>(11,406)</u>	<u>1,231,554</u>	<u>795,682</u>	<u>3,230,002</u>
Cash flows from noncapital financing activities:						
Transfers from other funds	-	-	-	-	2,700,753	2,700,753
Transfers to other funds	-	-	-	(3,950)	-	(3,950)
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,950)</u>	<u>2,700,753</u>	<u>2,696,803</u>
Cash flows from capital and related financing activities:						
Proceeds from disposition of capital assets	-	61,301	-	-	-	61,301
Purchase of capital assets	(333,671)	(1,125,101)	-	-	(1,814,901)	(3,273,673)
Net cash used in capital and related financing activities	<u>(333,671)</u>	<u>(1,063,800)</u>	<u>-</u>	<u>-</u>	<u>(1,814,901)</u>	<u>(3,212,372)</u>
Cash flows from investing activities:						
Investment income received	<u>124,582</u>	<u>438,752</u>	<u>6,051</u>	<u>346,182</u>	<u>-</u>	<u>915,567</u>
Net cash provided by investing activities	<u>124,582</u>	<u>438,752</u>	<u>6,051</u>	<u>346,182</u>	<u>-</u>	<u>915,567</u>
Net increase in cash and cash equivalents	(191,854)	571,888	(5,355)	1,573,786	1,681,534	3,629,999
Cash and cash equivalents, January 1	2,457,963	7,525,399	132,178	5,670,564	92,681	15,878,785
Cash and cash equivalents, December 31	<u>\$ 2,266,109</u>	<u>\$ 8,097,287</u>	<u>\$ 126,823</u>	<u>\$ 7,244,350</u>	<u>\$ 1,774,215</u>	<u>\$ 19,508,784</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (24,383)	\$ (149,245)	\$ 1,982	\$ 1,144,972	\$ (464,539)	\$ 508,787
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	31,192	1,375,030	1,700	-	549,671	1,957,593
(Increase) decrease in accounts receivable	3,010	(1,771)	181	3,576	345,966	350,962
(Increase) decrease in inventory	-	-	(11,443)	-	-	(11,443)
Increase (decrease) in accounts payable	32,641	(83,293)	2,595	126,549	718,347	796,839
Increase (decrease) in claims payable	-	-	-	(40,915)	-	(40,915)
Increase (decrease) in accrued wages and compensated absences payable	4,954	2,991	(6,421)	(3,271)	7,059	5,312
(Increase) decrease in accounts payable due to purchase of capital assets on account	(30,179)	53,225	-	643	(360,822)	(337,133)
Total adjustments	<u>41,618</u>	<u>1,346,182</u>	<u>(13,388)</u>	<u>86,582</u>	<u>1,260,221</u>	<u>2,721,215</u>
Net cash provided (used) by operating activities	<u>\$ 17,235</u>	<u>\$ 1,196,937</u>	<u>\$ (11,406)</u>	<u>\$ 1,231,554</u>	<u>\$ 795,682</u>	<u>\$ 3,230,002</u>
Noncash Investing, Capital and Financing Activities						
Purchase of capital assets on account	\$ 30,179	\$ 57,176	\$ -	\$ -	\$ 377,119	\$ 464,474
Net book value of capital assets traded in on capital assets acquired	-	104,478	-	-	-	104,478
Trade in value of disposed assets	-	146,315	-	-	-	146,315

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, 2007

	Police Old Hire	Fire Old Hire	Total
ASSETS			
Cash and investments	\$ 3,489,789	\$ 13,372,693	\$ 16,862,482
LIABILITIES			
	-	-	-
NET ASSETS HELD IN TRUST FOR:			
Pension benefits	\$ 3,489,789	\$ 13,372,693	\$ 16,862,482

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
For the year ended December 31, 2007

	Police Old Hire	Fire Old Hire	Total
ADDITIONS			
Contributions:			
City	\$ 391,233	\$ 13,902	\$ 405,135
Plan member	-	227,982	227,982
State government	396,660	-	396,660
Total contributions	<u>787,893</u>	<u>241,884</u>	<u>1,029,777</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	163,341	660,382	823,723
Interest	146,477	579,226	725,703
Net investment income	<u>309,818</u>	<u>1,239,608</u>	<u>1,549,426</u>
Total additions	<u>1,097,711</u>	<u>1,481,492</u>	<u>2,579,203</u>
DEDUCTIONS			
Benefits	610,011	1,043,965	1,653,976
Administrative expense	23,549	92,527	116,076
Total deductions	<u>633,560</u>	<u>1,136,492</u>	<u>1,770,052</u>
Change in net assets	464,151	345,000	809,151
Net assets - beginning	<u>3,025,638</u>	<u>13,027,693</u>	<u>16,053,331</u>
Net assets - ending	<u>\$ 3,489,789</u>	<u>\$ 13,372,693</u>	<u>\$ 16,862,482</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
December 31, 2007

