



Boettcher & Company
Investment Bankers Since 1910 Inc.

828 Seventeenth Street
P.O. Box 54
Denver, Colorado 80201-0054
(303) 628-8000

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M E M O R A N D U M

TO: Greg Trainor, Jack Morgan, Gordon Tiffany,
Steve Clark, Dave Hahn
(Initial working group,
Mesa County Sewer Revenue Refunding)

FROM: Marc A. Harvey *MAH*

DATE: January 29, 1987

SUBJECT: Proposed Advance Refunding at the 1980 A and B
Mesa County Sewer Revenue Refunding Bonds

Attached please find the preliminary schedule of events which will take place to complete the refinancing of the above referenced bond issue.

At our last meeting in December, we discussed the internal workings of the sewer system. The decision was made to raise rates to help reduce the need to draw on fund balances. It is my understanding that the new rates are to be passed by City Council next Wednesday, the 4th of February, and then will be acted on soon thereafter by the County. These new rates will greatly enhance the chances of insuring the new bonds as well as retaining the current A Moody's and A- S&P ratings. After Steve Clark and myself spoke with Dave Hahn of Tallmadge, Tallmadge, Wallace and Hahn, we came to realize there may be some additional benefits to be used which were not included in the first analyses. I will forward the new ideas to all parties as soon as possible.

If anyone has any comments on the proposed schedule of events, please call me at (303) 628-8196 to work out any necessary changes. I look forward to seeing everyone at our first meeting.

cc: Mark Achen
City Manager

MESA COUNTY, COLORADO
Sewer Revenue Refunding Bonds
Series 1987

Proposed Schedule of Events

<u>Activity</u>	<u>Responsible Party</u>	<u>Date</u>
1. Organizational Meeting	BC, B&Co., MC, US	2/11/87
2. 1st Draft Documents distributed	BC	2/17/87
3. Meet with rating agencies and insurance companies	B&Co., MC, US	2/18/87 - 2/20/87
4. Documents Meeting	B&Co., UT, BC	2/23/87
5. 2nd Draft P.O.S. and Legals distributed	BC	2/25/87
6. All comments on draft documents due	US, B&Co., Bank	3/2/87
7. <u>City and Council</u> adopts Ordinance on 1st reading	CC, B&Co., US	3/4/87
8. Publish notice of Public Sale	BC	3/9/87
9. Print and Mail P.O.S.	BC	3/10/87
10. Bid opening and determination of low bidder	B&Co., MC, UT	3/18/87
11. <u>City Council</u> adopts ordinance on 2nd reading and awards the bonds	B&Co., CC, US, MC	3/18/87
12. Final draft documents distributed	BC	3/27/87
13. All Final comments on documents due	B&Co., BC, Bank, UT MC	4/7/87
14. Print and Mail Final O.S.		4/17/87
15. End of 30 day refunding period		4/18/87
16. Closing		4/21/87

