



CHADWICK, STEINKIRCHNER, DAVIS & CO.
Certified Public Accountants

11/2/80

Prior to _____ and was accounted for and reported jointly with _____ in the financial statements of the City of Grand Junction, Colorado. The figures shown in the following statements of revenues and expenses for the Sewer Fund for the years 1975 - 1978 cannot be traced to these previously issued audited financial statements, but are based upon the detail information supporting the audited financial statements and, in our opinion, present fairly the results of operations of the Sewer Fund for those years as if accounted for separately.

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City of Grand Junction
STATEMENTS OF REVENUES AND EXPENSES

SEWER FUND

For the years ended December 31, 1979, 1978, 1977, 1976, and 1975

	1979	1978	1977	1976	1975
Operating revenues					
Service charges	\$ 608,500	\$ 565,346	\$ 472,534	\$411,967	\$ 456,621
Operating expenses					
Salaries and wages	202,095	156,744	120,362	111,586	109,926
Employee benefits	31,566	24,666	19,085	15,467	11,438
Supplies	38,056	24,564	22,893	25,952	26,398
Repairs and maintenance	19,910	16,329	16,872	12,212	3,890
Utilities	58,431	63,559	53,469	53,550	40,781
Equipment rent	38,504	40,558	28,825	16,974	17,592
Distribution system repairs		13,165	2,131	1,236	5,133
Contract services	10,883	6,278	6,738	6,850	7,009
Miscellaneous	10,120	5,029	2,056	6,404	2,452
Depreciation	101,618	100,443	87,065	63,697	63,697
Transfers - services	57,162	51,329	45,646	41,045	46,403
	<u>568,345</u>	<u>502,564</u>	<u>405,142</u>	<u>354,973</u>	<u>339,719</u>
OPERATING INCOME (LOSS)	<u>40,155</u>	<u>62,682</u>	<u>67,392</u>	<u>56,994</u>	<u>116,902</u>
Other income (expense)					
Miscellaneous	7,870	1,443	1,300		
Interest earnings	9,425	79,304	13,789	7,287	14,667
Interest expense	(69,076)	(76,738)	(100,299)	(99,834)	(110,963)
Sales and use taxes	1,360,489	1,121,555	964,153		
Loss on disposals	(22)				
	<u>1,308,686</u>	<u>1,125,564</u>	<u>384,443</u>	<u>(92,547)</u>	<u>(96,296)</u>
INCOME (LOSS) BEFORE TRANSFERS	1,348,841	1,188,246	951,835	(35,553)	20,606
Transfers in	8,718		49,452		23,496
Transfers out	<u>(1,257,729)</u>	<u>(635,954)</u>	<u>(429,430)</u>		<u>(62,629)</u>
NET INCOME BEFORE EXTRAORDINARY ITEMS	99,830	552,292	571,857	(35,553)	(18,527)
Gain on sale of refunding debt		<u>5,270</u>		<u>267,119</u>	
NET INCOME	<u>\$ 99,830</u>	<u>\$ 557,562</u>	<u>\$ 571,857</u>	<u>\$231,566</u>	<u>\$ (18,527)</u>

Note: Sewer tap fees are not reflected in the net income shown above. Sewer tap fees received in the years 1975, 1976, 1977, 1978, and 1979 were \$63,631, \$123,713, \$243,332, \$283,402, and \$570,924, respectively.

City of Grand Junction, Colorado

FUNDS AVAILABLE FOR DEBT SERVICE

SEWER FUND

	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>1975</u>
Net income (loss)	\$ 99,830	\$ 557,562	\$ 571,857	\$231,566	\$(18,527)
Add:					
Depreciation	101,618	100,443	87,065	63,697	63,697
Interest expense	69,076	76,738	100,299	99,834	110,963
Sewer tap fees	<u>570,924</u>	<u>283,402</u>	<u>248,332</u>	<u>123,713</u>	<u>63,631</u>
Funds available for debt service	<u>\$841,448</u>	<u>\$1,018,145</u>	<u>\$1,007,553</u>	<u>\$518,810</u>	<u>\$219,764</u>
Average future annual debt requirements for existing Sewer Fund Obligations - Note A	<u>\$100,266</u>	<u>\$ 99,111</u>	<u>\$ 105,457</u>	<u>\$102,403</u>	<u>\$109,524</u>
Debt service coverage	<u>8.39</u>	<u>10.27</u>	<u>9.55</u>	<u>5.07</u>	<u>2.01</u>

Note A - The average future annual debt requirements were calculated by taking the total principal and interest payments on existing obligations to be made in future years and dividing by the total number of years remaining to maturity.

In years where existing debt was jointly the obligation of the Water Fund and the Sewer Fund, the debt was allocated two-thirds to the Water Fund and one-third to the Sewer Fund.