	Mesa County Valley School District 51 SLD Fee	General Trust	Employee Retirement Health Benefit	Total
ASSETS				
Cash and investments	\$ 327,403	\$ 468	\$ 1,012,088	\$ 1,339,959
Accounts receivable, net of allowance	-	-	11,039	11,039
Total assets	<u>327,403</u>	<u>468</u>	<u>1,023,127</u>	<u>1,350,998</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 20,503	\$ 20,503
Total liabilities	<u>-</u>	<u>-</u>	<u>20,503</u>	<u>20,503</u>
NET ASSETS HELD IN TRUST FOR				
Individuals, organizations and others	<u>\$ 327,403</u>	<u>\$ 468</u>	<u>\$ 1,002,624</u>	<u>\$ 1,330,495</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
For the year ended December 31, 2007

	Mesa County Valley School District 51 SLD Fee	General Trust	Employee Retirement Health Benefit	Total
ADDITIONS				
Additions by participants	\$ 315,024	\$ -	\$ 307,004	\$ 622,028
Investment income	12,378	-	47,753	60,131
Total additions	<u>327,402</u>	<u>-</u>	<u>354,757</u>	<u>682,159</u>
DEDUCTIONS				
Distributions to participants	154,018	-	-	154,018
Health insurance premiums paid	-	-	250,531	250,531
Administrative expense	5,687	-	-	5,687
Total deductions	<u>159,705</u>	<u>-</u>	<u>250,531</u>	<u>410,236</u>
Change in net assets	167,697	-	104,226	271,923
Net assets - beginning	159,706	468	898,398	1,058,572
Net assets - ending	<u>\$ 327,403</u>	<u>\$ 468</u>	<u>\$ 1,002,624</u>	<u>\$ 1,330,495</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the year ended December 31, 2007

	Balance Beginning	Additions	Deletions	Balance Ending
<u>PARK IMPROVEMENT ADVISORY BOARD</u>				
ASSETS				
Cash and investments	\$ 177,494	\$ 681,724	\$ 661,095	\$ 198,123
Accounts receivable, net of allowance	-	243,217	243,217	-
Total assets	<u>\$ 177,494</u>	<u>\$ 924,941</u>	<u>\$ 904,312</u>	<u>\$ 198,123</u>
LIABILITIES				
Due to other governments	<u>\$ 177,494</u>	<u>\$ 950,813</u>	<u>\$ 930,184</u>	<u>\$ 198,123</u>
<u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ 231,323	\$ 261,446	\$ 208,475	\$ 284,294
LIABILITIES				
Due to other governments	<u>\$ 231,323</u>	<u>\$ 262,196</u>	<u>\$ 209,225</u>	<u>\$ 284,294</u>
<u>SEWER AND WATER DISTRICTS CLEARING</u>				
ASSETS				
Cash and investments	\$ 71,697	\$ 1,046,734	\$ 1,048,695	\$ 69,736
LIABILITIES				
Due to other governments	<u>\$ 71,697</u>	<u>\$ 1,046,734</u>	<u>\$ 1,048,695</u>	<u>\$ 69,736</u>
<u>DOWNTOWN BUSINESS IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ 43,445	\$ 329,556	\$ 271,572	\$ 101,429
LIABILITIES				
Due to other governments	<u>\$ 43,445</u>	<u>\$ 329,556</u>	<u>\$ 271,572</u>	<u>\$ 101,429</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 523,959	\$ 2,319,460	\$ 2,189,837	\$ 653,582
Accounts receivable, net of allowance	-	243,217	243,217	-
Total assets	<u>\$ 523,959</u>	<u>\$ 2,562,677</u>	<u>\$ 2,433,054</u>	<u>\$ 653,582</u>
LIABILITIES				
Due to other governments	523,959	2,589,299	2,459,676	653,582
Total liabilities	<u>\$ 523,959</u>	<u>\$ 2,589,299</u>	<u>\$ 2,459,676</u>	<u>\$ 653,582</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, 2007

	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	\$ 276,960	\$ 563,060	\$ 201	\$ (5,718)	\$ 834,503
Property taxes receivable	1,582,543	201,143	-	-	1,783,686
Accounts receivable	-	100	-	55,000	55,100
Total assets	<u>1,859,503</u>	<u>764,303</u>	<u>201</u>	<u>49,282</u>	<u>2,673,289</u>
LIABILITIES					
Accounts payable	-	321	-	3,240	3,561
Accrued liabilities	-	4,353	-	-	4,353
Deferred revenue	1,582,543	201,143	-	-	1,783,686
Compensated absences payable	-	895	-	-	895
Total liabilities	<u>1,582,543</u>	<u>206,712</u>	<u>-</u>	<u>3,240</u>	<u>1,792,495</u>
FUND BALANCES					
Reserved for debt service	-	-	201	-	201
Unreserved:					
Designated for subsequent year's expenditures	-	-	-	-	-
Unreserved, undesignated	<u>276,960</u>	<u>557,591</u>	<u>-</u>	<u>46,042</u>	<u>880,593</u>
Total fund balances	<u>276,960</u>	<u>557,591</u>	<u>201</u>	<u>46,042</u>	<u>880,794</u>
Total liabilities and fund balances	<u>\$ 1,859,503</u>	<u>\$ 764,303</u>	<u>\$ 201</u>	<u>\$ 49,282</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. 3,968,943

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.