KEY: Parties responsible

B&Co. - Boettcher & Company, Inc.
MC - Mesa County
US - Utility Staff

BC - Bond Counsel
Bank - Escrow Bank
CC - City Council

MESA COUNTY, COLORADO
 SEWER REVENUE REFUNDING
 CROSSOVER BONDS, SERIES 1987
 \$7,295,000

--Proposed Treatment of Existing Debt--

--Proposed Treatment of Refunding Debt--

-----Proposal Summary-----

Year Ending 12/31	REFUNDING COUPON	Existing Debt Service			Refunding Debt Service			Total Debt to be paid by Issuer	Less: Existing Debt Service	Difference	SOURCE OF FUNDS
		Existing Debt Service	to be Deceased by the Escrow	Net Existing Debt Service to be paid by Issuer	Refunding Debt Service	to be paid by Escrow	Net Refunding Debt Service to be paid by Issuer				
1987	0.00%	\$817,331	\$0	\$817,331	\$254,742	\$254,742	\$0	\$817,331	\$817,331	\$0	
1988	0.00%	\$836,481	\$0	\$836,481	\$482,670	\$482,670	\$0	836,481	836,481	0	PAR PROCEEDS \$7,295,000
1989	0.00%	\$828,481	\$0	\$828,481	\$482,670	\$482,670	\$0	828,481	828,481	0	ACCRUED INTEREST \$0
1990	0.00%	\$820,281	\$0	\$820,281	\$482,670	\$482,670	\$0	820,281	820,281	0	
1991	0.00%	\$936,881	\$0	\$936,881	\$482,670	\$482,670	\$0	936,881	936,881	0	TOTAL \$7,295,000
1992	0.00%	\$942,531	\$0	\$942,531	\$482,670	\$482,670	\$0	942,531	942,531	0	
1993	0.00%	\$920,531	\$0	\$920,531	\$482,670	\$482,670	\$0	920,531	920,531	0	
1994	0.00%	\$923,031	\$0	\$923,031	\$482,670	\$482,670	\$0	923,031	923,031	0	
1995	0.00%	\$897,937	\$0	\$897,937	\$482,670	\$482,670	\$0	897,937	897,937	0	USE OF FUNDS
1996	6.15%	\$972,500	\$972,500	\$0	\$975,136	\$0	\$975,136	975,136	972,500	2,636	
1997	6.30%	\$969,687	\$969,687	\$0	\$968,730	\$0	\$968,730	968,730	969,687	(957)	ESCROW \$5,600,257
1998	6.40%	\$969,250	\$969,250	\$0	\$970,045	\$0	\$970,045	970,045	969,250	795	COSTS OF ISSUANCE \$132,950
1999	6.50%	\$960,750	\$960,750	\$0	\$963,580	\$0	\$963,580	963,580	960,750	2,830	DISCOUNT \$124,015
2000	6.60%	\$959,625	\$959,625	\$0	\$964,425	\$0	\$964,425	964,425	959,625	4,800	INSURANCE \$122,000
2001	6.75%	\$1,035,000	\$1,035,000	\$0	\$1,035,756	\$0	\$1,035,756	1,035,756	1,035,000	756	SAVINGS \$307,778
2002	6.75%	\$1,022,000	\$1,022,000	\$0	\$1,024,793	\$0	\$1,024,793	1,024,793	1,022,000	2,793	
2003	6.75%	\$1,014,000	\$1,014,000	\$0	\$1,011,131	\$0	\$1,011,131	1,011,131	1,014,000	(2,869)	TOTAL \$7,295,000
2004	6.75%	\$1,000,000	\$1,000,000	\$0	\$1,004,600	\$0	\$1,004,600	1,004,600	1,000,000	4,600	
2005	6.75%	\$1,320,000	\$1,320,000	\$0	\$1,324,125	\$0	\$1,324,125	1,324,125	1,320,000	4,125	
		\$18,146,297	\$10,222,812	\$7,923,485	\$14,358,423	\$4,116,102	\$10,242,321	\$18,165,886	\$18,146,297	\$19,509	

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Members of the City Council and Board of County Commissioners
City of Grand Junction, Colorado and Mesa County, Colorado

We have examined the balance sheet of the City of Grand Junction/Mesa County, Colorado Joint Sewer System at December 31, 1985, and the related statements of revenue, expenses and changes in retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements designated above present fairly the financial position of the City of Grand Junction/Mesa County, Colorado Joint Sewer System at December 31, 1985, and the results of its operations and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information on page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination 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.

Allen Ross & Company

Grand Junction, Colorado
April 1, 1986

CITY OF GRAND JUNCTION/MESA COUNTY, COLORADO
 JOINT SEWER SYSTEM
 BALANCE SHEET
 December 31, 1985

ASSETS

Current assets:

Cash		\$ 1,630
Investments and equity in pooled cash		3,980,371
Accounts receivable, net of allowance for doubtful accounts of \$11,598		274,509
Due from other governmental entities		485,126
Deferred charges		10,053
Accrued interest receivable		<u>87,734</u>

Total current assets 4,839,423

Restricted cash and investments 548,166
 Deferred charges 190,998

Property, plant and equipment:

Land	\$ 124,891
Plant and system	35,749,008
Equipment	47,035
Construction in progress	<u>246,807</u>

36,167,741

Less accumulated depreciation 2,585,100 33,582,641

\$39,161,228

LIABILITIES AND FUND EQUITY

Current liabilities:

Current portion of long-term debt		\$ 66,470
Accounts payable		159,052
Accrued interest payable		126,302
Accrued wages and compensated absences payable		<u>40,882</u>

Total current liabilities 392,706

Long-term debt 7,737,929

Fund equity:

Contributed capital \$28,968,804

Retained earnings:

Reserved for bond commitments 791,450
 Unreserved 1,270,339

2,061,789

31,030,593

\$39,161,228

The accompanying notes are an integral
 part of the financial statements.