	Loans payable	\$ (2,000,000)	
	Compensated absences	<u>(11,304)</u>	(2,011,304)

Total net assets -Component Unit - Downtown Development Authority. (page 31) \$ 2,838,433

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, 2007

	DDA Tax Increment	DDA Operations Special Revenue Fund	DDA Debt Service Fund	TIF Capital Improvements Capital Project Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 1,335,363	\$ 163,389	\$ -	\$ -	\$ 1,498,752
Intergovernmental	265,616	-	-	-	265,616
Charges for services	-	3,202	-	-	3,202
Miscellaneous	-	143,052	-	-	143,052
Investment income	95,310	17,610	-	85,610	198,530
Total revenues	<u>1,696,289</u>	<u>327,253</u>	<u>-</u>	<u>85,610</u>	<u>2,109,152</u>
EXPENDITURES					
Current:					
Urban development and housing	22,272	194,398	-	4,171,000	4,387,670
Debt service:					
Principal retirement	-	-	2,180,500	-	2,180,500
Interest and fiscal charges	-	-	85,040	-	85,040
Capital outlay	-	-	-	134,255	134,255
Total expenditures	<u>22,272</u>	<u>194,398</u>	<u>2,265,540</u>	<u>4,305,255</u>	<u>6,787,465</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,674,017</u>	<u>132,855</u>	<u>(2,265,540)</u>	<u>(4,219,645)</u>	<u>(4,678,313)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	81,202	2,265,540	-	2,346,742
Transfers out	(2,346,742)	-	-	-	(2,346,742)
Short term loan proceeds	-	-	-	2,000,000	2,000,000
Sale of capital assets	-	-	-	9,656	9,656
Total other financing sources (uses)	<u>(2,346,742)</u>	<u>81,202</u>	<u>2,265,540</u>	<u>2,009,656</u>	<u>2,009,656</u>
Net change in fund balances	(672,725)	214,057	-	(2,209,989)	(2,668,657)
Fund balances - beginning	949,685	343,534	201	2,256,031	3,549,451
Fund balances - ending	<u>\$ 276,960</u>	<u>\$ 557,591</u>	<u>\$ 201</u>	<u>\$ 46,042</u>	<u>\$ 880,794</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) \$ (2,668,657)

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 \$65,837 reduced depreciation (\$91,607) in the current period. (25,770)

The net effect of transactions involving the sale of capital assets. (59,400)

The issuance of long-term debt (\$2,000,000) provides current financial resources to governmental funds, while repayment of the principal of long-term debt \$2,180,500 consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. 180,500

Expenditures for compensated absences and longevity are measured by the amount of financial resources used (essentially, the amounts actually paid to employees), whereas in the statement of activities, they are measured as the benefits are earned by employees during the year. (1,069)

Change in net assets of the Component Unit - Downtown Development Authority (page 33) \$ (2,574,396)

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,352,500	\$ 1,316,549	\$ 1,335,363	\$ 18,814
Intergovernmental	178,000	262,581	265,616	3,035
Investment income	40,000	72,000	95,310	23,310
Total revenues	<u>1,570,500</u>	<u>1,651,130</u>	<u>1,696,289</u>	<u>45,159</u>
EXPENDITURES				
Current:				
Urban development and housing	<u>32,000</u>	<u>32,000</u>	<u>22,272</u>	<u>9,728</u>
Excess of revenues over expenditures	1,538,500	1,619,130	1,674,017	54,887
OTHER FINANCING USES				
Transfers out	<u>(2,337,540)</u>	<u>(2,369,540)</u>	<u>(2,346,742)</u>	<u>22,798</u>
Net change in fund balance	(799,040)	(750,410)	(672,725)	77,685
Fund balances - beginning	949,685	949,685	949,685	-
Fund balances - ending	<u>\$ 150,645</u>	<u>\$ 199,275</u>	<u>\$ 276,960</u>	<u>\$ 77,685</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 157,000	\$ 157,000	\$ 163,389	\$ 6,389
Charges for services	3,000	3,000	3,202	202
Miscellaneous	77,000	77,000	143,052	66,052
Investment income	8,000	12,000	17,610	5,610
Total revenues	<u>245,000</u>	<u>249,000</u>	<u>327,253</u>	<u>78,253</u>
EXPENDITURES				
Current:				
Urban development and housing	<u>202,963</u>	<u>202,963</u>	<u>194,398</u>	<u>8,565</u>
Excess of revenues over expenditures	42,037	46,037	132,855	86,818
OTHER FINANCING SOURCES				
Transfers in	<u>40,000</u>	<u>72,000</u>	<u>81,202</u>	<u>9,202</u>
Net change in fund balance	82,037	118,037	214,057	96,020
Fund balances - beginning	343,534	343,534	343,534	-
Fund balances - ending	<u>\$ 425,571</u>	<u>\$ 461,571</u>	<u>\$ 557,591</u>	<u>\$ 96,020</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, 2007

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
Current:			
General government	2,000	-	2,000
Debt service:			
Principal retirement	2,180,500	2,180,500	-
Interest and fiscal charges	115,040	85,040	30,000
Total expenditures	<u>2,297,540</u>	<u>2,265,540</u>	<u>32,000</u>
Deficiency of revenues under expenditures	(2,297,540)	(2,265,540)	32,000
OTHER FINANCING SOURCES			
Transfers in	<u>2,297,540</u>	<u>2,265,540</u>	<u>(32,000)</u>
Net change in fund balance	-	-	-
Fund balances - beginning	201	201	-
Fund balances - ending	<u>\$ 201</u>	<u>\$ 201</u>	<u>\$ -</u>

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
DDA TIF CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND
ACTUAL
(NON-GAAP BUDGETARY BASIS)
For the year ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 50,000	50,000	\$ 85,610	\$ 35,610
EXPENDITURES				
Current:				
Urban development and housing	3,930,000	4,171,000	4,171,000	-
Capital projects	600,000	600,000	134,255	465,745
Total expenditures	<u>4,530,000</u>	<u>4,771,000</u>	<u>4,305,255</u>	<u>465,745</u>
Deficiency of revenues under expenditures	(4,480,000)	(4,721,000)	(4,219,645)	501,355
OTHER FINANCING SOURCES				
Short term loan proceeds	2,350,000	2,500,000	2,000,000	(500,000)
Sale of capital assets	-	-	9,656	9,656
Total other financing sources	<u>2,350,000</u>	<u>2,500,000</u>	<u>2,009,656</u>	<u>(490,344)</u>
Net change in fund balance	(2,130,000)	(2,221,000)	(2,209,989)	11,011
Fund balances - beginning	2,256,031	2,256,031	2,256,031	-
Fund balances - ending	<u>\$ 126,031</u>	<u>\$ 35,031</u>	<u>\$ 46,042</u>	<u>\$ 11,011</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.	119-123
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the City's largest revenue source, sales tax.	124-127
<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.	128-132
<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.	133-134
<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.	135-137



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TABLE 1

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
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
Restricted	3,741,227	5,303,737	3,837,095	3,944,221	5,379,428	3,692,563
Unrestricted	35,339,502	33,760,361	40,263,463	50,448,036	61,797,292	62,334,124
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>
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
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
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>
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
Restricted	7,241,227	7,090,857	4,742,232	3,944,221	5,990,272	3,692,563
Unrestricted	35,408,272	36,805,048	43,614,198	55,734,498	65,911,388	66,510,598
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>
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
Restricted	142,971	-	170,000	32,000	32,000	-
Unrestricted	(5,950)	262,880	2,628,949	2,649,854	3,507,216	869,490
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>

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 Six Fiscal Years

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Expenses						
Governmental Activities:						
General Government	\$ 10,397,825	\$ 8,276,802	\$ 9,548,713	\$ 9,596,763	\$ 8,775,975	\$ 12,412,910
Public Safety	17,966,339	19,871,283	23,823,248	22,904,850	24,638,801	28,167,497
Public Works	12,220,526	12,780,174	10,223,079	15,386,497	19,400,979	15,521,625
Parks and Recreation	4,740,433	5,318,756	6,684,183	5,175,343	4,743,303	7,419,519
Urban Development and Housing	720,043	622,802	347,218	415,306	110,694	565,373
Interest of Long-Term Debt	295,421	234,037	2,301,710	2,571,874	2,503,750	3,106,206
Total Governmental Activities Expense	46,340,587	47,103,854	52,928,151	56,050,633	60,173,502	67,193,130
Business-Type Activities:						
Water	3,826,901	4,009,508	4,158,777	4,222,594	4,349,852	4,671,765
Convention Center	1,828,188	1,988,176	2,130,427	2,641,066	2,805,768	2,968,119
Solid Waste Removal	2,160,155	2,190,000	2,302,588	2,340,292	2,632,219	2,820,253
Swimming Pools	829,676	815,682	826,992	919,684	1,015,665	991,685
Golf	1,896,274	1,919,148	2,040,033	1,898,642	1,966,353	2,123,769
Cemeteries	333,865	339,191	-	-	-	-
Parking	220,257	272,728	244,869	321,282	693,381	402,916
Irrigation Systems	248,603	250,073	279,556	273,642	298,439	289,528
Ambulance Transport	-	-	-	-	865,138	3,306,822
Total Business-Type Activities Expense	11,343,919	11,784,506	11,983,242	12,617,202	14,626,815	17,574,857
Total Primary Government Expenses	\$ 57,684,506	\$ 58,888,360	\$ 64,911,393	\$ 68,667,835	\$ 74,800,317	\$ 84,767,987
Total Component Unit Expenses	\$ 569,356	\$ 1,213,309	\$ 464,709	\$ 386,262	\$ 1,378,932	\$ 4,633,804
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
Public Safety	2,806,777	4,194,882	4,270,121	4,636,026	4,503,743	4,774,346
Public Works	344,444	668,873	1,137,608	1,100,555	2,595,528	3,325,868
Parks and Recreation	750,033	799,011	1,187,450	1,294,737	1,070,852	3,199,673
Operating Grants and Contributions	1,104,192	733,500	492,464	718,425	565,044	1,182,795
Capital Grants and Contributions	24,345,898	16,358,934	20,628,819	34,104,271	66,735,306	56,633,477
Total Governmental Activities Program Revenues	33,391,412	24,462,955	29,788,827	44,055,882	77,820,633	74,567,517
Business-Type Activities:						
Water	4,673,955	4,746,675	4,397,730	4,476,728	4,670,635	4,987,126
Convention Center	1,171,731	1,315,342	1,603,083	2,114,443	2,437,970	2,544,726
Solid Waste Removal	2,218,985	2,234,155	2,260,492	2,427,094	2,500,954	2,841,130
Swimming Pools	440,721	431,336	394,625	628,073	691,810	697,770
Golf	1,606,520	1,641,313	1,648,009	1,802,903	1,956,584	2,106,921
Cemeteries	167,763	173,935	-	-	-	-
Parking	326,772	384,785	355,546	326,381	338,286	343,471
Irrigation Systems	170,415	170,378	172,016	178,709	179,837	191,854
Ambulance Transport	-	-	-	-	1,107,880	3,367,979
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
Total Business-Type Activities Program Revenues	10,971,459	11,409,391	11,100,891	12,192,036	14,538,126	19,079,614
Total Primary Government Program Revenues	\$ 44,362,871	\$ 35,872,346	\$ 40,889,718	\$ 56,247,918	\$ 92,358,759	\$ 93,647,131
Total Component Unit Program Revenues	\$ 397,380	\$ 319,453	\$ 298,779	\$ 247,614	\$ 315,417	\$ 411,870
Net (Expense)/ Revenue						
Governmental Activities	\$ (12,949,175)	\$ (22,640,899)	\$ (23,139,324)	\$ (11,994,751)	\$ 17,647,131	\$ 7,374,387
Business-Type Activities	(372,460)	(375,115)	(882,351)	(425,166)	(88,689)	1,504,757
Total Primary Government Net Expense	\$ (13,321,635)	\$ (23,016,014)	\$ (24,021,675)	\$ (12,419,917)	\$ 17,558,442	\$ 8,879,144
Total Component Unit Net Expense	\$ (171,976)	\$ (893,856)	\$ (165,930)	\$ (138,648)	\$ (1,063,515)	\$ (4,221,934)