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

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN RETAINED EARNINGS

Year ended December 31, 1985

Operating revenue:		
Charges for service, net of refunds of \$2,492		\$2,312,962
Operating expenses:		
Personal services	\$820,986	
Operating expenses	148,498	
Other charges	866,553	
Contract fees	122,175	
Depreciation	720,447	
Special project	<u>14,718</u>	
		<u>2,693,377</u>
Operating income (loss)		(380,415)
Nonoperating revenue (expenses):		
Interest income	413,709	
Interest expense	(761,186)	
Amortization of deferred charges	(10,053)	
Miscellaneous	<u>1,500</u>	
		<u>(356,030)</u>
Net income (loss) before subsidy from other governmental entities		(736,445)
Net subsidy from other governmental entities		<u>126,912</u>
Net income (loss)		(609,533)
Retained earnings at January 1, 1985		<u>2,671,322</u>
Retained earnings at December 31, 1985		<u>\$2,061,789</u>

The accompanying notes are an integral
part of the financial statements.

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

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 1985

Financial resources were provided by:	
Net loss	\$ (609,533)
Items not affecting working capital:	
Depreciation and amortization	<u>730,500</u>
	120,967
Working capital provided by operations	
Contributed capital - sewer tap charges	<u>140,834</u>
Total funds provided	<u>261,801</u>
Financial resources were applied to:	
Reduction of long-term debt	66,470
Acquisition of property, plant and equipment	231,786
Increase in restricted cash and investments	<u>58,988</u>
	<u>357,244</u>
Decrease in working capital	<u>\$ 95,443</u>
Decrease (increase) in elements of working capital:	
Cash, investments and equity in pooled cash	\$(35,710)
Accounts receivable	20,375
Accrued interest receivable	27,982
Accounts payable	81,082
Accrued interest payable	455
Accrued wages and compensated absences payable	<u>1,259</u>
Decrease in working capital	<u>\$ 95,443</u>

The accompanying notes are an integral
part of the financial statements.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 1985

1. Summary of significant accounting policies

This summary of significant accounting policies of Grand Junction/Mesa County Colorado Joint Sewer System (the Joint Sewer System) is presented to assist in understanding the Joint Sewer System's financial statements. The financial statements and notes are representations of the Joint Sewer System's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

History and activity

The City of Grand Junction/Mesa County, Colorado Joint Sewer System was organized under an agreement, dated May 1, 1980, between the City Council of the City of Grand Junction and the Board of County Commissioners of Mesa County, Colorado. The Sewer System was organized as a joint venture to provide sewer collection and treatment facilities for the metropolitan area in the Grand Valley. The city contributed certain assets which were included in its Sewer Fund while Mesa County contributed funds through the issuance of revenue bonds.

Basis of accounting

The financial statements are presented on the accrual basis of accounting.

Investments

Cash in excess of immediate operating requirements is invested in time deposits and short-term United States Government obligations. These investments are carried at cost which approximates market value.

Property, plant and equipment

Property, plant and equipment are carried at cost. Depreciation of property, plant and equipment is provided on the straight-line method over the following estimated useful lives:

	<u>Estimated lives</u>
Plant and system	10-50 years
Equipment	10 years

Maintenance, repairs and renewals which 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, plant and equipment are included in income.

1. Summary of significant accounting policies (continued)

Amortization of bond discounts and issuance costs

Bond discounts and issuance costs are being amortized on the straight-line method over the 25 year maturity of the bond issues.

Grant revenue

Grant revenue from the Environmental Protection Agency of the United States Government, which is funding 75% of certain portions of the system expansion, is recorded as contributed capital.