TABLE 2 (Continued)

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

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

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 Six Fiscal Years

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
General Fund						
Reserved	\$ 488,060	\$ 2,064,060	\$ 2,146,185	\$ 2,105,728	\$ 6,391,927	\$ 7,958,173
Unreserved	11,345,770	11,175,753	13,084,091	17,146,236	20,157,996	26,430,185
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>
All Other Governmental Funds						
Reserved	\$ 3,741,227	\$ 3,803,737	\$ 54,425,376	\$ 37,456,559	\$ 6,659,252	\$ 1,517,413
Unreserved, reports in:						
Special Revenue Funds	3,972,738	4,089,208	3,447,242	4,362,767	5,640,048	4,716,567
Capital Projects Funds	5,186,322	6,525,614	12,818,435	15,981,722	19,384,444	11,513,508
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>
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>

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 Six Fiscal Years

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Revenues						
Taxes	\$ 43,675,042	\$ 45,761,262	\$ 50,191,182	\$ 53,601,820	\$ 63,459,234	\$ 69,778,188
Licenses, Fees, and Permits	111,935	118,616	111,452	114,921	101,165	113,224
Intergovernmental	1,983,885	1,961,442	3,065,737	2,002,220	3,535,141	4,260,519
Charges for Services	4,810,031	5,488,457	5,884,254	6,077,290	11,513,267	8,633,619
Fines and Forfeitures	486,548	564,294	701,941	546,162	1,001,569	1,152,790
Special Assessments	101,142	34,230	148,289	65,949	75,103	146,610
Investment Earnings	938,331	488,268	1,547,469	1,622,584	2,982,954	3,270,125
Other Income	1,463,642	2,012,121	1,237,322	2,646,942	1,185,987	902,798
Other Contributions	82,571	11,891	192,283	49,232	70,874	1,063,174
Total Revenues	53,653,127	56,440,581	63,079,929	66,727,120	83,925,294	89,321,047
Expenditures						
General Government	\$ 8,332,174	\$ 8,288,652	\$ 8,716,681	\$ 9,207,102	\$ 10,404,115	\$ 12,336,103
Public Safety	17,350,391	18,553,410	19,977,861	20,490,870	22,930,060	25,791,977
Public Works	7,333,200	7,564,156	8,049,960	8,185,303	8,865,640	9,562,091
Parks and Recreation	4,385,230	4,731,828	5,378,915	5,302,211	5,795,820	6,432,863
Urban Development and Housing	720,042	622,802	347,218	593,786	249,847	565,373
Debt Service						
Principal Retirement	788,891	826,281	869,787	1,914,672	2,216,032	2,584,661
Interest	304,665	239,118	1,538,367	2,829,739	2,757,618	3,254,707
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
Total Expenditures	48,074,779	51,381,758	65,586,103	74,139,233	100,146,584	115,859,649
Other Financing Sources (Uses)						
Transfers In	3,071,622	3,787,288	8,278,967	7,907,490	13,272,934	25,222,052
Transfers Out	(5,296,866)	(5,921,856)	(7,949,841)	(9,651,371)	(16,525,848)	(28,794,574)
Revenue Bonds Issued	-	-	57,075,000	-	654,860	22,925,000
Bond Premium	-	-	3,652,683	-	-	1,088,303
Total Other Financing Sources(Uses)	(2,225,244)	(2,134,568)	61,056,809	(1,743,881)	(2,598,054)	20,440,781
Net Change In Fund Balances	\$ 3,353,104	\$ 2,924,255	\$ 58,550,635	\$ (9,155,994)	\$ (18,819,344)	\$ (6,097,821)
Debt Service as a Percentage of Noncapital Expenditures	2.9%	2.7%	5.6%	10.8%	10.2%	10.7%

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 and 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
1998	2,216,882	1,315,581	5,576,932	90,540	482,596	705,336	337,281	747,934	7,940,767	2,196,323	203,635	21,813,807	2.75%
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%

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

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	
1998	2.75%	2.75%	2.00%	2.90%	7.65%
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%

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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Aggregate Top Ten Filers ^{1,2}	\$ 5,845,835	\$ 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
Aggregate All Other Filers ²	15,967,972	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
Total Sales Tax	<u>\$ 21,813,807</u>	<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>
Top Ten Filers as a Percentage of Total Sales Tax	26.80%	29.60%	29.83%	29.29%	29.90%	26.69%	26.43%	26.35%	25.19%	23.84%

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: Home Depot, Lowes, Mesa County Colorado, Sams Club, Target Stores, Walmart, Walmart-Rimrock, Western Slope Auto, 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
1998	\$ 21,813,807	\$ 841,047	\$ 3,393,851	\$ 660,512	\$ 26,709,217
1999	24,096,240	839,390	3,611,934	643,697	29,191,261
2000	25,769,700	1,056,721	3,925,730	679,814	31,431,965
2001	27,605,624	1,002,862	4,191,997	716,990	33,517,473
2002	29,356,312	920,312	4,401,660	784,942	35,463,226
2003	30,277,002	1,780,922	4,594,439	770,315	37,422,678
2004	32,493,973	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

Source: City Financial Operations Division: Sales Tax Reports

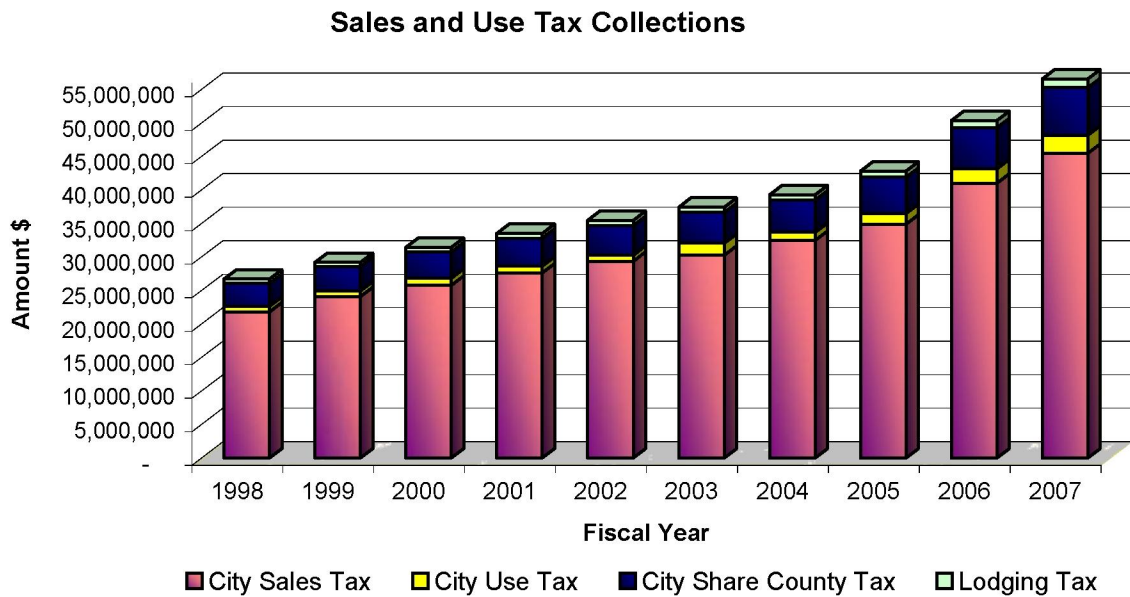


TABLE 9

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

Fiscal Year	Popu- lation ^A	Personal Income ^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	54,000 ^B	1,758,294 ^D	1,090,000	79,664,693	38,181	-	80,441	2,900,164	83,773,479	4.70%	1,531

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	Popu- lation ^A	Personal Income in Thousands ^C	Gross Bonded Debt ¹	Debt Service Monies Avail- able	Debt Payable From Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Personal Income	Bonded Debt Per Capita
1998	45,165	1,019,148	-	-	-	-	0.00%	-
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	54,000 ^B	1,758,294 ^D	79,664,693	3,568,205	-	76,096,488	4.33%	1,409