2. Cash and investments

Cash and investments including restricted cash and investments at December 31, 1985, consist of the following:

Cash	\$ 1,630
Certificates of deposit	100,000
U.S. Treasury notes and bonds	448,166
Equity in pooled cash with City of Grand Junction, Colorado	<u>3,980,371</u>
	<u>\$4,530,167</u>
Restricted for debt service	\$ 548,166
Unrestricted	<u>3,982,001</u>
	<u>\$4,530,167</u>

The above investments bear interest at rates from 6.15% to 14%.

3. Long-term debt

Long-term debt at December 31, 1985, consists of the following:

\$7,420,000 Mesa County Sewer Improvement Revenue Bonds, series 1980 A, maturing in varying amounts through 2005, interest at 6.8% to 10% payable on May 1 and November 1, annually	\$7,205,000
\$805,000 Mesa County Sewer Refunding Revenue Bonds, series 1980 B, maturing in varying amounts through 2005, interest at 6.8% to 10% payable on May 1 and November 1 annually	<u>770,000</u>
	7,975,000

3. Long-term (continued)

Less bond discounts	<u>\$ 170,601</u>
	7,804,399
Less current portion of long-term debt	<u>66,470</u>
	<u>\$7,737,929</u>

Debt service requirements are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1986	\$ 75,000	\$ 748,031	\$ 823,031
1987	75,000	742,331	817,331
1988	100,000	736,481	836,481
1989	100,000	728,481	828,481
1990	100,000	720,281	820,281
1991	225,000	711,881	936,881
1992	250,000	692,531	942,531
1993	250,000	670,531	920,531
1994	275,000	648,031	923,031
1995	275,000	622,938	897,938
1996	375,000	597,500	972,500
1997	405,000	564,688	969,688
1998	440,000	529,250	969,250
1999	470,000	490,750	960,750
2000	510,000	449,625	959,625
2001	630,000	405,000	1,035,000
2002	680,000	342,000	1,022,000
2003	740,000	274,000	1,014,000
2004	800,000	200,000	1,000,000
2005	<u>1,200,000</u>	<u>120,000</u>	<u>1,320,000</u>
	<u>\$7,975,000</u>	<u>\$10,994,330</u>	<u>\$18,969,330</u>

Bonds of both series maturing in the years 1996 through 2005, inclusively, are redeemable in advance of their scheduled maturity at the option of the County on November 1, 1995, and on any interest payment date thereafter, in inverse order of maturity.

Additionally, bonds of both series maturing November 1, 2000, 2003, 2005 are subject to mandatory sinking fund redemption by lot, on November 1, 1996, and each November 1 thereafter. Bond reserve requirements as of December 31, 1985, have been met.

The Bonds and interest of both series are payable solely from the net revenues, after payment of the costs of operations and maintenance, of the Joint Sewer System.

3. Long-term (continued)

Proceeds from the Mesa County Sewer Refunding Revenue Bonds, Series 1980 B have been placed in an escrow account at the First National Bank in Grand Junction. The proceeds were used to purchase securities of the United States Government which together with interest earnings are calculated to be sufficient to redeem interest coupons and bonds of the City of Grand Junction Sewer Refunding Revenue Bonds, Series 1978 A, as they come due. The amount of debt outstanding that is considered extinguished at December 31, 1985, is \$1,080,000.

ADDITIONAL INFORMATION

Summary of revenues, expenditures and changes in
fund equity - budget (non-GAAP budgetary basis) and actual
Year ended December 31, 1985

	<u>Budget</u>	<u>Actual</u>	Variance= favorable (unfavorable)
Revenues:			
Charges for service	\$2,397,508	\$2,312,962	\$ (84,546)
Sewer tap fees	300,000	140,834	(159,166)
Federal grants	168,570	-	(168,570)
Miscellaneous	-	1,500	1,500
Interest income	250,000	413,709	163,709
Subsidy from other governmental entites	-	144,813	144,813
	<u>3,116,078</u>	<u>3,013,818</u>	<u>(102,260)</u>
Expenditures:			
Personal services	879,183	820,986	58,197
Operating expenditures	157,415	148,498	8,917
Other charges	829,397	866,553	(37,156)
Contract fees	81,168	122,175	(41,007)
Debt retirement and interest expense	868,670	827,656	41,014
Special projects	17,004	14,718	2,286
Capital outlay	837,525	231,786	605,739
Subsidy to other governmental entities	16,446	17,901	(1,455)
	<u>3,686,808</u>	<u>3,050,273</u>	<u>636,535</u>
Increase (decrease) in fund equity	<u>\$ (570,730)</u>	<u>\$ (36,455)</u>	<u>\$534,275</u>

Note: The budget basis differs from generally accepted accounting principals basis in that contributed capital is shown as revenue, outlays for debt retirement and acquisition of fixed assets are shown as expenditures and depreciation and amortization are not included in expenditures.

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Members of the City Council and Board of County Commissioners
City of Grand Junction, Colorado and Mesa County, Colorado

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In our opinion, the financial statements designated above present fairly the financial position of the City of Grand Junction/Mesa County, Colorado Joint Sewer System at December 31, 1985, and the results of its operations and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

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Allen Ross & Company

Grand Junction, Colorado
April 1, 1986

CITY OF GRAND JUNCTION/MESA COUNTY, COLORADO
 JOINT SEWER SYSTEM
 BALANCE SHEET
 December 31, 1985

ASSETS

Current assets:		
Cash		\$ 1,630
Investments and equity in pooled cash		3,980,371
Accounts receivable, net of allowance for doubtful accounts of \$11,598		274,509
Due from other governmental entities		485,126
Deferred charges		10,053
Accrued interest receivable		<u>87,734</u>
Total current assets		4,839,423
Restricted cash and investments		548,166
Deferred charges		190,998
Property, plant and equipment:		
Land	\$ 124,891	
Plant and system	35,749,008	
Equipment	47,035	
Construction in progress	<u>246,807</u>	
	36,167,741	
Less accumulated depreciation	<u>2,585,100</u>	<u>33,582,641</u>
		<u>\$39,161,228</u>

LIABILITIES AND FUND EQUITY

Current liabilities:		
Current portion of long-term debt		\$ 66,470
Accounts payable		159,052
Accrued interest payable		126,302
Accrued wages and compensated absences payable		<u>40,882</u>
Total current liabilities		392,706
Long-term debt		7,737,929
Fund equity:		
Contributed capital	<u>\$28,968,804</u>	
Retained earnings:		
Reserved for bond commitments	791,450	
Unreserved	<u>1,270,339</u>	
	<u>2,061,789</u>	<u>31,030,593</u>
		<u>\$39,161,228</u>

The accompanying notes are an integral
 part of the financial statements.

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

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN RETAINED EARNINGS

Year ended December 31, 1985

Operating revenue:		
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Miscellaneous	<u>1,500</u>	
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Net subsidy from other governmental entities		<u>126,912</u>
Net income (loss)		(609,533)
Retained earnings at January 1, 1985		<u>2,671,322</u>
Retained earnings at December 31, 1985		<u><u>\$2,061,789</u></u>

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

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 1985

Financial resources were provided by:	
Net loss	\$(609,533)
Items not affecting working capital:	
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	120,967
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	<u>357,244</u>
Decrease in working capital	<u>\$ 95,443</u>
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Accrued interest payable	455
Accrued wages and compensated absences payable	<u>1,259</u>
Decrease in working capital	<u>\$ 95,443</u>

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

NOTES TO FINANCIAL STATEMENTS

December 31, 1985

1. Summary of significant accounting policies

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1. Summary of significant accounting policies (continued)

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	<u>\$4,530,167</u>
Restricted for debt service	\$ 548,166
Unrestricted	<u>3,982,001</u>
	<u>\$4,530,167</u>

The above investments bear interest at rates from 6.15% to 14%.

3. Long-term debt

Long-term debt at December 31, 1985, consists of the following:

\$7,420,000 Mesa County Sewer Improvement Revenue Bonds, series 1980 A, maturing in varying amounts through 2005, interest at 6.8% to 10% payable on May 1 and November 1, annually	\$7,205,000
\$805,000 Mesa County Sewer Refunding Revenue Bonds, series 1980 B, maturing in varying amounts through 2005, interest at 6.8% to 10% payable on May 1 and November 1 annually	<u>770,000</u>
	7,975,000

3. Long-term (continued)

Less bond discounts	<u>\$ 170,601</u>
	7,804,399
Less current portion of long-term debt	<u>66,470</u>
	<u><u>\$7,737,929</u></u>

Debt service requirements are as follows:

<u>Year ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1986	\$ 75,000	\$ 748,031	\$ 823,031
1987	75,000	742,331	817,331
1988	100,000	736,481	836,481
1989	100,000	728,481	828,481
1990	100,000	720,281	820,281
1991	225,000	711,881	936,881
1992	250,000	692,531	942,531
1993	250,000	670,531	920,531
1994	275,000	648,031	923,031
1995	275,000	622,938	897,938
1996	375,000	597,500	972,500
1997	405,000	564,688	969,688
1998	440,000	529,250	969,250
1999	470,000	490,750	960,750
2000	510,000	449,625	959,625
2001	630,000	405,000	1,035,000
2002	680,000	342,000	1,022,000
2003	740,000	274,000	1,014,000
2004	800,000	200,000	1,000,000
2005	<u>1,200,000</u>	<u>120,000</u>	<u>1,320,000</u>
	<u>\$7,975,000</u>	<u>\$10,994,330</u>	<u>\$18,969,330</u>

Bonds of both series maturing in the years 1996 through 2005, inclusively, are redeemable in advance of their scheduled maturity at the option of the County on November 1, 1995, and on any interest payment date thereafter, in inverse order of maturity.

Additionally, bonds of both series maturing November 1, 2000, 2003, 2005 are subject to mandatory sinking fund redemption by lot, on November 1, 1996, and each November 1 thereafter. Bond reserve requirements as of December 31, 1985, have been met.

The Bonds and interest of both series are payable solely from the net revenues, after payment of the costs of operations and maintenance, of the Joint Sewer System.

3. Long-term (continued)

Proceeds from the Mesa County Sewer Refunding Revenue Bonds, Series 1980 B have been placed in an escrow account at the First National Bank in Grand Junction. The proceeds were used to purchase securities of the United States Government which together with interest earnings are calculated to be sufficient to redeem interest coupons and bonds of the City of Grand Junction Sewer Refunding Revenue Bonds, Series 1978 A, as they come due. The amount of debt outstanding that is considered extinguished at December 31, 1985, is \$1,080,000.

ADDITIONAL INFORMATION

Summary of revenues, expenditures and changes in
fund equity - budget (non-GAAP budgetary basis) and actual
Year ended December 31, 1985

	<u>Budget</u>	<u>Actual</u>	Variance- favorable (unfavorable)
Revenues:			
Charges for service	\$2,397,508	\$2,312,962	\$ (84,546)
Sewer tap fees	300,000	140,834	(159,166)
Federal grants	168,570	-	(168,570)
Miscellaneous	-	1,500	1,500
Interest income	250,000	413,709	163,709
Subsidy from other governmental entites	-	144,813	144,813
	<u>3,116,078</u>	<u>3,013,818</u>	<u>(102,260)</u>
Expenditures:			
Personal services	879,183	820,986	58,197
Operating expenditures	157,415	148,498	8,917
Other charges	829,397	866,553	(37,156)
Contract fees	81,168	122,175	(41,007)
Debt retirement and interest expense	868,670	827,656	41,014
Special projects	17,004	14,718	2,286
Capital outlay	837,525	231,786	605,739
Subsidy to other governmental entities	16,446	17,901	(1,455)
	<u>3,686,808</u>	<u>3,050,273</u>	<u>636,535</u>
Increase (decrease) in fund equity	<u>\$ (570,730)</u>	<u>\$ (36,455)</u>	<u>\$534,275</u>

Note: The budget basis differs from generally accepted accounting principals basis in that contributed capital is shown as revenue, outlays for debt retirement and acquisition of fixed assets are shown as expenditures and depreciation and amortization are not included in expenditures.