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, 2007

Estimated actual value as determined by Assessor ^A		\$ <u>6,152,762,519</u>
Debt limit - 3% of actual value		\$ 184,582,876
Total General Obligation Debt ^B	\$ 1,090,000	
Less: Ridges Metropolitan District bonds supported by a special tax levy paid only within the District ^B	(1,090,000)	
		<hr/>
Total amount of debt applicable to debt limit		<hr/> - <hr/>
Legal debt margin		\$ <u>184,582,876</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, 2007

<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	\$ 76,000,000	100.00%	\$ 76,000,000
Overlapping:			
Mesa County Valley School District No. 51 ^B	130,470,000	0.00%	-
Mesa County ^{2, C}	-		-
Total			<u>\$ 76,000,000</u>

Notes:

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

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

Source:

- A City Financial Operations Division
- B Mesa County Valley School District No. 51 Finance Department
- C Mesa County 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
1998	5,216,605	3,040,233	2,176,372	595,000	24,778	619,778	3.51
1999	4,438,162	2,862,601	1,575,561	-	-	-	-
2000	4,861,061	2,970,243	1,890,818	-	-	-	-
2001	5,052,597	3,285,854	1,766,743	-	-	-	-
2002	4,833,602	3,252,288	1,581,314	-	-	-	-
2003	4,811,215	3,285,692	1,525,523	-	-	-	-
2004	4,507,115	3,369,394	1,137,721	-	-	-	-
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	-	-	-	-

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
1998	45,165	112,327	1,019,148	22,565	19,323	4.6%	3.5%
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	3.2%	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%	4.3%
2007	54,000 ^G	N/A	1,758,294	32,561	21,396	3.2%	3.8%

Note:

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

Source:

- A US Census Bureau and Colorado DOLA Demography Office
- B Mesa County Valley School District No. 51 - District wide enrollment
- C 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 31,2007

Employer	Type of Business	Prior to 2003	Number of Employees 2003 ^A	Number of Employees 2004 ^A	Number of Employees 2005 ^A	Number of Employees 2006 ^A	Number of Employees 2007 ^B
School District #51	Schools	N/A	2,646	2,786	2,429	2,600	3,133
St. Mary's Hospital	Medical	N/A	2,073	1,985	2,014	2,000	2,235
Mesa State College	Schools	N/A	1,194	1,440	1,177	1,250	1,440
State of Colorado	Government	N/A	580	922	969	982	982
Mesa County	Government	N/A	869	872	927	925	977
City of Grand Junction	Government	N/A	570	1,015	900	808	968
Walmart	Retail	N/A	1,000	860	865	910	865
Halliburton Energy	Services	N/A			415	700	800
Star Tek USA	Services	N/A	550			600	625
City Markets, Inc.	Retail	N/A	600	600	400	589	590
Community Hospital	Medical	N/A	420	415	414		
Rocky Mountain Health Plans	Insurance	N/A		386			

Source:

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

TABLE 16

City of Grand Junction, Colorado
MISCELLANEOUS STATISTICS
 Last Six 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
General Government	90	100	101	102	119	113
Fire Protection	75	79	79	83	98	98
Parks and Recreation	68	71	72	70	70	74
Police Protection						
Sworn	83	85	81	83	91	100
Non-Sworn	58	63	62	60	70	65
Public Works	172	172	175	170	161	
Public Works and Planning ¹						71
Utility and Street Systems ¹						116
Total	546	570	570	568	609	637

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

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%

Education:

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

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 Six Fiscal Years

Function	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Police ^B						
Stations	1	1	1	1	1	1
Vehicular Patrol Units	30	30	30	30	31	33
Canine Units	4	4	3	3	3	3
Motorcycles Units	4	4	4	4	6	6
Bicycles (Attached to Patrol Units)	13	18	18	18	23	23
Fire Stations ^C	4	4	5	5	5	5
Public Works ^A						
Area (Sq Miles)	32.87	33.12	34.25	34.65	35.47	36.9
Paved Streets (Lane Miles)	886.29	916.5	964.76	1010.37	1050.33	1081.24
Unpaved Streets (Lane Miles)	0	0	8.33	8.33	8.5	8.02
Total Streets (Lane Miles)	919.16	916.5	973.09	1018.7	1058.83	1089.26
Parks and Recreation ^D						
Developed Parks (Acres)	427.19	427.19	434.69	434.69	434.69	434.69
Undeveloped Parks (Acres)	589.18	589.18	581.68	581.68	581.68	581.68
Total Parks (Acres)	1016.37	1016.37	1016.37	1016.37	1016.37	1016.37
Swimming Pools	2	2	2	2	2	2
Waterslides	1	1	1	1	1	1
Tennis Courts	10	10	16	16	16	16
Shelters	13	18	19	19	19	19
Baseball Stadiums(Lighted)	1	1	1	1	1	1
Baseball Stadiums(Unlighted)	1	1	1	1	1	1
Football/Track Stadium (Lighted)	1	1	1	1	1	1
Softball Fields(Lighted)	8	8	8	8	8	8
Golf Courses	2	2	2	2	2	2
Golf Courses (Acres)	156	156	156	156	156	156
Outdoor Basketball Courts (Lighted)	1	1	1	1	1	1
Outdoor Basketball Courts (Unlighted)	6	7	7	7	7	7
Multi-purpose Fields (Lighted)				1	1	1
Multi-purpose Fields (Unlighted)				10	10	10
Auditorium	1	1	1	1	1	1
Senior Recreation Center	1	1	1	1	1	1
Riverfront Trail (Miles)	14.8	14.8	14.8	14.8	14.8	14.8
Skateparks	2	2	2	2	2	2
Activity Center					1	1
Utilities ^E						
Storm sewers (Miles)	60	88	136	166.83	135.24	216.07
Sanitary sewer (Miles)	488	498	589	316.14	502.57	537.64

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, 2007

<u>Name of Official</u> ^A	<u>Title</u> ^A	<u>Annual Salary</u> ^B
James J. Doody	Mayor	\$ 9,750
Other Councilmembers in Aggregate		39,213
David A. Varley	City Manager	58,778
Laurie M. Kadrich (5/1/2007)	City Manager	95,659
John P. Shaver	City Attorney	129,308
Care' L McInnis	Municipal Court Administrator	57,209
Stephanie A. Tuin	City Clerk	76,073
Ronald M. Lappi (Retired 3/30/2007)	Administrative Services and Finance Director	30,311
Jodilyn M. Romero	Financial Operations Manager	70,072
Tim W. Moore	Public Works and Planning Director	107,182
James C. Bright	Interim, Fire Chief	44,234
Kenneth R. Watkins (5/29/2007)	Fire Chief	60,923
Erik Joe Stevens	Parks and Recreation Director	103,723
William P. Gardner	Police Chief	110,409
Gregory O. Trainor	Utilities, Streets, and Facilities Director	107,450
Deborah A. Kovalik	Visitors and Convention Bureau Director	92,106

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

Source:

^A City Clerk

^B City Financial Operations Division



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

June 17, 2008

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, 2007, and have issued our report thereon dated June 17, 2008. 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, 2007

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>2007 Amount of Award Expended</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grants/ Entitlement Grants	14.218	\$ 3,394,767	\$ 374,294
U.S. DEPARTMENT OF JUSTICE			
Edward Byrne Memorial Justice Asst. Grant Public Safety Partnership and Community Policing Grants	16.579	18,537	9,268
	16.710	548,500	<u>125,452</u>
Total U. S. Department of Justice			134,720
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Mesa County, Colorado			
The Drug Free Community Support Program	93.276	29,070	29,070
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through the Colorado Department of Transportation			
Highway Planning and Construction	20.205	342,427	<u>286,268</u>
Total Federal Award Expenditures			<u>\$ 824,352</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, 2007

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>
Community Development Block Grants	14.218	\$ 368,342

**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, 2008

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, 2007, 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, Steinkirchner, 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, 2008

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, 2007. 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, 2007.

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, 2007

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

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

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants

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

City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2007

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, 2007

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, 2008

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, 2007, and have issued our report thereon dated June 17, 2008. 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, Steinbinder, 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 2007

This Information From The Records Of City of Grand Junction, CO: Prepared By: Sonya Stockert
Phone: (970)244-1536

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	45,206,537
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,027,246
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	780,635
2. General fund appropriations	18,142,369	b. Snow and ice removal	224,467
3. Other local imposts (from page 2)	1,250,010	c. Other	
4. Miscellaneous local receipts (from page 2)	3,475,387	d. Total (a. through c.)	1,005,102
5. Transfers from toll facilities		4. General administration & miscellaneous	628,431
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues	23,759,367	6. Total (1 through 5)	48,867,316
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	23,759,367	a. Interest	
7. Total (1 through 6)	46,627,133	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,953,915	2. Notes:	
D. Receipts from Federal Government (from page 2)	286,268	a. Interest	
E. Total receipts (A.7 + B + C + D)	48,867,316	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)	
			48,867,316

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	54,825,000	22,925,000	1,750,000	76,000,000
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	48,867,316	48,867,316	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2007

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	145,953	a. Interest on investments	1,211,350
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	62,585
5. Specific Ownership &/or Other	1,104,057	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,104,057	h. Other	2,201,452
c. Total (a. + b.)	1,250,010	i. Total (a. through h.)	3,475,387
	(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	1,732,774	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	221,141	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	286,268
f. Total (a. through e.)	221,141	g. Total (a. through f.)	286,268
4. Total (1. + 2. + 3.f)	1,953,915	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		210,149	210,149
b. Engineering Costs		2,382,249	2,382,249
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		40,631,977	40,631,977
(3). System Preservation		1,878,934	1,878,934
(4). System Enhancement & Operation		103,228	103,228
(5). Total Construction (1) + (2) + (3) + (4)	0	42,614,139	42,614,139
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	45,206,537	45,206,537
			(Carry forward to page 1)

Notes and Comments: