

2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2015



About our cover...

This year's cover features a picture from the Grand Junction Off-Road Mountain Bike event held in downtown Grand Junction. This event brings both professional and amateur riders from all over the country to enjoy the Grand Valley's amazing trail system and scenic downtown.

In 2015, the League of American Bicyclists recognized the City of Grand Junction with a Bronze Level Bicycle Friendly Community (BFCSM) award, joining 350 visionary communities from across the country. Grand Junction is now part of a leading group of communities focused on transforming their neighborhoods.

According to Julie Sabin, co-chair of the Urban Trails Committee, "This recognition is timely with the recent re-establishment of the Urban Trails Committee as an advisory board to the City Council on active transportation, the emphasis on funding Safe Routes to School Projects and the City signing onto the US Department of Transportation's Mayor's Challenge for Safer People and Safer Streets. The designation recognizes all the great trails and bikeways we've established over the years and gives us some additional goals to work toward."

The BFC program is revolutionizing the way communities evaluate their quality of life, sustainability and transportation networks, while allowing them to benchmark their progress toward improving their bicycle-friendliness. The Bronze Level BFC award recognizes the City's commitment to improving conditions for bicycling through investment in bicycling promotion, education programs, infrastructure and pro-bicycling policies.

Photos courtesy of Brian Leddy with Epic Rides (Cover page, pages 28 & 149), Grand Junction Visitor and Convention Bureau (Title page, page 10) and Kathy Portner (Table of Contents).





Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2015

Prepared by:

Financial Operations Department

Jodi Romero, Financial Operations Director



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SINGLE AUDIT

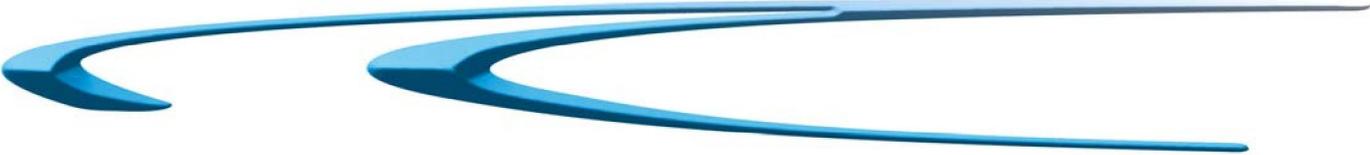
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INTRODUCTORY SECTION



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Financial Operations Department

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June 28, 2016

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, 2015, 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, 2015, 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.

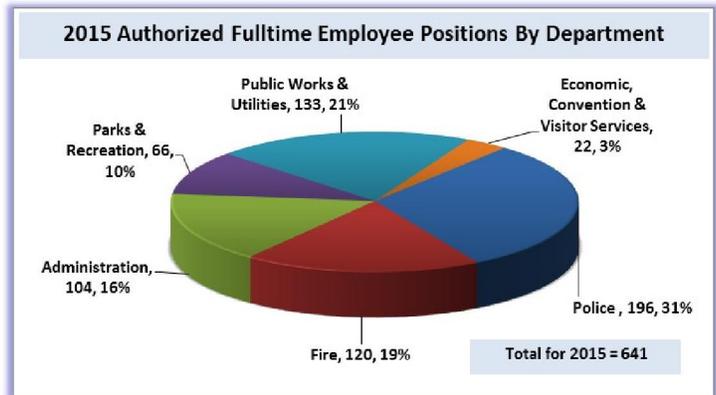
The City of Grand Junction's financial statements have been audited by Haynie & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Grand Junction for the fiscal year ended December 31, 2015, 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, 2015, 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.

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 the MD&A and should be read in conjunction with it. The City of Grand Junction's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City was first settled in 1881 and was incorporated in 1882. It became a home rule city in 1909 by adopting its own charter pursuant to Article XX of the Constitution of the State of Colorado. The City operates using the Council-Manager form of government.

The City provides a full range of services including public safety (police, fire, emergency medical services and ambulance transport), public works (highways, streets, sanitation and water), culture-recreation (parks, cemeteries, swimming pools, golf courses, and general recreation), planning, visitor and convention, and general administrative services. The relative department sizes are depicted in the chart in terms of personnel.



Blended component units, although legally separate entities, are in substance part of the primary government's operations and are included as part of the primary government. Accordingly, the Ridges Metropolitan District 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 39.6 square miles and serves an estimated population of 61,800. The City of Grand Junction is granted the authority to levy a property tax on both real and personal business properties located within its boundaries and to establish and collect its own sales and use tax. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

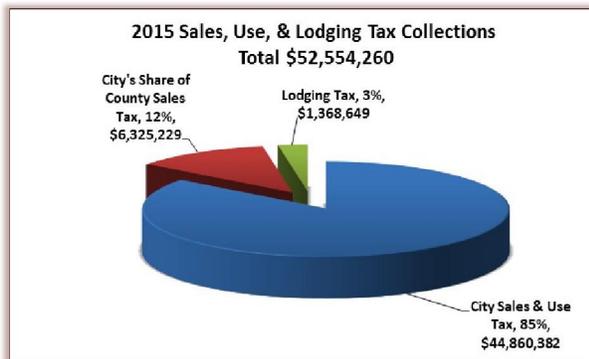
Policy-making and legislative authority are vested in a City Council consisting of seven members, one of which is elected mayor each year. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing boards and commissions, and hiring the City Manager, City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

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

Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 38 as part of the basic financial statements for the governmental funds. For other major governmental funds (and non-major) this comparison is presented in the other funds statements subsection of this report, which starts on page 81.

FACTORS AFFECTING FINANCIAL CONDITION

The City of Grand Junction is located on the I-70 corridor, about 250 miles west of Denver and 27 miles east of the Utah border. The City lies in a valley formed at the junction of the Gunnison and Colorado Rivers, surrounded by majestic mesas. As the largest city in western Colorado, Grand Junction is the major service center for western Colorado and eastern Utah. Correspondingly Grand Junction is the regional hub for retail, banking and financial services, health care, higher education, social services, and public safety for a large population. Established by years of community economic development and private enterprise marketing, the area is home to manufacturing, agricultural, recreational, and service and energy exploration industries which provide for a diverse economic base.



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

As in the past, city management and leadership continue to finance current operations with current operating revenues, while debt has been kept to a minimum. The three-quarter cent increase in city sales and use taxes, effective January 1, 1988, provides funds for capital investment and economic development. The sales and use tax revenues allocated to the General Fund account for 58% of its revenues and fund

general government operations such as police, fire, streets, and parks, as well as economic development and community partnerships. The Sales, Use, & Lodging Tax Collections graph shows the elements of sales, use, and lodging taxes and their proportionate size while the Historical Sales, Use, & Lodging Tax graph below shows the historical collections and growth since 2006. These tax revenues showed some growth from 2013 continuing to reflect a slow recovery of the local economy from the recession. After falling significantly in 2009, tax revenues continue to stay between 2006 and 2007 levels as they have for the last few years.

The Grand Junction Metropolitan Statistical Area (MSA), which is the greater metro area inside Mesa County, has experienced population growth since its inception in 1995. However, as a result of the national recession, a significant reduction of oil and gas exploration in the area, and a substantial decline in development and construction, Grand Junction experienced a 14 % job loss between October 2008 and January 2010. Since that time job recovery has been intermittent, but the average annual



unemployment rate has continued to decline and is currently at 5.9%. As demonstrated in the 10yr historical collections graph above, the recessionary job loss restricted consumer spending resulting in significant declines in retail activity and sales tax revenues. Since the low in 2009 revenues have recovered slowly settling to the current revenue base which is not anticipated to fluctuate significantly unless there is a resurgence in oil and gas exploration in the area.

The City has continued to work toward diversifying its economic base and business climate. The quality of life offered in Grand Junction, which is critical to the attraction, motivation and retention of skilled and talented workers, is appealing to businesses, individuals and tourists alike. Spectacular scenery and recreational opportunities, excellent climate and air quality, low crime rates, higher education opportunities, and quality medical services make the Grand Junction area a good choice for relocation.

The City has historically leveraged public and private partnerships as well as grant dollars to make significant capital investments each year in the community:

- In partnership with the Horizon Drive Business Improvement District and the Colorado Department of Transportation, the City began a major reconstruction of the I-70 interchange at Horizon Drive in 2014 that continued through 2015. This \$6.6 million project will be funded in large part with a State of Colorado Responsible Acceleration of Maintenance and Partnership (RAMP) grant and is expected to be completed in 2016.
- The City invested \$2.9 million in the relocation of Fire Station #4 in order to improve overall coverage and meet response time goals. This project began in 2014 and was completed 2016.
- A beautification project to one of the oldest east west thoroughfares in the City began with design and planning in 2014 and 2015. The \$2.0 million North Avenue Streetscape project is expected to be completed in 2016.
- Continuing to innovate in the use of natural gas for fleet, the City completed a \$2.8 million biogas conditioning system and pipeline that produces fuel from the wastewater treatment plant's digester gas. This project has garnered State and National recognition. Expansion of the biogas fueling stations is planned for 2016.
- By leveraging conservation trust and parkland expansion funds, the City continues to invest in improvements to parks, playground systems, and pools. The City also continued the planning and design of the Las Colonias Park Amphitheater along the south downtown riverfront. The \$3.5 million Amphitheater is planned to be constructed in 2016 and 2017 and is one component of the overall long-term plan for the development of Las Colonias Park.
- Water and sewer enterprises invested \$5.9 million in replacements of pipelines and improvements to the water and sewer plants.

FUTURE OUTLOOK

The City remains committed to providing high quality services and investing in the future of the community. The City's goal is to serve its citizenry in the long-term while maintaining a sound financial position. Priorities shaping the future are economic development, public safety, investments in infrastructure, and planned growth and development. The City continues to foster strong community partnerships in the pursuit of these priorities.

The City works closely with the community partners in economic development including the Grand Junction Area Chamber of Commerce, Grand Junction Economic Partnership, Business Incubator, and Colorado Mesa University. The City has a department dedicated to convention and visitor services, and a 3% lodging tax is utilized for advertising the community, promoting tourism, and attracting conferences and conventions.

The Economic Development Plan which was adopted in 2014 serves as a decision making guide for City Council and firmly establishes the Council's commitment to taking a lead role in promoting and funding economic development in the area. The plan establishes a strategy for improving business conditions and attracting and retaining employers while confirming the City's standing as a viable, healthy and safe community. As part of the strategy the City has put in motion several action steps including a branding and marketing analysis, exploration of foreign trade opportunities, and the launch of an economic development website. In the 2016 budget, the City committed to funding local economic partners to implement recommendations resulting from a marketing and branding analysis completed in 2015. The City Council also pledged commitment to the Mesa County's Rural Jump-Start Zone by authorizing tax rebates to qualifying businesses. This is the first Jump-Start Zone in the State of Colorado and is a joint effort between the City of Grand Junction, Mesa County, and Colorado Mesa University to grow jobs in new industries. Since its launch in January of 2015, six businesses have located or expanded in Mesa County under the program.

The higher educational opportunities provided by Colorado Mesa University (CMU) are pivotal to the economic diversity and quality of life enjoyed by the residents of Grand Junction and the surrounding community. Over the last decade, CMU has embarked on a multi-year, multi-million dollar campus expansion and renovation project. The City of Grand Junction has supported this project through economic development contributions of \$6.5 million through 2015 which includes participating in the financing of a new academic classroom built in 2013. As funds are available and appropriated the City has committed to ongoing support of CMU campus expansion through 2017, and the financing of the classroom building through 2027.

As indicated by surveys and through dialogue with the Grand Junction community, public safety is recognized as one of the key foundations to a livable community and one of the primary responsibilities of local government. Public Safety facility needs have been addressed through the recent construction of the Public Safety Complex with a new state-of-the-art E911 Regional Communication Center, Fire Station #1, Fire Administration building, the remodel of Fire Station #2, and most recently the move of Fire Station #4 to better serve the southeast area of the community. The City Council remains committed towards addressing future public safety needs and in particular improvements in fire and emergency medical services (ems) coverage including plans for a new fire station to serve the north area of the community.

One of the City's ongoing and major priorities is the preservation and improvement of the transportation infrastructure. The City has over 1,100 lane miles to maintain in streets infrastructure. The City has a sophisticated pavement management program that evaluates the condition of the roadways and designs an overlay schedule accordingly. The City's continuing infrastructure improvements are funded to a great extent by the three-quarter percent increase in the sales tax rate in 1988. This dedicated revenue stream is used for long-range capital planning efforts; however, because the City is still growing and the related infrastructure is not complete, the capital needs far outweigh the capital resources. City Council has recently identified an increased investment in maintenance and reconstruction of existing street infrastructure as one of the top three capital priorities.

The most significant capital project in the history of the City is the Riverside Parkway. The project entailed building a loop around the City that extends from 24 Road/Redlands Parkway to the intersection of 29 Road and D Road. The lower section of the Parkway extends from 4th Avenue to the intersection of 27½ and D Road. The most recently completed section extends from Highway 50 on Orchard Mesa over the I-70 Business Loop with the 29 Road viaduct. The final connection will extend to a new interchange at I-70. This loop is designed to provide interconnectivity to and around the City, as well as between different demographical areas of the valley, effectively connecting residential areas with jobs and services.

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

The purchase and development of the 103-acre regional Canyon View Park began in 1996 with major softball and soccer facilities. Development continued with the construction of a baseball field in 1998, new tennis courts in 2008 and new restroom facilities in 2009. This park serves as the main venue for team sporting events for school and community leagues of all ages; with over 320 days of use a year and an average of 10 events per day. With nearly 1 million visits to the park facility each year, it is clearly a significant asset to the regional community and the City's park system. In 2014, the City began phase one of the development of a second regional park at the 101-acre Las Colonias Park in south downtown along the Colorado River. An amphitheater is currently being designed and the City has secured funding for construction through significant financial participation of local partners in the community, in particular, the Grand Junction Lions Club and the award of a \$1.6 million Department of Local Affairs grant. After significant community involvement and dialogue a master plan was developed and adopted by City Council for the 207-acre Matchett Park in the northeast area of the City which will represent the third regional park for the City.

The City of Grand Junction is actively committed to energy efficiency and water conservation efforts and continually strives to implement strategies that preserve resources and increase efficiencies. One area of particular focus is the City's Compressed Natural Gas (CNG) Program. The City's CNG Program is threefold: transitioning the City's fleet into natural gas vehicles, construction of a CNG fueling station, and the Persigo Wastewater Treatment Plant component which began in 2006 and is the concept of converting methane into CNG. As a byproduct of treating the wastewater, excess digester gas (methane) is generated daily and currently being flared into the atmosphere. After conducting extensive studies, it has been determined that this excess gas can be captured and converted into compressed natural gas (CNG) that can be used as a vehicle fuel (biogas). The program is well underway with the continued purchase of City CNG vehicles, the completion of the fueling station, and the partnership with Grand Valley Transit to maintain and repair their new CNG public transportation buses. The Persigo Biogas project received authorization by City Council and the County Commissioners to construct the infrastructure to convert the methane to compressed natural gas and the

pipeline to transport it to the City's fleet operations. The system became operational in 2015 and has gained national recognition for the innovation.

The Comprehensive Plan was formally adopted in 2010 after a three-year staff and community effort. This plan plays a critical role in guiding the future growth and development of the City of Grand Junction and the larger Mesa County area. In addition, the Comprehensive Plan serves as a compass for City Council in decision making and policy planning. As a regional plan, the Comprehensive Plan is intended to guide growth while retain the unique qualities of the area. A review and update of the Comprehensive plan began in 2015. Major accomplishments in 2015 were the completion of a wireless master plan and a housing study. The update continues in 2016 including work on the Grand Valley Circulation Plan and the broadband study and plan for implementation. One of the goals of the Comprehensive Plan is to support the continued development of the downtown area of the City center. The City clearly demonstrates that support through the maintenance of the downtown shopping park, the commitment of tax increment funds to the Downtown Development Authority, and most recently in partnership with the Downtown Development Authority and the Avalon Theatre Foundation Board by the investment in the revitalization of the 90 year old historic Avalon Theatre. The theatre is owned and operated by the City and is one of the "book ends" of Main Street in the heart of downtown Grand Junction.

The City has a long standing record of collaborative management and resource sharing with other agencies in the community, and is committed to continuing and growing those relationships in the future. There are numerous examples of these alliances that result in added value to services as well as the highest and best use of resources. Public Safety: the City is the manager and a major partner agency in the E911 Regional Communication Center which serves more than twenty-two law enforcement, fire and emergency medical service responder agencies; the City of Grand Junction Police Department joins forces with the Mesa County Sheriff's Office and the Federal Drug Enforcement Agency on the Western Colorado Drug Task Force, a partnership designed to fight the battles of drugs and drug related crimes on the frontlines; the City, Mesa County, the City of Fruita and School District #51 provide a School Resource Officer Program to the schools in the valley. Public Utility: the City and Mesa County have a jointly owned and managed sewer system that provides wastewater services to the larger urban area. The City manages the 5-2-1 Drainage Authority which is a collaborative effort between the City, Mesa County, the City of Fruita, the Town of Palisade, and the Grand Valley Drainage District to provide stormwater management services. Public Parks: the City, Mesa County, School District #51, and Colorado Mesa University make use of and contribute towards improvements of the sports complex and stadium in the heart of Grand Junction. Public Transportation: the City assists Mesa County in the support of the Grand Valley Transit system, a limited fixed route "circulator" which began servicing the core areas of the valley and the outlying municipalities in 2000; currently this transit system has over 1 million passenger trips per year. The City contracts to provide maintenance and repair services for the CNG transit busses. Animal Control, Building Services: Mesa County is contracted by the City to provide professional services in animal control services as well as contractor licensing, building permitting and inspection services. Procurement: The City contracts with Mesa County to provide professional procurement services.

Each year the City Council commits over \$2 million per year for community partnerships, sponsorships, and memberships to organizations such as Colorado Municipal League, Club 20, Riverfront Commission, Western Slope Center for Children, and Young Entrepreneurs Academy.

FINANCIAL POLICIES

The City Council provides policy direction to the City Manager who guides the financial decisions of the organization. City Council's policy direction is to further economic development by taking a more proactive role while continuing to coordinate with all the community partners; invest in public infrastructure; continue to provide the essential services of public safety; operate within existing revenues; and preserve at least \$18.5 million in General Fund reserves. City management has been successful in following City Council's policy direction through responsive, conservative, and sound financial decisions. The City has financial policies and practices that guide budget, investments, debt, revenue, purchasing, risk management and reserves.

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 2013, the City did not exceed the overall revenue limitation, but did exceed the property tax revenue limitation. However, in April 2007, City of Grand Junction voters approved the retention by the City of all

revenues exceeding the spending limit for 2006 and subsequent years until the bonded debt for the Riverside Parkway is paid in full. Therefore, the excess will be transferred to a debt service fund designated for payment of the Riverside Parkway bonds. The City also is subject to other TABOR requirements. For example, TABOR requires that no real estate transfer tax or income tax be imposed and that the City reserve 3% of its spending as an emergency reserve. The City is in compliance with these provisions. Finally, TABOR requires that the City have elections if it wishes to change its tax policy or issue general government debt.

AWARDS

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, 2014. This was the thirty-first 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 Department. 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, Haynie & Company, 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, 2015.

Respectfully submitted,



Jodi Romero
Financial Operations Director





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

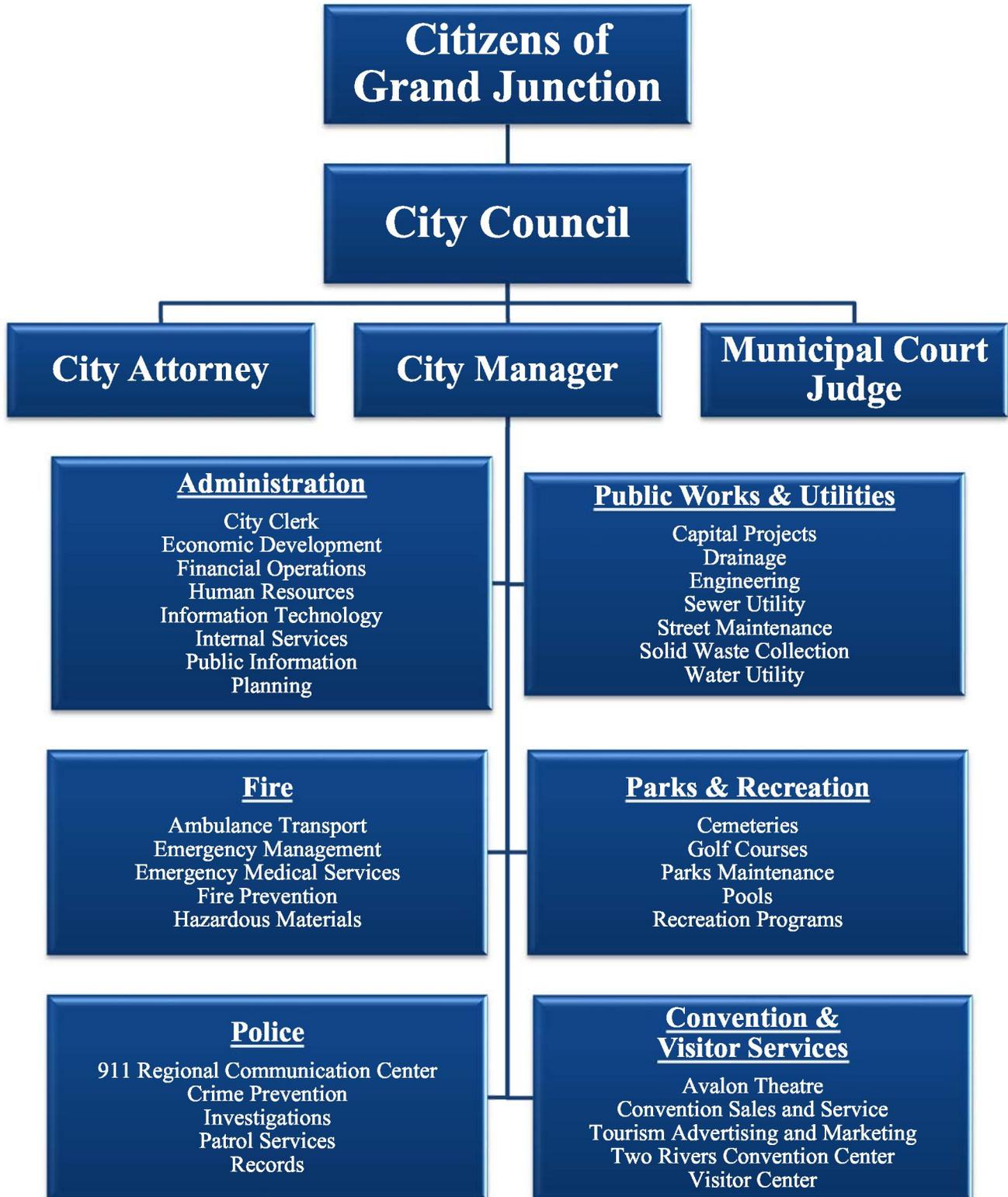
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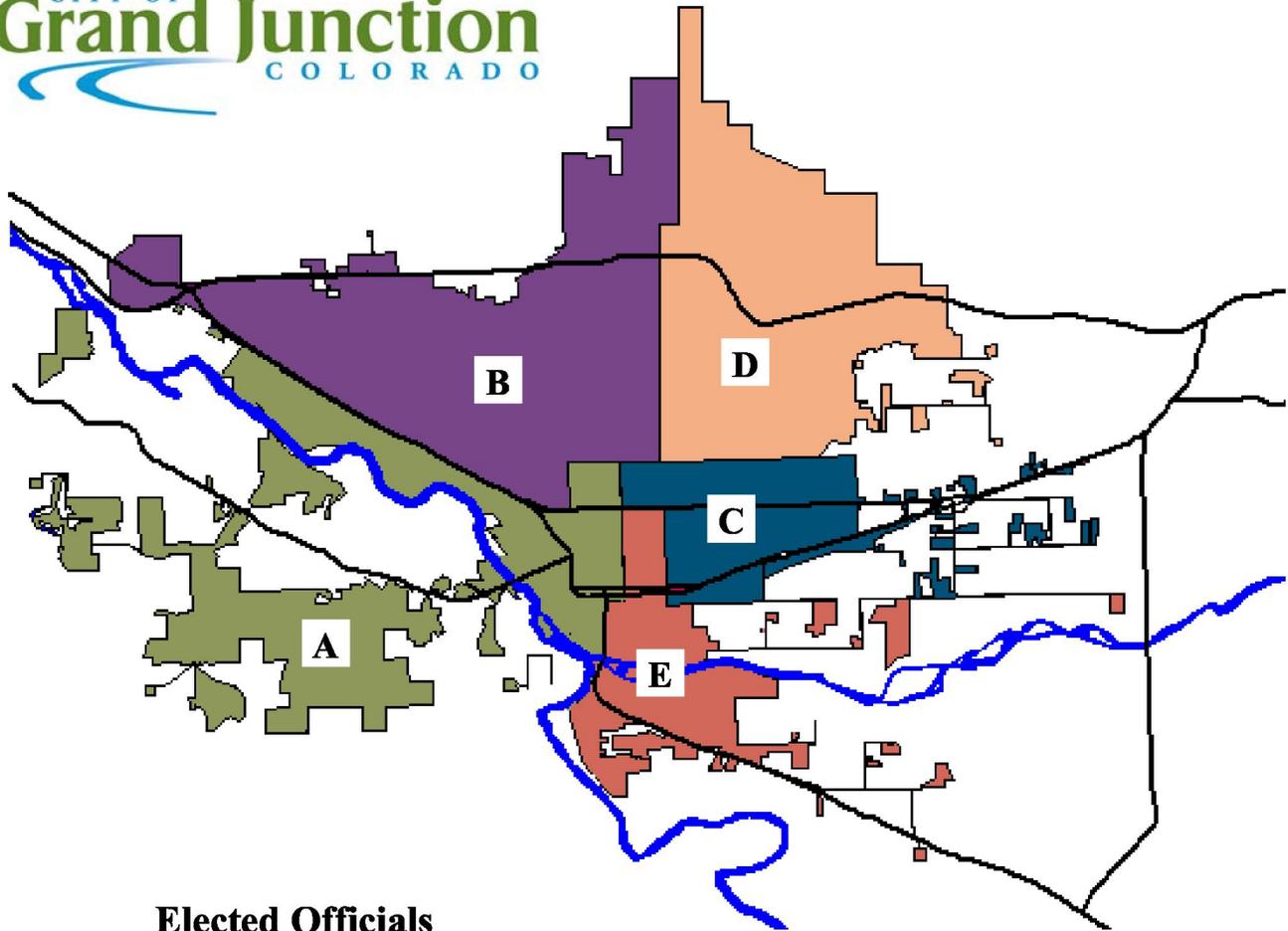
**City of Grand Junction
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO





Elected Officials

City Council	Expires
Phyllis Norris, Mayor – District A	May 2017
Marty Chazen, Mayor Pro Tem – District D.....	May 2017
Barbara Traylor Smith – District B	May 2019
Bennett Boeschstein – District C.....	May 2019
Duncan McArthur – District E	May 2017
Chris Kennedy – District at Large	May 2019
Rick Taggart – District at Large.....	May 2017

Election District Boundaries

Appointed Officials

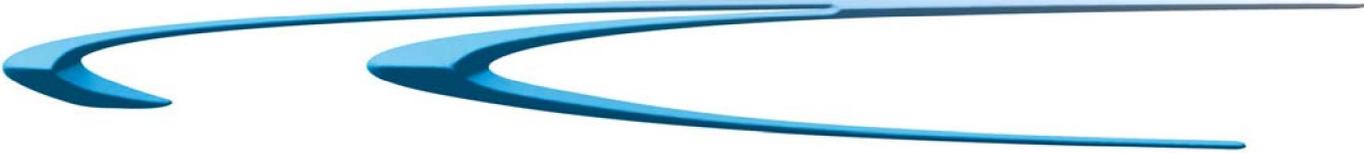
Greg Caton	City Manager
John P. Shaver	City Attorney
Caré McInnis	Municipal Judge

Department Directors

Tim Moore, Deputy City Manager – Administration
 Jodi Romero – Financial Operations
 Claudia Hazelhurst – Human Resources
 Debbie Kovalik – Convention & Visitor Services
 Ken Watkins – Fire Chief
 Rob Schoeber – Parks & Recreation
 John Camper – Police Chief
 Greg Lanning – Public Works & Utilities



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FINANCIAL SECTION



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**Haynie &
Company**

Certified Public Accountants (a professional corporation)

1221 West Mineral Ave, Ste. 202 Littleton, Colorado 80120-4544 (303) 734-4800 Fax (303) 795-3356

To the City Council
City of Grand Junction, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado (the "City"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, management has implemented GASB Statement No 68, as amended by GASB Statement No. 71. As a result of this change in accounting principle, the net position as of December 31, 2014 has been restated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and pension schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, component unit financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, and component unit financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, and component unit financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Littleton, Colorado
June 27, 2016

MANAGEMENT'S DISCUSSION & ANALYSIS

Our discussion and analysis of the City of Grand Junction's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2015. 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 assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of 2015 by \$702.6 million (net position) primarily due to annexations. Of this amount, \$16.0 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's General Fund revenues, on a budgetary basis, increased by 1.9% in 2015 after increases in some revenues (property taxes, sales and use taxes, intergovernmental revenues, charges for services, and fines and forfeitures) and decreases in others (franchise taxes, severance taxes and investment income). In total, General Fund revenues were \$65.7 million, still significantly below 2008 but showing recovery since 2009.
- At the end of 2015, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$11.6 million, or 17.4% of the total General Fund expenditures. This is slightly down from 2014 which was 18.0% of General Fund expenditures. The overall General Fund balance decreased due to planned use of fund balance.
- The City invested over \$12.7 million in capital projects in 2015. These projects included street construction, machinery, buildings, parks development, and technology and communications systems.
- At the close of 2015, the City had \$9.9 million accumulated for the early retirement of the Riverside Parkway Revenue Bonds. In 2012, \$19.0 million from the fund together with proceeds from the 2012 Revenue Refunding Bonds issuance were used to advance refund \$43.9 million of the 2004 Riverside Parkway Revenue Bonds.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City'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's finances in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position 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 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 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 include Water, Convention Center, Solid Waste, Golf Courses, Parking, and Irrigation.

The government-wide financial statements include not only the City 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 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 Position and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

The City maintains 14 governmental funds, of which (as determined by generally accepted accounting principles) the only major funds are the General Fund, Sales Tax Capital Improvement Fund, General Debt Service Fund, and Parkway Debt Retirement Fund. The balances of the other 10 governmental funds are determined to be non-major and are included in the combining statements within this report.

The City adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget. The General Fund budgetary comparison is presented as part of the basic governmental fund financial statements which can be found on pages 34 through 38 of this report. All other required budgetary comparisons, including the Sales Tax Capital Improvement Fund, General Debt Service Fund, and Parkway Debt Retirement Fund, can be found on pages 88 through 100 of this report.

2. **Proprietary Funds** – The City 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 uses enterprise funds to account for its Water Utility, Convention Center, Solid Waste, Golf Courses, Parking, and Irrigation.

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

The second type is internal service funds which are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds for data processing, equipment maintenance, self-insurance, the communication center operations, and facilities management. Because these services primarily benefit governmental activities, they have been included with governmental activities in the government-wide financial statements.

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45 through 74 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's Police Old Hire Pension Plan, Fire Old Hire Pension Plan, and Other Post Employment Healthcare Plan starting on page 75 of this report. It also presents other supplemental information concerning the City's Local Highway Finance Report. This supplemental information can be found on pages 147-148 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 84 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$702.6 million at the close of fiscal year 2015.

By far, the largest portion (95.1%) of the City's total net position 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 POSITION (in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 60,755	\$ 58,024	\$ (770)	\$ (2,480)	\$ 59,985	\$ 55,544
Capital assets	681,146	682,473	59,174	61,059	740,320	743,532
Total assets	<u>741,901</u>	<u>740,497</u>	<u>58,404</u>	<u>58,579</u>	<u>800,305</u>	<u>799,076</u>
Total deferred outflows of resources	<u>1,927</u>	<u>1,878</u>	<u>-</u>	<u>-</u>	<u>1,927</u>	<u>1,878</u>
Long-term debt outstanding	81,392	82,402	5,006	5,412	86,398	87,814
Other liabilities	5,242	4,326	472	688	5,714	5,014
Total liabilities	<u>86,634</u>	<u>86,728</u>	<u>5,478</u>	<u>6,100</u>	<u>92,112</u>	<u>92,828</u>
Total deferred inflows of resources	<u>7,514</u>	<u>7,377</u>	<u>-</u>	<u>-</u>	<u>7,514</u>	<u>7,377</u>
Net position:						
Net investment in capital assets	613,451	611,761	54,680	56,208	668,131	667,969
Restricted	18,492	17,330	-	-	18,492	17,330
Unrestricted	17,737	19,179	(1,754)	(3,729)	15,983	15,450
Total net position	<u>\$649,680</u>	<u>\$648,270</u>	<u>\$52,926</u>	<u>\$52,479</u>	<u>\$702,606</u>	<u>\$700,749</u>

An additional portion of the City's net position, 2.6%, represents resources that are subject to external restrictions on how they may be used.

Changes in Net Position

The City's total revenues of \$113.1 million exceeded program expenses of \$108.1 million for an increase in net position of \$5.0 million.

CHANGES IN NET POSITION

(in Thousands)

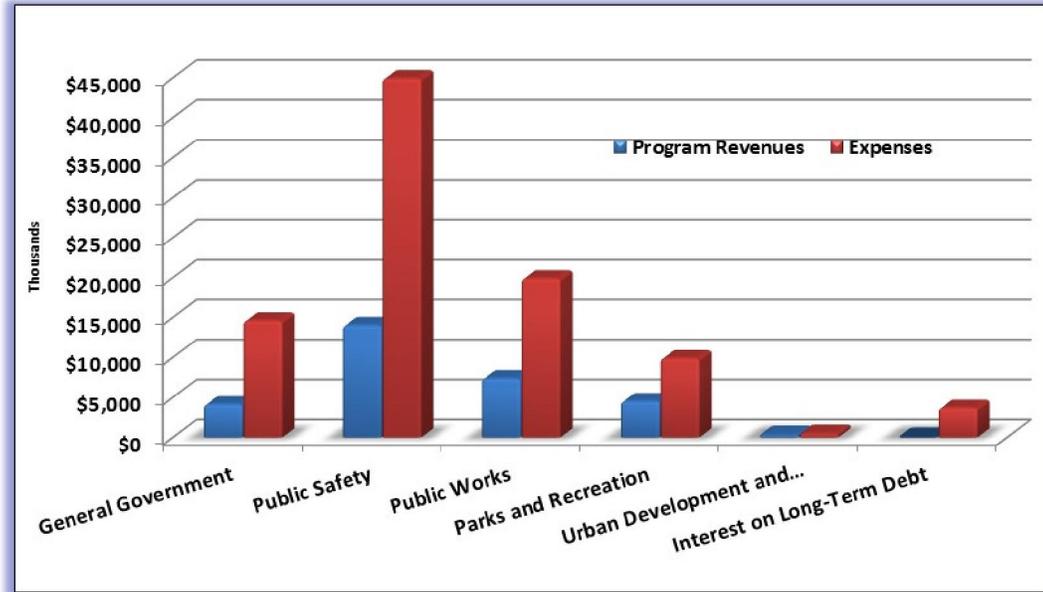
	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 19,217	\$ 17,407	\$ 14,212	\$ 13,978	\$ 33,429	\$ 31,385
Operating grants	3,378	3,012	93	173	3,471	3,185
Capital grants	7,833	6,279	91	10,729	7,924	17,008
General revenues:						
Property taxes	8,251	8,089	-	-	8,251	8,089
Sales and use taxes	52,554	51,273	-	-	52,554	51,273
Other taxes	7,208	7,532	-	-	7,208	7,532
Other general revenues	250	321	14	19	264	340
Total revenues	98,691	93,913	14,410	24,899	113,101	118,812
Expenses:						
General government	14,619	13,966	-	-	14,619	13,966
Public safety	44,948	42,680	-	-	44,948	42,680
Public works	19,901	20,026	-	-	19,901	20,026
Parks and recreation	9,904	19,345	-	-	9,904	19,345
Urban development and housing	511	635	-	-	511	635
Interest on long-term debt	3,685	3,775	-	-	3,685	3,775
Water	-	-	5,639	5,757	5,639	5,757
Convention Center	-	-	2,933	2,805	2,933	2,805
Solid Waste Removal	-	-	3,336	3,231	3,336	3,231
Golf	-	-	1,935	1,929	1,935	1,929
Parking	-	-	408	422	408	422
Irrigation systems	-	-	307	325	307	325
Total expenses	93,568	100,427	14,558	14,469	108,126	114,896
Increase (decrease) in net position before transfers	5,123	(6,514)	(148)	10,430	4,975	3,916
Transfers	(595)	(477)	595	477	-	-
Increase (decrease) in net position	4,528	(6,991)	447	10,907	4,975	3,916
Net position 1/1/15 as restated *	645,152	655,261	52,479	41,572	697,631	696,833
Net position 12/31/15	\$649,680	\$648,270	\$52,926	\$52,479	\$702,606	\$700,749

*The City implemented GASB Statement No. 68 during fiscal 2015. The provisions of GASB Statement No. 68 required the City to record its net pension liability (asset) and deferred outflows of resources and deferred inflows of resources related to the pension liability. The net pension liability in excess of the deferred contributions was expensed resulting in the restatement of the City's net position as of January 1, 2015. Fiscal 2014 amounts for governmental and business-type activities reported above have not been restated to reflect this change in accordance with the standard.

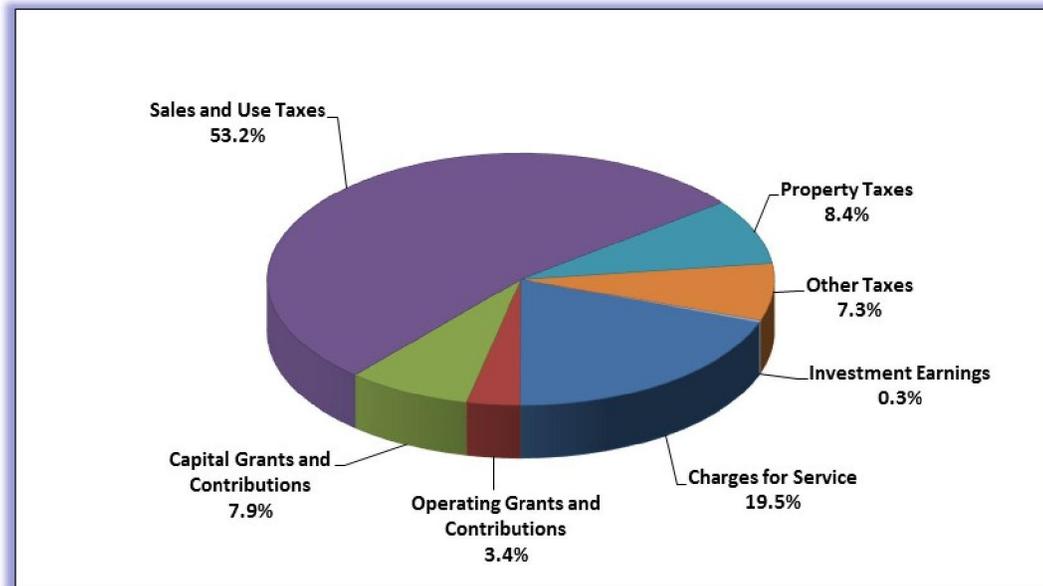
Governmental Activities

Governmental Activities increased the City's net position by \$4.5 million. Following are illustrative summaries of Governmental Activities breaking out revenues and expenses.

EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Sales tax and use tax revenues increased \$782 thousand and \$116 thousand, respectively, as compared to 2014. Property tax revenue increased by \$162 thousand, or 2.0%, during the year. This increase was attributed to new construction. The mill levy has remained constant since 1992. Other tax revenues, including severance tax and federal mineral leasing, have decreased by \$324 thousand, or 4.3%, compared to 2014.

Charges for services revenue increased by \$1.8 million compared to 2014. This was a result of an increase in ambulance transport fee revenue.

Capital grants and contributions increased by \$1.6 million, or 24.7%, compared to 2014. This is a result of grants received for public safety projects.

Business-type Activities

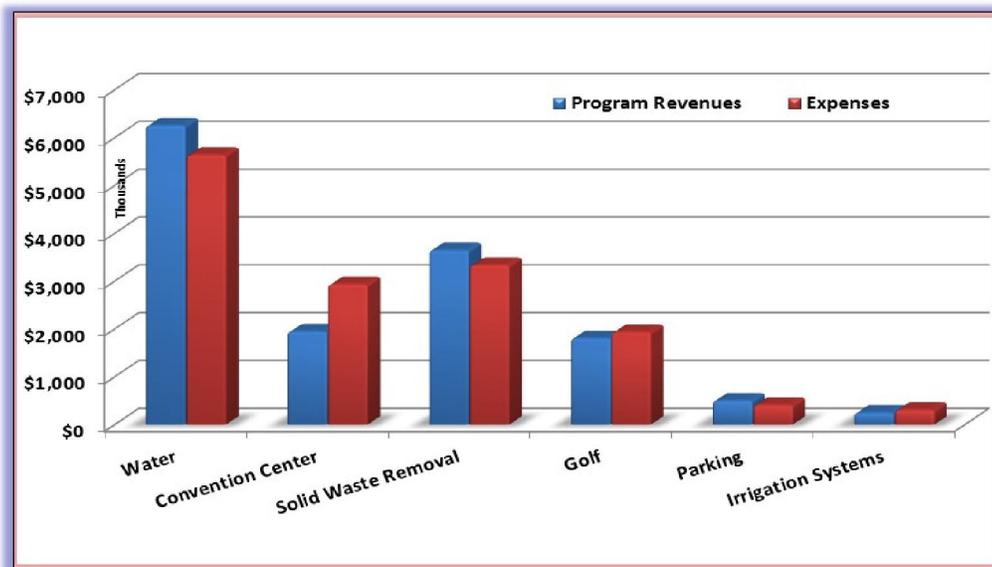
Net position in the Business-type activities increased by \$448 thousand. Business-type activities include Water, Convention Center, Solid Waste, Golf Courses, Parking, and Irrigation.

The Two Rivers Convention Center and Golf Fund received transfers from the Visitors and Convention Bureau Fund, Conservation Trust Fund and General Fund to subsidize operations and fund capital improvements.

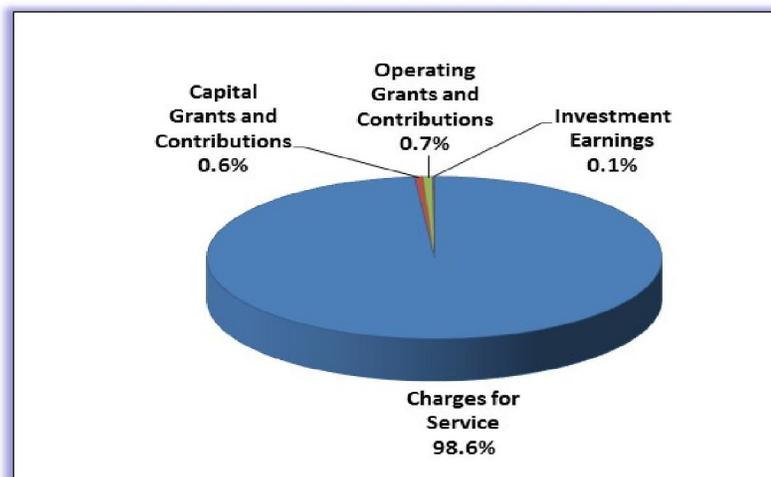
Unrestricted net position at the end of the year for business-type activities amounted to (\$1.8) million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City business-type activities.

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 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, 2015, the City's governmental funds (general, special revenue, debt service, capital projects and permanent) reported combined fund balances of \$38.9 million. This represents an increase of \$908 thousand over last year's ending balances. The reasons for significant changes in fund balances are described below.

Revenues, on a budgetary basis, in the General Fund increased 1.9% over 2014 while expenditures increased 4.0%. The majority of these revenue increases were from sales and use taxes while expenditure increases were in public safety. The General Fund's total fund balance, on a budgetary basis, decreased \$556 thousand from last year, primarily due to investment in economic development. The City has continued to manage its expenditures to operate within its current financial resources.

The fund balance in the Sales Tax Capital Improvements Fund increased by nearly \$69 thousand during the year ended December 31, 2015. This increase and the fund balance was a result of capital improvement projects that were started but not completed in 2015. The completion of these projects is anticipated for 2016.

The fund balance in the Parkway Debt Retirement Fund increased by \$1.3 million from the transfer of TABOR revenue excess to be set aside for the payment of the outstanding Riverside Parkway bonded debt, as approved by the voters in April 2007.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the General Fund budget was amended from an original appropriation total of \$66.2 million to a final budget of \$68.2 million. All recommended revisions for budget changes came through the Financial Operations Department and City Manager to City Council as required. Any budget revisions that require supplemental appropriations at the fund level are presented to City Council via Ordinance and enactment requiring a public hearing and the opportunity for public discussion. The City does allow small intra-departmental budget changes that modify line items within departments within the same fund. The original and final adopted budgets for the General Fund are presented on page 38.

For the General Fund, the original budget for revenues was \$64.9 million while the final budgeted amount was \$66.0 million, reflecting an increase in the projection for tax revenues. Actual revenues, on a budgetary basis, for 2015 came in \$254 thousand higher than the final budget at \$66.3 million. This was primarily due to ambulance transport fee revenue performing better than expected.

Actual General Fund expenditures (including transfers) totaled \$66.8 million. General Fund expenditures (including transfers) were approximately \$1.3 million, 2.0%, less than the final budget. This was due to achieving higher than expected budget savings in the department operating budgets from prudent spending and some unfinished projects that will need to be carried forward into the 2016 budget. The year-end budgetary basis fund balance of \$21.7 million was \$1.6 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. Expenditures exceeded revenues in the General Fund by \$767 thousand during the year. The General Fund's total fund balance decreased \$556 thousand from last year. An analysis for this fund balance shows that it represents over 32.4% of projected revenues for the new fiscal year which ends December 31, 2016.

Taxes continue to be the largest source of revenue in the General Fund and represent 82.1% of total General Fund revenues. The largest element of taxes is sales taxes, as it has been for many years. It represents 71.3% of total tax revenues and represents 58.5% of total general fund revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2015, the City had invested in a broad range of capital assets, including police and fire equipment, roads, parks, water, storm drainage and other infrastructure.

The following table provides a summary of total capital assets at December 31, 2015.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$303,880	\$303,071	\$ 5,194	\$ 5,194	\$309,074	\$308,265
Buildings and systems	73,419	74,927	47,304	48,709	120,723	123,636
Improvements other than buildings	13,864	13,895	4,991	4,353	18,855	18,248
Vehicles, machinery & equipment	21,828	22,707	1,402	1,610	23,230	24,317
Infrastructure	261,241	265,158	-	-	261,241	265,158
Construction in progress	5,605	1,406	92	1,002	5,697	2,408
Intangible assets	1,309	1,309	191	191	1,500	1,500
Total	\$681,146	\$682,473	\$59,174	\$61,059	\$740,320	\$743,532

Major capital additions during 2015 include:

Fire Station #4 Relocation	\$2,644,808
Street Overlay Program	2,239,080
Equipment Replacement Program	1,883,467
Canyon View Playground Improvements	1,000,756
Las Colonias Park Development	759,155
Horizon Drive Interchange Improvements	754,966
Community Hospital (G & 24 Road) Improvements	676,765
CNG Slow Fill Stations and Meters	492,629
Information Technology Replacement Program	440,921
Fire Training Facility	436,322

The City remains committed to the upkeep and maintenance of the City's largest assets. More detailed information about the City's capital assets is presented in *Note 5* on pages 57 through 59.

Debt Administration

The City has traditionally adhered to a conservative debt management policy that carefully controls the amount of outstanding debt. Because of our strong capital improvement budgeting process, the City has been able to maintain and improve its infrastructure while avoiding unreasonable debt burdens. To take advantage of favorable rates, the City did issue \$30.6 million in General Fund Revenue Refunding Bonds in 2012 to advance refund part of the outstanding 2004 General Fund Revenue Bonds issued to finance the construction of the Riverside Parkway project. Standard and Poor's Rating Group gave the City the rating of AA on the revenue bond issue while the City's general obligation bond ratings and certificates of participation ratings are A+.

As of December 31, 2015, the City had \$74.4 million in outstanding debt. Of this amount, \$69.9 million represents General Government debt. The largest portion, \$38.7 million, is the liability from the issuance of certificates of

participation for the Stadium Improvements Project and the Public Safety Buildings Project. The liability from the Riverside Parkway Refunding revenue bonds issued in 2012 is \$31.3 million. The remaining \$4.5 million of outstanding debt is bonds, notes and loans to be repaid by fee revenue and appropriated funds. Total debt service payments of approximately \$4.5 million in 2016 represents 4.3% of total budgeted operating expenditures. Additional information on the City's long-term debt can be found in *Note 7* on pages 60 through 63.

The table below provides a summary of total debt at December 31, 2015.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue bonds and notes (backed by tax and fee revenue)	\$31,284	\$34,413	\$ -	\$ -	\$31,284	\$34,413
Certificates of participation (backed by the constructed assets)	38,659	39,557	-	-	38,659	39,557
Loans (backed by fee revenue)	-	-	4,494	4,851	4,494	4,851
Total	\$69,943	\$73,970	\$4,494	\$4,851	\$74,437	\$78,821

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The local economy continues to show signs of gradual recover since the national recession. Sales tax revenues for 2015 were originally budgeted at a 3% increase, but were amended to a 2% growth as the year progressed. For the 2016 budget a 2% increase in sales tax was budgeted. City-wide reserves are at levels currently directed by City Council. Grand Junction continues to be the educational, retail, and medical center for most of Western Colorado and Eastern Utah. Those factors, coupled with tourism, the abundance of outdoor recreational opportunities, the expansion of Colorado Mesa University, and the ability to attract new businesses and retirees, all contribute to our local economy.

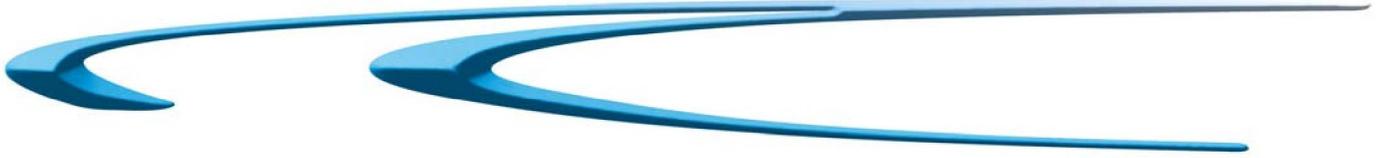
General Fund balances are above amounts recommended per the City Council's budget policy direction. The City's investment in capital; transportation infrastructure, public safety, utility systems, parks, and economic development continues to be a significant portion (20.4%) of the budget.

Rates in the Utility Funds will be set to cover operating and future capital investment. In 2016, utility revenues will be increased by an average of 10% in residential water fees, an average of 10% increase in commercial water fees, a 10% increase in sewer fees, and a 4% increase in solid waste rates.

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 Department 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 POSITION
December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and investments	\$ 35,588,812	\$ 3,863,835	\$ 39,452,647	\$ 2,780,846
Other receivables, net of allowance for uncollectibles	17,836,339	1,124,787	18,961,126	1,416,896
Internal balances	5,812,862	(5,812,862)	-	-
Prepays	256,437	12,750	269,187	16,000
Inventories	167,762	41,608	209,370	-
Restricted cash and investments	534,591	-	534,591	-
Net pension asset	558,137	-	558,137	-
Capital assets (net of accumulated depreciation):				
Land	303,880,213	5,193,890	309,074,103	848,871
Buildings and systems	73,418,811	47,304,115	120,722,926	2,918,558
Improvements other than buildings	13,864,165	4,991,423	18,855,588	980,371
Equipment	21,827,921	1,402,899	23,230,820	514,314
Infrastructure	261,240,732	-	261,240,732	-
Construction in progress	5,605,167	91,694	5,696,861	-
Intangible assets	1,308,632	190,464	1,499,096	-
Total assets	<u>741,900,581</u>	<u>58,404,603</u>	<u>800,305,184</u>	<u>9,475,856</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	1,549,853	-	1,549,853	-
Deferred outflows related to pensions	377,288	-	377,288	-
Total deferred outflows of resources	<u>1,927,141</u>	<u>-</u>	<u>1,927,141</u>	<u>-</u>
LIABILITIES				
Accounts payable and other current liabilities	4,472,400	439,133	4,911,533	14,843
Accrued interest payable	678,452	33,014	711,466	10,643
Unearned revenue	91,154	-	91,154	-
Noncurrent liabilities:				
Due within one year	5,032,618	397,249	5,429,867	1,160,366
Due in more than one year	73,317,711	4,608,872	77,926,583	5,125,804
Net pension liability	3,041,177	-	3,041,177	-
Total liabilities	<u>86,633,512</u>	<u>5,478,268</u>	<u>92,111,780</u>	<u>6,311,656</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	7,514,382	-	7,514,382	1,396,601
Special assessments	-	-	-	-
Total deferred inflows of resources	<u>7,514,382</u>	<u>-</u>	<u>7,514,382</u>	<u>1,396,601</u>
NET POSITION				
Net investment in capital assets	613,450,583	54,680,110	668,130,693	5,211,363
Restricted for:				
Perpetual care:				
Nonexpendable	1,372,221	-	1,372,221	16,000
Debt service	11,126,052	-	11,126,052	1,670,605
Emergency reserves	2,000,000	-	2,000,000	-
General capital improvements	1,109,018	-	1,109,018	-
Legends historical sculptures project	-	-	-	100,352
Parks and recreation	262,922	-	262,922	-
Public safety	2,621,729	-	2,621,729	-
Urban development and housing	-	-	-	1,014,975
Unrestricted	17,737,303	(1,753,775)	15,983,528	(6,245,696)
Total net position	<u>\$ 649,679,828</u>	<u>\$ 52,926,335</u>	<u>\$ 702,606,163</u>	<u>\$ 1,767,599</u>

City of Grand Junction
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 14,618,900	\$ 3,034,609	\$ 1,055,011	\$ 38,920
Public safety	44,948,119	11,566,683	340,370	2,125,126
Public works	19,900,575	2,436,354	811,327	4,148,114
Parks and recreation	9,904,241	2,179,082	811,452	1,521,225
Urban development and housing	511,257	-	359,517	-
Interest on long-term debt	3,684,545	-	-	-
Total governmental activities	<u>93,567,637</u>	<u>19,216,728</u>	<u>3,377,677</u>	<u>7,833,385</u>
Business-type Activities:				
Water	5,638,750	6,075,893	90,178	87,795
Convention Center	2,933,380	1,942,729	3,025	-
Solid Waste Removal	3,336,173	3,645,893	-	-
Golf	1,934,766	1,804,130	-	-
Parking	408,248	499,357	-	-
Irrigation Systems	307,312	244,199	-	3,380
Total business-type activities	<u>14,558,629</u>	<u>14,212,201</u>	<u>93,203</u>	<u>91,175</u>
Total primary government	<u>\$ 108,126,266</u>	<u>\$ 33,428,929</u>	<u>\$ 3,470,880</u>	<u>\$ 7,924,560</u>
Component unit:				
Downtown Development Authority	<u>\$ 1,877,644</u>	<u>\$ 35,294</u>	<u>\$ -</u>	<u>\$ 1,556,265</u>

General revenues:
Sales & use taxes
Property taxes
Franchise taxes
Highway users tax
Other shared taxes
Investment earnings
Gain on sale of capital assets

Transfers
Total general revenues
Change in net position
Net position - beginning as restated
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Downtown Development Authority
\$ (10,490,360)	\$ -	\$ (10,490,360)	\$ -
(30,915,940)	-	(30,915,940)	-
(12,504,780)	-	(12,504,780)	-
(5,392,482)	-	(5,392,482)	-
(151,740)	-	(151,740)	-
(3,684,545)	-	(3,684,545)	-
<u>(63,139,847)</u>	<u>-</u>	<u>(63,139,847)</u>	<u>-</u>
-	615,116	615,116	-
-	(987,626)	(987,626)	-
-	309,720	309,720	-
-	(130,636)	(130,636)	-
-	91,109	91,109	-
-	(59,733)	(59,733)	-
<u>-</u>	<u>(162,050)</u>	<u>(162,050)</u>	<u>-</u>
\$ <u>(63,139,847)</u>	\$ <u>(162,050)</u>	\$ <u>(63,301,897)</u>	\$ <u>-</u>
-	-	-	(286,085)
52,554,260	-	52,554,260	-
8,250,740	-	8,250,740	1,593,828
2,804,961	-	2,804,961	-
2,291,572	-	2,291,572	-
2,110,926	-	2,110,926	-
250,356	14,398	264,754	13,492
-	-	-	-
(595,383)	595,383	-	-
<u>67,667,432</u>	<u>609,781</u>	<u>68,277,213</u>	<u>1,607,320</u>
<u>4,527,585</u>	<u>447,731</u>	<u>4,975,316</u>	<u>1,321,235</u>
<u>645,152,243</u>	<u>52,478,604</u>	<u>697,630,847</u>	<u>446,364</u>
\$ <u>649,679,828</u>	\$ <u>52,926,335</u>	\$ <u>702,606,163</u>	\$ <u>1,767,599</u>

City of Grand Junction
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	General Debt Service Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 9,469,766	\$ -	\$ 2,500	\$ 9,860,226	\$ 6,543,742	\$ 25,876,234
Interest receivable	80,703	-	-	-	-	80,703
Accounts receivable, net of allowances						
for uncollectibles	1,248,761	-	-	-	359,544	1,608,305
Taxes receivable	12,142,187	1,270,903	-	-	140,204	13,553,294
Special assessments receivable	-	25,797	-	-	-	25,797
Intergovernmental receivables	283,528	1,565,020	-	-	29,164	1,877,712
Due from other funds	1,394,678	-	-	-	-	1,394,678
Prepaid Items	34,782	-	-	-	13,396	48,178
Inventories	167,762	-	-	-	-	167,762
Restricted cash and investments	533,500	-	180	-	-	533,680
Advances to other funds	6,184,351	-	-	-	-	6,184,351
Total assets	<u>\$ 31,540,018</u>	<u>\$ 2,861,720</u>	<u>\$ 2,680</u>	<u>\$ 9,860,226</u>	<u>\$ 7,086,050</u>	<u>\$ 51,350,694</u>
LIABILITIES						
Accounts payable	798,507	886,159	2,500	-	937,389	2,624,555
Accrued liabilities	1,375,974	-	-	-	27,585	1,403,559
Due to other funds	-	840,746	-	-	9,176	849,922
Unearned revenue	71,894	-	-	-	6,260	78,154
Total liabilities	<u>2,246,375</u>	<u>1,726,905</u>	<u>2,500</u>	<u>-</u>	<u>980,410</u>	<u>4,956,190</u>
DEFERRED INFLOWS OF RESOURCES						
Property taxes	7,514,382	-	-	-	-	7,514,382
Unavailable revenue-special assessments	-	25,797	-	-	-	25,797
Total deferred inflows of resources	<u>7,514,382</u>	<u>25,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,540,179</u>
FUND BALANCES						
Nonspendable:						
Advances	\$ 6,184,351	\$ -	\$ -	\$ -	\$ -	\$ 6,184,351
Inventories and prepaids	202,544	-	-	-	13,396	215,940
Permanent fund principal	-	-	-	-	1,372,221	1,372,221
Restricted for:						
Debt service	1,781,415	-	180	9,860,226	17,731	11,659,552
Emergency reserves	2,000,000	-	-	-	-	2,000,000
General capital improvements	-	1,109,018	-	-	-	1,109,018
Parks and recreation	25,000	-	-	-	237,922	262,922
Public safety	-	-	-	-	2,471,437	2,471,437
Committed to:						
Open space	-	-	-	-	598,315	598,315
Street capacity expansion	-	-	-	-	1,198,995	1,198,995
Tourism and convention	-	-	-	-	195,623	195,623
Assigned to:						
Cultural arts	3,856	-	-	-	-	3,856
Retiree health benefits	1,019,846	-	-	-	-	1,019,846
Subsequent year's expenditures	60,878	-	-	-	-	60,878
Unassigned:	10,501,371	-	-	-	-	10,501,371
Total fund balances	<u>21,779,261</u>	<u>1,109,018</u>	<u>180</u>	<u>9,860,226</u>	<u>6,105,640</u>	<u>38,854,325</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,540,018</u>	<u>\$ 2,861,720</u>	<u>\$ 2,680</u>	<u>\$ 9,860,226</u>	<u>\$ 7,086,050</u>	<u>\$ 51,350,694</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 POSITION**
 December 31, 2015

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

Total fund balance - governmental funds (page 34)	\$ 38,854,325
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	662,493,426
The net pension asset is not an available resource and, therefore, is not reported in the funds.	558,137
Deferred outflows related to pension are not current assets or financial resources.	377,288
Other long-term assets are not available to pay current expenditures, and therefore, are reported as unavailable revenue in the funds.	76,856
Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation & maintenance, self-insurance activities, communication services and facilities management to individual funds. The assets \$29,213,433 and liabilities (\$2,539,042) of the internal service funds are included in governmental activities in the statement of net position.	26,674,391
Interfund for internal service fund allocated to business-type activities.	(916,245)
Long-term liabilities including bonds and notes payable, net pension liability and related deferred outflows, capital leases, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds.	
Revenue bonds	\$ (28,175,000)
Bond premium (to be amortized over life of debt)	(3,108,775)
Deferred charge on refunding (to be amortized over life of debt)	1,549,853
Certificates of participation	(39,005,000)
Discount on certificates of participation (to be amortized over life of lease)	345,676
Net pension liability	(3,041,177)
Accrued interest payable	(678,452)
Compensated absences	(3,250,281)
Other Post Employment Benefit Obligation	(3,075,194)
	(78,438,350)
 Total net position - governmental activities (page 31)	 \$ 649,679,828

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, 2015

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	General Debt Service Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 8,250,740	\$ -	\$ -	\$ -	\$ -	\$ 8,250,740
Sales and use	38,512,692	11,993,612	-	-	2,047,956	52,554,260
Franchise	2,804,961	-	-	-	-	2,804,961
Severance	1,376,588	-	-	-	-	1,376,588
Other	3,025,910	-	-	-	-	3,025,910
Licenses and permits	116,091	-	-	-	-	116,091
Intergovernmental revenues	3,278,911	3,005,054	717,011	-	1,101,142	8,102,118
Charges for services	7,238,588	49,123	-	-	2,476,101	9,763,812
Fines and forfeitures	873,569	-	-	-	11,736	885,305
Special assessments	-	13,771	-	-	-	13,771
Investment earnings	154,977	3,463	264	37,734	25,142	221,580
Other income	13,700	-	-	-	1,263,816	1,277,516
Other contributions	80,791	51,209	-	-	398,015	530,015
Total revenues	<u>65,727,518</u>	<u>15,116,232</u>	<u>717,275</u>	<u>37,734</u>	<u>7,323,908</u>	<u>88,922,667</u>
EXPENDITURES						
Current:						
General government	10,658,097	-	3,000	-	1,964,405	12,625,502
Public safety	37,871,800	-	-	-	-	37,871,800
Public works	8,866,234	-	-	-	-	8,866,234
Parks and recreation	8,663,393	-	-	-	-	8,663,393
Urban development and housing	354,476	-	-	-	156,781	511,257
Debt service:						
Principal retirement	-	-	3,165,000	-	220,000	3,385,000
Interest and fiscal charges	-	-	3,713,922	-	312,000	4,025,922
Capital outlay:						
Construction	-	8,836,223	-	-	1,057,938	9,894,161
Total expenditures	<u>66,414,000</u>	<u>8,836,223</u>	<u>6,881,922</u>	<u>-</u>	<u>3,711,124</u>	<u>85,843,269</u>
Excess (deficiency) of revenues over (under) expenditures	(686,482)	6,280,009	(6,164,647)	37,734	3,612,784	3,079,398
OTHER FINANCING SOURCES (USES)						
Transfers in	611,190	933,773	6,164,752	1,217,955	459,857	9,387,527
Transfers out	(405,308)	(7,734,150)	-	-	(4,013,258)	(12,152,716)
Insurance recoveries	-	28,892	-	-	-	28,892
Sale of capital assets	4,940	560,000	-	-	-	564,940
Total other financing sources and uses	<u>210,822</u>	<u>(6,211,485)</u>	<u>6,164,752</u>	<u>1,217,955</u>	<u>(3,553,401)</u>	<u>(2,171,357)</u>
Net change in fund balances	(475,660)	68,524	105	1,255,689	59,383	908,041
Fund balances – beginning	22,254,921	1,040,494	75	8,604,537	6,046,257	37,946,284
Fund balances – ending	<u>\$ 21,779,261</u>	<u>\$ 1,109,018</u>	<u>\$ 180</u>	<u>\$ 9,860,226</u>	<u>\$ 6,105,640</u>	<u>\$ 38,854,325</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, 2015

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)	\$	908,041
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$13,960,678) exceeded capital outlays of \$9,213,066 in the current period.		(4,747,612)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trades, and disposals) is to decrease net position.		(714,086)
The net effect of the donation of capital assets is to increase net position.		4,709,160
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(13,770)
Current-year pension contributions are included in deferred outflows of resources for governmental activities.		307,037
Current-year pension expense does not use current financial resources and is not included in expenses in the funds.		(246,638)
Current-year pension income does not provide current financial resources and is not included in revenues in the funds.		25,513
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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt principal payments	\$	3,385,000
Bond premium (to be amortized over the life of debt)		659,141
Certificates of participation discount (to be amortized over the life of debt)		(16,997)
Deferred charge on refunding (to be amortized over the life of debt)		(328,609)
Decrease in accrued interest		27,842
Increase in compensated absences		(61,314)
Increase in other post employment benefit obligation		(728,699)
		2,936,364
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	\$	4,676,537
Expenses due to external customers		(5,879,854)
Grants and contributions		332,608
Gain (Loss) on disposition of property		(70,725)
Investment income		34,735
Operating income from operations		2,270,275
		1,363,576
Change in net position of governmental activities (page 33)	\$	4,527,585

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis Amounts</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
REVENUES						
Taxes:						
Property	\$ 8,214,530	\$ 8,214,530	\$ 8,250,740	\$ -	\$ 8,250,740	\$ 36,210
Sales and use	38,111,728	38,433,681	38,512,692	(90,381)	38,422,311	(11,370)
Franchise	2,860,000	2,860,000	2,804,961	-	2,804,961	(55,039)
Severance	1,557,140	1,376,588	1,376,588	-	1,376,588	-
Other	2,925,203	2,975,203	3,025,910	-	3,025,910	50,707
Licenses and permits	101,950	101,950	116,091	-	116,091	14,141
Intergovernmental revenues	2,939,185	3,336,912	3,278,911	-	3,278,911	(58,001)
Charges for services	6,614,758	6,880,418	7,238,588	-	7,238,588	358,170
Fines and forfeitures	714,500	899,449	873,569	-	873,569	(25,880)
Investment earnings	189,772	189,772	154,977	10,246	165,223	(24,549)
Other income	11,000	26,000	13,700	-	13,700	(12,300)
Other contributions	21,700	45,415	80,791	-	80,791	35,376
Total revenues	<u>64,261,466</u>	<u>65,339,918</u>	<u>65,727,518</u>	<u>(80,135)</u>	<u>65,647,383</u>	<u>307,465</u>
EXPENDITURES						
Current:						
General government:						
Administration	8,661,659	9,475,333	9,158,367	-	9,158,367	316,966
Community development	1,522,042	1,527,042	1,499,730	-	1,499,730	27,312
Total general government	<u>10,183,701</u>	<u>11,002,375</u>	<u>10,658,097</u>	<u>-</u>	<u>10,658,097</u>	<u>344,278</u>
Public safety:						
Police protection	21,570,503	21,949,765	21,925,562	-	21,925,562	24,203
Fire protection	15,762,632	16,291,509	15,946,238	-	15,946,238	345,271
Total public safety	<u>37,333,135</u>	<u>38,241,274</u>	<u>37,871,800</u>	<u>-</u>	<u>37,871,800</u>	<u>369,474</u>
Public works	9,269,923	9,266,175	8,866,234	-	8,866,234	399,941
Parks and recreation	8,904,065	8,954,931	8,663,393	-	8,663,393	291,538
Urban development and housing	345,082	351,741	354,476	-	354,476	(2,735)
Total expenditures	<u>66,035,906</u>	<u>67,816,496</u>	<u>66,414,000</u>	<u>-</u>	<u>66,414,000</u>	<u>1,402,496</u>
Excess (deficiency) of revenues over (under) expenditures	(1,774,440)	(2,476,578)	(686,482)	(80,135)	(766,617)	1,709,961
OTHER FINANCING SOURCES (USES)						
Transfers in	664,163	664,163	611,190	-	611,190	(52,973)
Transfers out	(135,132)	(344,421)	(405,308)	-	(405,308)	(60,887)
Sale of capital assets	-	-	4,940	-	4,940	4,940
Total other financing sources and uses	<u>529,031</u>	<u>319,742</u>	<u>210,822</u>	<u>-</u>	<u>210,822</u>	<u>(108,920)</u>
Net change in fund balances	(1,245,409)	(2,156,836)	(475,660)	(80,135)	(555,795)	1,601,041
Fund balances -- beginning	22,244,281	22,244,281	22,254,921	(10,640)	22,244,281	-
Fund balances -- ending	<u>\$ 20,998,872</u>	<u>\$ 20,087,445</u>	<u>\$ 21,779,261</u>	<u>\$ (90,775)</u>	<u>\$ 21,688,486</u>	<u>\$ 1,601,041</u>

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

City of Grand Junction, Colorado
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015

Business-Type Activities - Enterprise Funds							
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 2,862,964	\$ -	\$ 58,339	\$ 119,908	\$ 822,624	\$ 3,863,835	\$ 9,713,489
Accounts receivable, net of allowance	460,074	180,451	2,671	6,565	464,813	1,114,574	519,764
Intergovernmental receivable	10,213	-	-	-	-	10,213	119,705
Prepaid items	12,000	-	-	-	750	12,750	208,260
Inventory	-	-	41,608	-	-	41,608	-
Total current assets	<u>3,345,251</u>	<u>180,451</u>	<u>102,618</u>	<u>126,473</u>	<u>1,288,187</u>	<u>5,042,980</u>	<u>10,561,218</u>
Noncurrent assets:							
Capital assets:							
Land	2,506,211	197,993	891,356	1,598,330	-	5,193,890	-
Buildings, improvements, plant and system	48,068,223	20,242,204	7,346,930	5,058,459	3,685,557	84,401,373	3,355,533
Equipment	1,010,594	1,081,032	224,490	321,382	1,266,324	3,903,822	38,652,674
Construction in progress	91,694	-	-	-	-	91,694	247,225
Intangible assets	190,464	-	-	-	-	190,464	-
Less accumulated depreciation	(20,025,415)	(5,390,709)	(3,925,671)	(1,343,501)	(3,921,462)	(34,606,758)	(23,603,217)
Total capital assets (net of accumulated depreciation)	<u>31,841,771</u>	<u>16,130,520</u>	<u>4,537,105</u>	<u>5,634,670</u>	<u>1,030,419</u>	<u>59,174,485</u>	<u>18,652,215</u>
Total noncurrent assets	<u>31,841,771</u>	<u>16,130,520</u>	<u>4,537,105</u>	<u>5,634,670</u>	<u>1,030,419</u>	<u>59,174,485</u>	<u>18,652,215</u>
Total assets	<u>35,187,022</u>	<u>16,310,971</u>	<u>4,639,723</u>	<u>5,761,143</u>	<u>2,318,606</u>	<u>64,217,465</u>	<u>29,213,433</u>
LIABILITIES							
Current liabilities:							
Accounts payable	93,319	82,381	17,331	60	91,488	284,579	410,383
Accrued liabilities	73,900	28,674	15,646	4,387	31,947	154,554	238,758
Accrued interest payable	33,014	-	-	-	-	33,014	-
Compensated absences payable	15,031	3,877	4,701	627	6,106	30,342	30,207
Claims payable	-	-	-	-	-	-	679,837
Current portion of promissory notes payable	366,907	-	-	-	-	366,907	-
Current portion of capital leases payable	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	13,000
Due to other funds	-	69,396	187,302	200,871	87,187	544,756	-
Total current liabilities	<u>582,171</u>	<u>184,328</u>	<u>224,980</u>	<u>205,945</u>	<u>216,728</u>	<u>1,414,152</u>	<u>1,372,185</u>
Noncurrent liabilities:							
Compensated absences payable	238,492	61,504	74,594	9,948	96,866	481,404	479,259
Claims payable	-	-	-	-	-	-	687,598
Advances from other funds - general fund	-	-	2,937,290	2,658,892	588,169	6,184,351	-
Promissory notes payable	4,127,468	-	-	-	-	4,127,468	-
Total noncurrent liabilities	<u>4,365,960</u>	<u>61,504</u>	<u>3,011,884</u>	<u>2,668,840</u>	<u>685,035</u>	<u>10,793,223</u>	<u>1,166,857</u>
Total liabilities	<u>4,948,131</u>	<u>245,832</u>	<u>3,236,864</u>	<u>2,874,785</u>	<u>901,763</u>	<u>12,207,375</u>	<u>2,539,042</u>
NET POSITION							
Net investment in capital assets	27,347,396	16,130,520	4,537,105	5,634,670	1,030,419	54,680,110	18,652,215
Restricted for:							
Public safety	-	-	-	-	-	-	150,292
Unrestricted	2,891,495	(65,381)	(3,134,246)	(2,748,312)	386,424	(2,670,020)	7,871,884
Total net position	<u>\$ 30,238,891</u>	<u>\$ 16,065,139</u>	<u>\$ 1,402,859</u>	<u>\$ 2,886,358</u>	<u>\$ 1,416,843</u>	<u>52,010,090</u>	<u>\$ 26,674,391</u>

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

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

Current year:	357,760
Prior years:	558,485
Net position - business-type activities (page 31)	<u>\$ 52,926,335</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 POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2015

Business-Type Activities - Enterprise Funds							Governmental Activities- Internal Service Funds
Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds		
Operating revenues:							
Charges for sales and services	\$ 6,075,893	\$ 1,942,729	\$ 1,804,130	\$ 499,357	\$ 3,890,092	\$ 14,212,201	\$ 21,752,613
Other income	-	-	-	-	-	-	636,601
Total operating revenues	<u>6,075,893</u>	<u>1,942,729</u>	<u>1,804,130</u>	<u>499,357</u>	<u>3,890,092</u>	<u>14,212,201</u>	<u>22,389,214</u>
Operating expenses:							
Personnel services	2,603,383	1,335,054	859,785	153,045	1,162,675	6,113,942	8,306,808
Costs of sales and services	1,911,720	1,053,366	844,323	105,729	2,469,119	6,384,257	11,148,828
Depreciation and amortization	1,099,653	592,252	232,955	111,581	155,705	2,192,146	3,682,023
Total operating expenses	<u>5,614,756</u>	<u>2,980,672</u>	<u>1,937,063</u>	<u>370,355</u>	<u>3,787,499</u>	<u>14,690,345</u>	<u>23,137,659</u>
Operating income (loss)	<u>461,137</u>	<u>(1,037,943)</u>	<u>(132,933)</u>	<u>129,002</u>	<u>102,593</u>	<u>(478,144)</u>	<u>(748,445)</u>
Nonoperating revenues (expenses):							
Intergovernmental	4,333	-	-	-	-	4,333	335,964
Miscellaneous	85,845	3,025	-	-	-	88,870	-
Investment income	10,440	-	113	688	3,157	14,398	34,735
Gain (loss) on disposition of property and equipment	-	-	-	-	-	-	(70,725)
Interest expense	(130,542)	-	(49,637)	(45,865)	-	(226,044)	-
Total nonoperating revenues (expenses)	<u>(29,924)</u>	<u>3,025</u>	<u>(49,524)</u>	<u>(45,177)</u>	<u>3,157</u>	<u>(118,443)</u>	<u>299,974</u>
Income (loss) before contributions and transfers							
Capital contributions - tap fees	431,213	(1,034,918)	(182,457)	83,825	105,750	(596,587)	(448,471)
Contributed capital	87,795	-	-	-	3,380	91,175	-
Transfers in	-	-	-	-	-	-	-
Transfers in	3,063	450,116	155,511	157	1,326	610,173	2,233,324
Transfers out	(14,790)	-	-	-	-	(14,790)	(63,517)
Change in net position	507,281	(584,802)	(26,946)	83,982	110,456	89,971	1,721,336
Net position - beginning	29,731,610	16,649,941	1,429,805	2,802,376	1,306,387	51,920,119	24,953,055
Net position - ending	<u>\$ 30,238,891</u>	<u>\$ 16,065,139</u>	<u>\$ 1,402,859</u>	<u>\$ 2,886,358</u>	<u>\$ 1,416,843</u>	<u>\$ 52,010,090</u>	<u>\$ 26,674,391</u>

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

Change in net position-enterprise funds	89,971
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:	357,760
Change in net position of business-type activities (page 33)	<u>\$ 447,731</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, 2015

Business-Type Activities - Enterprise Funds							
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
Cash flows from operating activities:							
Cash received from interfund	\$ 667,846	\$ -	\$ -	\$ -	\$ -	\$ 667,846	\$ 19,148,815
Cash received from customers and users	5,365,671	1,875,484	1,801,469	497,327	3,870,728	13,410,679	2,615,828
Cash paid to interfund	(910,617)	(404,191)	(443,860)	(68,138)	(1,230,834)	(3,057,640)	(1,854,207)
Cash paid to suppliers	(978,928)	(689,006)	(406,244)	(38,940)	(1,240,677)	(3,353,795)	(10,073,239)
Cash paid to employees	(2,607,487)	(1,331,791)	(872,064)	(150,727)	(1,193,636)	(6,155,705)	(8,246,899)
Miscellaneous receipts	85,845	3,025	-	-	-	88,870	727,336
Net cash provided (used) by operating activities	<u>1,622,330</u>	<u>(546,479)</u>	<u>79,301</u>	<u>239,522</u>	<u>205,581</u>	<u>1,600,255</u>	<u>2,317,634</u>
Cash flows from noncapital financing activities:							
Transfers from other funds	3,063	450,116	155,511	157	1,326	610,173	2,233,324
Transfers to other funds	(14,790)	-	-	-	-	(14,790)	(63,517)
Increase (decrease) in amount due other funds	-	69,396	2,768	2,969	2,292	77,425	-
Intergovernmental receipts	-	-	-	-	-	-	3,356
Net cash provided by noncapital financing activities	<u>(11,727)</u>	<u>519,512</u>	<u>158,279</u>	<u>3,126</u>	<u>3,618</u>	<u>672,808</u>	<u>2,173,163</u>
Cash flows from capital and related financing activities:							
Tap fees	87,795	-	-	-	3,380	91,175	-
Principal payments:							
Promissory notes	(361,507)	-	-	-	-	(361,507)	-
Repayment of interfund capital loans	-	-	(187,302)	(200,871)	(87,187)	(475,360)	-
Interest paid	(138,768)	-	(49,637)	(45,865)	-	(234,270)	-
Proceeds from disposition of capital assets	-	-	-	-	-	-	128,967
Purchase of capital assets	(387,899)	(112,522)	-	-	(5,888)	(506,309)	(3,409,409)
Intergovernmental receipts	-	-	-	-	-	-	630,783
Net cash used in capital and related financing activities	<u>(800,379)</u>	<u>(112,522)</u>	<u>(236,939)</u>	<u>(246,736)</u>	<u>(89,695)</u>	<u>(1,486,271)</u>	<u>(2,649,659)</u>
Cash flows from investing activities:							
Investment income received	10,440	-	113	688	3,157	14,398	34,735
Net cash provided by investing activities	<u>10,440</u>	<u>-</u>	<u>113</u>	<u>688</u>	<u>3,157</u>	<u>14,398</u>	<u>34,735</u>
Net increase (decrease) in cash and cash equivalents	820,664	(139,489)	754	(3,400)	122,661	801,190	1,875,873
Cash and cash equivalents, January 1	2,042,300	139,489	57,585	123,308	699,963	3,062,645	7,837,616
Cash and cash equivalents, December 31	<u>\$ 2,862,964</u>	<u>\$ -</u>	<u>\$ 58,339</u>	<u>\$ 119,908</u>	<u>\$ 822,624</u>	<u>\$ 3,863,835</u>	<u>\$ 9,713,489</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	\$ 461,137	\$ (1,037,943)	\$ (132,933)	\$ 129,002	\$ 102,593	\$ (478,144)	\$ (748,445)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	1,099,653	592,252	232,955	111,581	155,705	2,192,146	3,682,023
(Increase) decrease in accounts receivable	(42,376)	(67,245)	(2,661)	(2,030)	(19,364)	(133,676)	89,765
Miscellaneous receipts	85,845	3,025	-	-	-	88,870	-
(Increase) decrease in inventory	-	-	(3,767)	-	(750)	(4,517)	-
(Increase) decrease in prepaid items	(12,000)	1,300	-	-	-	(10,700)	(126,450)
Increase (decrease) in accounts payable	(65,821)	(144,575)	(2,014)	(1,349)	(1,642)	(215,401)	(47,767)
Increase (decrease) in claims payable	-	-	-	-	-	-	(706,444)
Increase (decrease) in accrued liabilities and compensated absences payable	(4,104)	3,263	(12,279)	2,318	(30,961)	(41,763)	59,909
Increase (decrease) in deferred revenues	-	-	-	-	-	-	13,000
(Increase) decrease in accounts payable due to the purchase of capital assets on account	99,996	103,444	-	-	-	203,440	102,043
Total adjustments	<u>1,161,193</u>	<u>491,464</u>	<u>212,234</u>	<u>110,520</u>	<u>102,988</u>	<u>2,078,399</u>	<u>3,066,079</u>
Net cash provided (used) by operating activities	<u>\$ 1,622,330</u>	<u>\$ (546,479)</u>	<u>\$ 79,301</u>	<u>\$ 239,522</u>	<u>\$ 205,581</u>	<u>\$ 1,600,255</u>	<u>\$ 2,317,634</u>
Noncash Investing, Capital and Financing Activities							-
Purchase of capital assets on account	\$ 21,469	\$ -	\$ -	\$ -	\$ -	\$ 21,469	\$ 2,053
Net book value of capital assets traded in on capital assets acquired	-	-	-	-	-	-	45,876
Trade in value of disposed assets	-	-	-	-	-	-	66,300
Intergovernmental receivable from noncapital financing activities	10,213	-	-	-	-	10,213	-
Intergovernmental receipts from noncapital financing activities	5,880	-	-	-	-	5,880	272,936

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

City of Grand Junction, Colorado
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2015

	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 95,853	\$ 11,034,258	\$ 739,511
Investments	-	-	-
Accounts receivable, net of allowance	-	-	1,141
Total assets	<u>95,853</u>	<u>11,034,258</u>	<u>740,652</u>
LIABILITIES			
Accounts payable	-	-	19,359
Due to other governments	-	-	721,293
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 740,652</u>
NET POSITION			
Held in trust for:			
External investment pool participants	-	11,034,258	
Pension benefits	-	-	
Individuals, organizations and others	95,853	-	
Total net position	<u>\$ 95,853</u>	<u>\$ 11,034,258</u>	

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

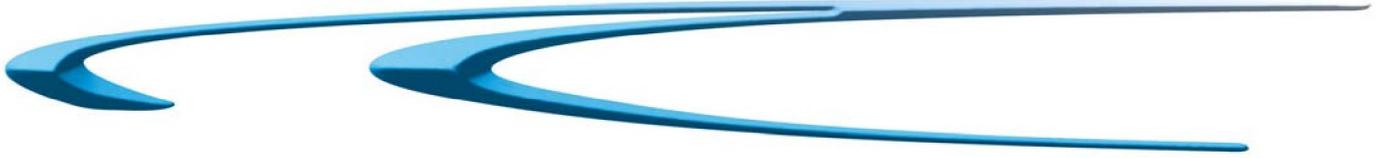
City of Grand Junction, Colorado
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2015

	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund
ADDITIONS		
Additions by participants	\$ 147,280	\$ 13,260,070
Employer contributions	-	-
Total contributions	<u>147,280</u>	<u>13,260,070</u>
Investment earnings:		
Interest income (loss)	273	60,507
Net increase (decrease) in fair value of investments	<u>-</u>	<u>-</u>
Net investment earnings	<u>273</u>	<u>60,507</u>
Total additions	<u>147,553</u>	<u>13,320,577</u>
DEDUCTIONS		
Distributions to participants	130,580	13,994,051
Benefits and refunds	-	-
Administrative expenses	4,039	-
Total deductions	<u>134,619</u>	<u>13,994,051</u>
Change in net position	12,934	(673,474)
Net position - beginning	<u>82,919</u>	<u>11,707,732</u>
Net position - ending	<u>\$ 95,853</u>	<u>\$ 11,034,258</u>

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



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NOTES TO FINANCIAL STATEMENTS



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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Grand Junction, Colorado was incorporated July 19, 1882, under provision of Article XX of the Constitution of the State of Colorado, as amended (Home Rule City). The City operates under a Council Manager form of government with seven elected Council members.

The City's financial statements include the accounts and operations of all City functions including, but not limited to, public safety (police and fire protection), street construction and maintenance, water and sanitation, planning and zoning, parks and recreation and general administration as provided by the City charter. The City owns and operates a meeting and convention center, swimming pools, golf courses and parking facilities. The City also provides ambulance transport services for Mesa County, Colorado. The City maintains a data processing facility, a fleet facility, a central stores facility and a communications center. The communications center, fleet facility, 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 are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. 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 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 DDA has an eleven-member board appointed by the City Council of the City of Grand Junction. The City Council also approves the DDA's budget and property tax levy and issues any debt for DDA projects. Financial statements for all funds and activities of the DDA are included in the City's Comprehensive Annual Financial Report because the DDA does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the Statement of Net Position 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, eliminations have been made to minimize the double-counting of interfund activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the Downtown Development Authority, the City's legally separate component unit for which the primary government is financially accountable.

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

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

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

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

Government-Wide, Proprietary and Fiduciary Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except that agency funds, as they are merely custodial funds, do not have a measurement focus. All assets, liabilities, and deferred outflows/inflows of resources including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. 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. Grant revenue is considered available if it is expected to be collected within one year and all eligibility requirements are met. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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 $\frac{2}{4}$ percent sales and use tax. The $\frac{3}{4}$ percent portion is currently dedicated to general capital improvements and economic development.

The **General Debt Service Fund** is a debt service fund used to account for all resources which are being accumulated for general long-term debt principal and interest payments maturing in future years other than long-term debt accounted for in enterprise and internal service funds or where a separate debt service fund is legally mandated.

The **Parkway Debt Retirement Fund** is a debt service fund used to account for all resources which are being accumulated for the early retirement of the Parkway Project long-term debt principal and interest payments maturing in future years.

The City reports the following major proprietary funds:

The **Water Fund** accounts for all activities associated with providing water services to customers within the water service area.

The **Two Rivers Convention Center Fund** accounts for all activities associated with the municipally owned meeting and convention center and recently renovated Avalon Theatre.

The **Golf Courses Fund** accounts for all activities associated with both municipally owned golf courses, Lincoln Park Golf Course and Tiara Rado Golf Course.

The **Parking Fund** is used to account for the revenue and expense associated with the operation of all municipally owned and leased parking facilities. Construction of a parking garage in the downtown area was completed late in 2007.

Additionally, the City reports the following fund types:

The **Permanent Fund** accumulates resources to provide future maintenance of municipal cemeteries.

The **Internal Service Funds** account for data processing, equipment acquisition, operation & maintenance, self-insurance activities, and communication services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

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

The **Investment Trust Fund** accounts for the net position 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, and collecting and forwarding special assessment debt payments for property owners.

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.

Ambulance transports have agreements with third-party payers, Medicaid, and Medicare that provide for payments to the City at amounts different from its established rates. Net patient service revenue is reported at estimated net realizable amounts.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

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:

- a. Obligations of the United States or obligations unconditionally guaranteed by the United States*
- b. Bonds of the State of Colorado and its political subdivisions*
- c. Certain obligations secured by mortgages*
- d. Bankers acceptances*
- e. Commercial paper*
- f. State investment pools*
- g. Repurchase agreements*
- h. Money market funds*
- i. Guaranteed investment contracts*

The City Council has formally established an investment policy allowing investments to have maturities beyond five years and to include mutual funds (composed of U.S. Government obligations) and collateralized mortgage obligations. Some additional restrictions apply to the various investments.

Assets of the pension plans 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 2015 taxes collectible in 2016 and are also shown as unavailable 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 is recorded for the property owners' share of the cost of street or utility improvements within special improvement districts. Corresponding unavailable 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 inflow of resources 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. The cost of prepaid items in governmental funds are recorded as expenditures when consumed rather than when purchased.

6. Restricted Cash and Investments

Certain proceeds of the Governmental Fund certificates of participation are classified as restricted assets on the balance sheet since their use is limited by applicable bond covenants.

7. Capital Assets

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

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

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

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

Estimated useful lives for asset types are as follows:

	<u>Estimated lives</u>
Building and improvements	10 to 50 years
Utility plant and system	50 years
Equipment	5 to 10 years
Infrastructure	20 to 40 years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. They are the deferred charge on refunding and the deferred outflows related to pensions reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow related to pensions results from contributions made subsequent to the measurement date and which will be recognized as a reduction of the net pension liability in the following year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City only has one type of item that qualifies for reporting in this category. It is unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

9. 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.

10. 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.

11. 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 position. Bond premiums and discounts 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.

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.

12. Net Position Flow Assumption

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

13. Fund Balance Policies and Flow Assumptions

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned or unassigned fund balances. When funds from more than one classification are available, the order of spending of resources will be restricted, committed, assigned and, lastly unassigned.

Fund balances are classified as nonspendable when they are nonspendable in form or legally or contractually required to be maintained intact.

Fund balances are classified as restricted when constraints placed on the use of resources are externally imposed by creditors, grantors, contributors, laws and regulations of other governments, or by law through constitutional provisions or enabling legislation.

Fund balances are classified as committed when constraints placed upon the use of resources are adopted by the City Council through ordinance prior to the end of the calendar year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Fund balances are classified as assigned when constraints placed upon the use of resources are imposed by the City Council through the adoption of the City's annual budget. Assigned fund balances represent the City's intent for future use of financial resources that are subject to change. An intended use of any amount may also be expressed by the City Council and recorded in the minutes of a Council meeting. Assigned fund balances in special revenue funds will include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

The residual fund balance that does not meet any of the above criteria is classified as unassigned. The City will only report a positive unassigned fund balance in the General Fund.

14. Comparative Data/Reclassifications

Comparative total data for the prior year has been presented in the accompanying Management's Discussion and Analysis in order to provide an understanding of the changes in the City's financial position and operations. However, complete comparative data has not been reported since their inclusion would make the financial statements unduly complex and difficult to read. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

A. BUDGETARY INFORMATION

Annual appropriated expenditure budgets are adopted for all governmental funds on a basis consistent with generally accepted accounting principles with the exception of the General Fund, the Sales Tax Capital Improvements Fund, and the Parkway Debt Retirement Fund. The annual budget for the General Fund is prepared on the modified accrual basis of accounting excluding certain basis differences for tax accruals and market value adjustments. The annual budget for the Sales Tax Capital Improvements Fund is prepared on the modified accrual basis of accounting except for certain basis differences for tax accruals and market value adjustments. The annual budget for the Parkway Debt Retirement Fund is prepared on the modified accrual basis of accounting except for certain basis differences for market value adjustments. Annual appropriation budgets are also adopted for all proprietary funds on the accrual basis of accounting modified to include capital expenditures and debt service principal payments and to exclude depreciation and amortization. The budget is prepared under the direction of the City Manager. The appropriations are adopted, and may not be exceeded, on a total fund basis.

The details of the budget calendar follow:

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

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

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

Supplemental appropriation ordinances during 2015 resulted in budget amendments as follows:

<u>Fund</u>	<u>Original Amount</u>	<u>Amended Amount</u>
<i>Primary Government - City of Grand Junction:</i>		
<i>Governmental Activities</i>		
General Fund	\$ 66,171,038	\$ 68,160,917
Special Revenue Funds:		
Enhanced 911	3,147,005	3,352,830
Visitors and Convention Bureau	2,087,463	2,153,410
Parkland Expansion	678,762	802,319
Community Development	335,000	457,522
Conservation Trust	610,920	620,920
Capital Projects Funds:		
Sales Tax Capital	19,136,557	19,753,722

Fund	Original Amount	Amended Amount
<i>Business-Type Activities</i>		
Enterprise Funds:		
Golf Courses	\$ 1,941,386	\$ 1,959,696
Internal Service Funds:		
Information Technology	6,631,260	6,727,973
Equipment	6,592,447	7,897,583
Communications Center	6,944,421	7,150,246

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

NOTE 3. DEPOSITS AND INVESTMENTS

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

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

Cash Deposits

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

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

The composition of all cash held by the City cash pool at December 31, 2015, is as follows:

	Bank Balance	Carrying Balance
Cash on hand	\$ -	\$ 16,097
Insured deposits	250,000	250,000
Deposits collateralized in single institutional pools	4,269,358	3,649,503
	<u>\$ 4,519,358</u>	<u>\$ 3,915,600</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, 2015, the City had the following investments:

Investment Type	S&P Rating	Fair Value	Weighted Average Maturity (Months)
Federal Agency Securities	AA+	\$ 25,891,072	24.47
Treasury Coupon Securities	AA+	6,995,040	32.60
Pass Through Securities (GNMA/CMO)	AA+	470,258	52.07
State investment pools	AAAm	16,831,146	0.00
Total		\$ 50,187,516	17.67

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

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

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

Foreign Currency Risk. The City's investment policy, excluding the FPPA pension plans, does not allow for investment in foreign currency.

NOTE 4. ACCOUNTS RECEIVABLE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts receivable of the various funds of the City at December 31, 2015, was as follows:

General Fund	\$ 551,440
Enterprise Funds:	
Water	\$ 1,054
Solid Waste Removal	274
Two Rivers Convention Center	2,898
	\$ 4,226
Internal Service Funds:	
Communications Center	\$ 817

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

Primary Government - City of Grand Junction:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$303,071,068	\$ 1,046,470	\$ 237,325	\$303,880,213
Construction in progress	1,405,307	5,464,251	1,264,391	5,605,167
Intangible assets	1,308,632	-	-	1,308,632
Total capital assets, not being depreciated	<u>305,785,007</u>	<u>6,510,721</u>	<u>1,501,716</u>	<u>310,794,012</u>
<i>Capital assets, being depreciated:</i>				
Buildings	96,892,954	1,379,719	2,610,301	95,662,372
Improvements other than buildings	31,941,676	1,252,239	17,604	33,176,311
Equipment	53,216,546	4,596,381	3,037,879	54,775,048
Infrastructure	390,692,311	4,796,266	-	395,488,577
Total capital assets, being depreciated	<u>572,743,487</u>	<u>12,024,605</u>	<u>5,665,784</u>	<u>579,102,308</u>
<i>Less accumulated depreciation for:</i>				
Buildings	21,965,849	2,648,050	2,370,338	22,243,561
Improvements other than buildings	18,046,304	1,283,446	17,604	19,312,146
Equipment	30,509,776	5,129,850	2,692,499	32,947,127
Infrastructure	125,534,037	8,713,808	-	134,247,845
Total accumulated depreciation	<u>196,055,966</u>	<u>17,775,154</u>	<u>5,080,441</u>	<u>208,750,679</u>
Total capital assets, being depreciated, net	<u>376,687,521</u>	<u>(5,750,549)</u>	<u>585,343</u>	<u>370,351,629</u>
Governmental activities capital assets, net	<u>\$682,472,528</u>	<u>\$ 760,172</u>	<u>\$2,087,059</u>	<u>\$681,145,641</u>
Business-type Activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,193,890	\$ -	\$ -	\$ 5,193,890
Construction in progress	1,002,815	91,401	1,002,522	91,694
Intangible assets	190,464	-	-	190,464
Total capital assets, not being depreciated	<u>6,387,169</u>	<u>91,401</u>	<u>1,002,522</u>	<u>5,476,048</u>
<i>Capital assets, being depreciated:</i>				
Buildings and systems	75,472,273	281,494	-	75,753,767
Improvements other than buildings	7,777,779	869,827	-	8,647,606
Equipment	3,985,190	62,669	144,037	3,903,822
Total capital assets, being depreciated	<u>87,235,242</u>	<u>1,213,990</u>	<u>144,037</u>	<u>88,305,195</u>
<i>Less accumulated depreciation for:</i>				
Buildings and systems	26,763,644	1,686,008	-	28,449,652
Improvements other than buildings	3,424,373	231,810	-	3,656,183
Equipment	2,375,458	269,502	144,037	2,500,923
Total accumulated depreciation	<u>32,563,475</u>	<u>2,187,320</u>	<u>144,037</u>	<u>34,606,758</u>
Total capital assets, being depreciated, net	<u>54,671,767</u>	<u>(973,330)</u>	<u>-</u>	<u>53,698,437</u>
Business-type activities capital assets, net	<u>\$ 61,058,936</u>	<u>\$ (881,929)</u>	<u>\$1,002,522</u>	<u>\$ 59,174,485</u>

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

Governmental Activities	
General government	\$ 1,165,676
Public safety	1,918,586
Public works	9,188,841
Parks and recreation	1,687,575
Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets	<u>3,682,023</u>
Total depreciation expense – governmental activities	<u>\$ 17,642,701</u>
Business-Type Activities	
Water	\$ 1,094,827
Solid waste	68,877
Meeting and convention center	592,252
Golf courses	232,955
Parking	111,581
Irrigation	<u>86,828</u>
Total depreciation expense – business-type activities	<u>\$ 2,187,320</u>

The increase and decrease in governmental activities capital assets include a transfer of assets of \$132,453 and accumulated depreciation of \$132,453 between the governmental funds and the internal service funds of the primary government.

Discretely Presented Component Unit

Activity for the ***Downtown Development Authority*** for the year ended December 31, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 794,691	\$ 54,180	\$ -	\$ 848,871
Construction in progress	7,430	-	7,430	-
Total capital assets, not being depreciated	<u>802,121</u>	<u>54,180</u>	<u>7,430</u>	<u>848,871</u>
<i>Capital assets, being depreciated:</i>				
Buildings and systems	2,034,439	1,300,329	-	3,334,768
Improvements other than buildings	761,663	283,363	-	1,045,026
Equipment	1,503,147	23,669	10,101	1,516,715
Total capital assets, being depreciated	<u>4,299,249</u>	<u>1,607,361</u>	<u>10,101</u>	<u>5,896,509</u>
<i>Less accumulated depreciation for:</i>				
Buildings	348,379	67,831	-	416,210
Improvements other than buildings	19,042	45,613	-	64,655
Equipment	860,338	147,113	5,050	1,002,401
Total accumulated depreciation	<u>1,227,759</u>	<u>260,557</u>	<u>5,050</u>	<u>1,483,266</u>
Total capital assets, being depreciated, net	<u>3,071,490</u>	<u>1,346,804</u>	<u>5,051</u>	<u>4,413,243</u>
DDA capital assets, net	<u>\$ 3,873,611</u>	<u>\$ 1,400,984</u>	<u>\$ 12,481</u>	<u>\$ 5,262,114</u>

Construction Commitments

The City and its component unit have several ongoing construction projects as of December 31, 2015 composed of the following:

	Spent to 12/31/2015	Projected cost of completion
Primary Government		
Street projects	\$ 1,605,897	\$ 5,537,248
Drainage projects	460,396	2,633,473
Park development	235,866	3,883,250
Facilities/equipment/other	3,394,702	7,039,854

NOTE 6. CAPITAL LEASES

Certificates of Participation

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

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

The interest rate is 4.76% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2015, follows:

Year ending December 31,	Schedule of Base Rents
2016	\$ 530,400
2017	528,650
2018	531,175
2019	528,675
2020	530,406
2021-2025	2,658,300
2026-2030	2,652,250
2031-2035	2,650,500
Total base rentals	<u>10,610,356</u>
Less amounts representing interest	(3,875,356)
Present value of minimum lease payments	<u>\$ 6,735,000</u>

The City entered into a ground lease with Zions First National Bank. Zions First National Bank issued \$34,900,000 certificates of participation, dated December 1, 2010 to be used for the construction of a police building, including a 911 emergency dispatch center, and the remodeling of existing City facilities for use as fire stations and a fire administration building, pay capitalized interest, and pay the costs of issuing the certificates. The certificates include

\$4,900,000 of Tax-Exempt Certificates of Participation, Series 2010A and \$30,000,000 Taxable Certificates of Participation (Direct Pay Build America Bonds), Series 2010B.

The City has agreed to pay base rentals from annually appropriated funds. The lease agreements are in accordance with Colorado law as to being subject to annual appropriation by the City.

The interest rates range from 4.23% to 7.48% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2015, follows:

Year ending December 31,	Schedule of Base Rents
2016	\$ 3,029,323
2017	3,028,510
2018	3,029,535
2019	3,028,985
2020	3,011,547
2021-2025	14,741,525
2026-2030	14,094,800
2031-2035	13,219,665
2036-2040	12,090,655
Total base rentals	<u>69,274,545</u>
Less amounts representing interest	(37,004,545)
Present value of minimum lease payments	<u>\$ 32,270,000</u>

The City's certificates of participation do not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional or statutory debt limitation.

NOTE 7. LONG-TERM LIABILITIES

The following is a summary of long term liability activity of the City for the year ended December 31, 2015:

Primary Government - City of Grand Junction:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Revenue bonds:					
<i>Parkway Refunding</i>	\$ 30,645,000	\$ -	\$ 2,470,000	\$28,175,000	\$2,575,000
<i>Parkway Refunding Premium</i>	3,767,916	-	659,141	3,108,775	610,760
Capital Leases:					
<i>Certificates of Participation</i>	39,920,000	-	915,000	39,005,000	950,000
<i>Discount on Certificates of Participation</i>	(362,673)	16,997	-	(345,676)	(18,041)
Net pension liability:					
<i>Fire Defined Benefit Plan</i>	3,018,878	329,336	307,037	3,041,177	-
Claims payable	2,073,879	1,211	707,655	1,367,435	679,837
Compensated absences	3,863,824	4,758,844	4,658,067	3,964,601	235,062
Other Post-Employment Benefits	2,346,495	1,234,342	505,643	3,075,194	-
Governmental activity long-term liabilities	<u>\$ 85,273,319</u>	<u>\$6,340,730</u>	<u>\$10,222,543</u>	<u>\$81,391,506</u>	<u>\$5,032,618</u>

Business-Type Activities:

Loans payable					
<i>Water Systems</i>	\$4,874,437	\$ -	\$ 361,506	\$4,512,931	\$371,109
Less deferred amounts:					
For loan discount	(23,382)	4,826	-	(18,556)	(4,202)
Compensated absences	561,399	614,267	663,919	511,747	30,341
Business-type activity long-term liabilities	<u>\$5,412,454</u>	<u>\$619,093</u>	<u>\$1,025,425</u>	<u>\$5,006,122</u>	<u>\$397,248</u>

Component Unit – Downtown Development Authority:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Tax increment bonds	\$5,915,000	\$ -	\$ 635,000	\$5,280,000	\$ 660,000
Promissory Note	-	1,000,000	-	1,000,000	500,000
Compensated absences	10,276	10,913	15,019	6,170	366
Total	<u>\$5,925,276</u>	<u>\$ 1,010,913</u>	<u>\$ 650,019</u>	<u>\$6,286,170</u>	<u>\$1,160,366</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 \$509,465 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, 2015, are comprised of the following:

Primary Government – City of Grand Junction:**REVENUE BONDS:**

The City of Grand Junction issued \$30,645,000 of General Fund Revenue Refunding Bonds Series 2012 bearing interest at 2% to 5% payable March 1 and September 1 annually through March 1, 2024. The principal and interest on the bonds is payable solely from pledged sales and use tax revenues. There was \$28,175,000 unpaid principal at December 31, 2015, payable over the following term:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,575,000	\$ 1,280,375	\$ 3,855,375
2017	2,705,000	1,148,375	3,853,375
2018	2,845,000	1,009,625	3,854,625
2019	2,975,000	883,625	3,858,625
2020	3,095,000	761,375	3,856,375
2021-2024	13,980,000	1,433,750	15,413,750
	<u>\$ 28,175,000</u>	<u>\$ 6,517,125</u>	<u>\$ 34,692,125</u>

ADVANCE REFUNDING:

Prior year defeasance of debt. In prior years, the City of Grand Junction defeased general revenue bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At December 31, 2015, no defeased bonds remained outstanding.

LOANS PAYABLE:

The City of Grand Junction entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance improvements on the City’s water system. The principal amount is \$3,566,522 at a net effective interest rate of 4.02%, payable February 1 and August 1 annually through 2022. The water system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the City with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2015 was \$1,551,598 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2016	\$ 199,337	\$ 53,621	\$ 252,958
2017	204,725	50,131	254,856
2018	210,112	41,266	251,378
2019	215,500	33,825	249,325
2020	226,275	23,537	249,812
2021-2022	495,649	24,865	520,514
	<u>\$1,551,598</u>	<u>\$ 227,245</u>	<u>\$1,778,843</u>

The City of Grand Junction entered into a loan agreement dated February 2, 2010 with the Colorado Water Resources and Power Development Authority to finance improvements on the City’s water system. The principal amount is \$3,800,000 at a net effective interest rate of 2.5%, payable May 1 and November 1 annually through 2030. The water system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the City with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2015 was \$2,961,332 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2016	\$ 171,772	\$ 72,966	\$ 244,738
2017	176,093	68,645	244,738
2018	180,523	64,215	244,738
2019	185,064	59,674	244,738
2020	189,719	55,019	244,738
2021-2025	1,022,633	201,057	1,223,690
2026-2030	1,035,528	65,792	1,101,320
	<u>\$2,961,332</u>	<u>\$ 587,368</u>	<u>\$ 3,548,700</u>

Component Unit – Downtown Development Authority:

SHORT-TERM OBLIGATION:

During 2015, a revolving line of credit was established with a bank for a 5-year period in the amount of \$1,000,000 to finance DDA projects and programs in accordance with its approved plan of development. During 2015, total draw amounts were \$997,978. In August 2015, a total of \$997,978 was repaid and there is no amount outstanding as of December 31, 2015.

LOANS PAYABLE:

During 2015, the Downtown Development Authority entered into a loan agreement with Mesa County Valley School District No. 51 in order to finance the purchase of the R5 property located at 310 North 7th Street. The property is a full city block located at the northeast corner of the Central Business District. The DDA is soliciting proposals for opportunity to redevelop the property and investment in the downtown area. The principal amount is \$1,000,000 interest free payable in two equal installments on Aug 15 and June 30. The unpaid principal at December 31, 2015 was \$1,000,000 payable over the following term:

Year	Principal	Interest	Total
2016	\$ 500,000	\$ -	\$ 500,000
2017	500,000	-	500,000
	<u>\$1,000,000</u>	<u>\$ -</u>	<u>\$1,000,000</u>

TAX INCREMENT BONDS:

During 2012, the Downtown Development Authority issued \$7,125,000 Tax Increment Financing Bonds. The bonds include \$4,070,000 of Tax-Exempt Increment Bonds, Series 2012A and \$3,055,000 Taxable Increment Bonds, Series 2012B. The bonds bear interest from 3.5% to 5.3% and are payable on June 15 and December 15 of each year through 2022. The unpaid principal at December 31, 2015 was \$5,280,000 payable over the following term:

Year	Principal	Interest	Total
2016	\$ 660,000	\$ 250,070	\$ 910,070
2017	685,000	223,010	908,010
2018	715,000	193,555	908,555
2019	750,000	161,380	911,380
2020	785,000	126,130	911,130
2021-2022	1,685,000	133,510	1,818,510
	<u>\$5,280,000</u>	<u>\$1,087,655</u>	<u>\$6,367,655</u>

There are certain reserve requirements, limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant requirements.

NOTE 8. BUDGET TO ACTUAL PRESENTATION – PROPRIETARY FUNDS

Modifications to budgetary basis consist of adding capital expenditures and debt service principal payments to, and excluding depreciation and amortization expense, estimated claims expense, fund equity transfers, and any changes in accrued compensated absences and accrued interest expense from GAAP basis expenditures.

	Budgeted Amounts		Expenditures Reported on the Basis of GAAP	Adjustment to Budgetary Basis	Expenditures on Budgetary Basis	Variance with Final Budget – Positive (Negative)
	Original	Final				
Enterprise Funds:						
Water	\$6,511,324	\$6,511,324	\$5,760,088	(\$431,513)	\$5,328,575	\$1,182,749
Solid Waste Removal	3,635,558	3,635,558	3,464,607	48,634	3,513,241	122,317
Two Rivers						
Convention Center	2,524,520	2,524,520	2,980,672	(584,802)	2,395,870	128,650
Golf Courses	1,941,386	1,959,696	1,986,700	(37,810)	1,948,890	10,806
Parking Authority	506,686	506,686	416,220	84,527	500,747	5,939
Irrigation	262,770	262,770	322,893	(81,597)	241,296	21,474
Internal Service Funds:						
Data Processing	6,631,260	6,727,973	6,333,256	(407,765)	5,925,491	802,482
Equipment	6,592,447	7,897,583	4,927,800	729,732	5,657,532	2,240,051
Self-Insurance	3,140,872	3,140,872	1,998,562	732,636	2,731,198	409,674
Communications						
Center	6,944,421	7,150,246	7,207,135	(757,464)	6,449,671	700,575
Facilities	3,095,162	3,095,162	2,734,423	7,151	2,741,574	353,588

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2015, is as follows:

Due to/from other funds:

	Due from Other Funds	Due to Other Funds
General Fund	\$1,394,678	\$ -
Community Development Special Revenue Fund to cover the cost of operations	-	9,176
Sales Tax Capital Projects Fund to cover the cost of capital	-	840,746
Two Rivers Convention Center Fund to cover the cost of operations	-	69,396
Parking Enterprise Fund to pay current portion of advance	-	200,871
Solid Waste Removal Enterprise Fund to pay current portion of advance	-	87,187
Tiara Rado Golf Course Enterprise Fund to pay current portion of advance	-	187,302
Total	<u>\$1,394,678</u>	<u>\$1,394,678</u>

Advances to/from other funds:

	Advance to Other Funds	Advance from Other Funds
General Fund	\$6,184,351	\$ -
Solid Waste Removal Enterprise Fund to cover the cost of operations	-	588,169
Tiara Rado Golf Enterprise Fund to cover the cost of new irrigation system	-	2,937,290
Parking Enterprise Fund to cover partial cost of new parking garage	-	2,658,892
Total	<u>\$6,184,351</u>	<u>\$6,184,351</u>

Interfund Transfers:

<i>Transfers In:</i>	<u>General Fund</u>	<u>Sales Tax CIP Fund</u>	<u>Nonmajor Gov Funds</u>	<u>Water</u>	<u>Internal Service</u>	<u>Total</u>
General Fund	\$ -	\$ 525,324	\$ 47,013	\$ -	\$ 38,853	\$ 611,190
Sales Tax CIP	81,500	-	837,483	14,790	-	933,773
General Debt Service Fund	-	5,664,752	500,000	-	-	6,164,752
Paryway Debt Retirement	-	1,217,955	-	-	-	1,217,955
Water Fund	-	-	-	-	3,063	3,063
Two Rivers Conv Center	258,609	-	190,505	-	1,002	450,116
Golf Courses	-	-	155,000	-	511	155,511
Parking	-	-	-	-	157	157
Nonmajor Governmental	-	226,119	232,876	-	862	459,857
Internal Service	65,199	100,000	2,050,382	-	17,743	2,233,324
Nonmajor Proprietary	-	-	-	-	1,326	1,326
Total Transfers Out	<u>\$ 405,308</u>	<u>\$7,734,150</u>	<u>\$4,013,259</u>	<u>\$ 14,790</u>	<u>\$ 63,517</u>	<u>\$12,231,024</u>

Transfers into the General Fund were to assist with cemetery operations (\$6,300); to reimburse administrative costs of the Community Development Block Grant (\$40,713); health insurance rebates (\$38,853); for capital equipment (\$25,324); and for economic development contributions (\$500,000). Transfers out of the General Fund were for capital construction and to subsidize operations for Two Rivers Convention Center.

Transfers into the Sales Tax CIP Fund were for various capital construction projects. Transfers out of the Sales Tax CIP Fund were to repay the parkway debt (\$3,852,300); to make the lease payment on the Public Safety Certificates of Participation (\$1,812,452); to set aside dollars to repay the parkway debt (\$1,217,955); and for capital and economic development purchases.

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

Transfers into the Golf Courses Fund were to subsidize debt service and purchase capital equipment.

Transfers into Nonmajor Governmental Funds were for capital construction and to make the lease payment on the Stadium Certificates of Participation.

Transfers into the Internal Service Fund of \$2,050,382 were for equipment upgrades funded by the E-911 surcharge.

NOTE 10. RETIREMENT PLANS

A. DEFINED CONTRIBUTIONS PLANS

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

Under City ordinances, substantially all full time City employees, other than sworn police officers and fire fighters and elected officials, are covered by a mandatory contributory defined contribution retirement plan. The City of Grand Junction, Colorado, Employees Retirement Plan is administered by the International City Manager's Association Retirement Corporation (ICMA-RC). The plan provides for retirement benefits based upon an employee's vested account. A participant becomes 100% vested on completion of five years of service. Amounts forfeited by employees who leave employment before becoming fully vested are used to pay for administrative expenses of the plan. The City matches employees' required contributions of 6% of base salary. An employee may make voluntary contributions of up to an additional 10%. Total payroll for all City employees for the year ended December 31, 2015, was \$47,224,728. Covered wages and contributions in 2015 were as follows:

<u>General Employee Plan</u>	
Covered wages	\$24,703,190
City contribution	1,517,036
Employee contribution	1,517,036

Effective January 1, 1980, under state statutes, all fire fighters and police officers hired after April 8, 1978, are covered under fire and police defined contribution pension plans (new hire plans). Fire fighters and police officers hired prior to this date had the option to remain in the defined benefit plans (old hire plans) or to transfer to the applicable new plan. The new plans are administered by independent boards. The assets of the New Hire Police Money Purchase Pension Plan and the New Hire Fire Money Purchase Pension Plan are maintained by the International City Manager's Association Retirement Corporation (ICMA-RC). Vesting is accomplished over a five-year period. Amounts forfeited by employees who leave employment before becoming fully vested are retained by the plan for administrative expenses of the plan. The rate of contribution under the new plan is 10.65% of regular salary for the employee and the City. Covered wages and contributions in 2015 were as follows:

<u>New Hire – Police & Fire</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Covered wages	\$8,141,639	\$7,777,678
City contribution	868,362	828,576
Employee contribution	868,362	828,576

In 1988, the City established supplemental defined contribution plans (new supplemental plans) for fire fighters and police officers hired before April 8, 1978, whom remained as participants in the defined benefit plans (old plans). The Old Hire Police Officers Rank Escalation Pension Plan and the Old Hire Firefighters Rank Escalation Pension Plan were established in exchange for a freeze in rank escalation benefits in the old plans at 1980 levels. The plans are administered by the International City Manager’s Association Retirement Corporation (ICMA-RC). Under these new supplemental plans, the City contributes 6.65% of the employee's gross wages to the plan and the employee contributes .65%. Employees' balances became fully vested upon establishment of the plans. In 2015, there were no police officers or fire fighters participating in the defined benefit plans.

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

B. DEFINED BENEFIT PLANS

Plan Description. The City, on behalf of certain full-time paid firefighters and police officers, contributes to the Fire Old Hire Pension Fund and the Police Old Hire Pension Fund, both defined benefit, agent multiple- employer plans that are affiliated with the Fire and Police Pension Association of Colorado (FPPA). Assets of the plans are commingled for investment purposes in the Fire and Police Member’s Benefit Investment Fund; a combination of agent, multiple-employer defined benefit pension plans administered by FPPA with over 200 participating employers in the State of Colorado. The plans provide retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of each plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plans. **FPPA issues a publicly available annual financial report that includes the assets of the plans, note disclosures related to the plan investments and policies, and separate biennial actuarial reports for each of the plans. The reports may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at 1-800-770-3772.**

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

Contributions. 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 2015, there were no active policemen covered by the Police Old Hire Plan and 14 retirees and beneficiaries receiving benefits. There were no active firefighters contributing to the Fire Old Hire Plan and 34 retirees and beneficiaries receiving benefits. Contributions to the funds for the year ended December 31, 2015, were as follows:

	Police Old Hire Plan	Fire Old Hire Plan	Total
City contribution	\$ -	\$ 307,037	\$ 307,037
Total	\$ -	\$ 307,037	\$ 307,037

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2015, the City reported a liability of \$3,041,177 for its net pension liability related to the old hire fire pension plan. The net pension liability was measured as of December 31, 2014, and the total liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. The City's net pension liability was based on a projection of the City's long-term contributions to the pension plan, actuarially determined.

At December 31, 2015, the City reported an asset of \$558,137 for its net pension asset related to the old hire police pension plan. The new pension asset was measured as of December 31, 2014, and the total liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2014. The City's net pension asset was based on a projection of City's long-term contributions to the pension plan, actuarially determined.

For the year ended December 31, 2015, the City recognized pension expense of \$221,125. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual results	\$ -	\$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on Plan investments	70,251	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City Contributions subsequent to the measurement date	307,037	-
Total	\$ 377,288	\$ -

Deferred outflows of resources of \$307,037 related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending December 31,	Net Deferred Outflows/ (Inflows) of Resources
2016	\$ 17,563
2017	17,563
2018	17,563
2019	17,562
2020	-
Thereafter	-
Total	\$ 70,251

Actuarial Assumptions. The total pension liability in the December 1, 2014 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

	Police Old Hire Plan	Fire Old Hire Plan
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar, Open	Level Dollar, Open
Remaining amortization period	17 years	20 years
	5-Year smoothed,	5-Year smoothed,
Asset valuation method	FMV	FMV
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases	N/A	N/A
Includes inflation at	3.00%	3.00%
Cost of living adjustment	N/A	N/A

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current beneficiaries. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity analysis. The following presents the net pension liability/(asset), calculated using the discount rate of 7.50%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

Police Old Hire Plan			
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.5%
Net Pension Liability/(Asset)	(300,266)	(558,137)	(786,798)

Fire Old Hire Plan			
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.5%
Net Pension Liability/(Asset)	4,073,074	3,041,177	2,143,758

NOTE 11. POST EMPLOYMENT HEALTHCARE PLAN

Plan Description. The City of Grand Junction's Employee Retirement Health Benefit Plan is administered by the City of Grand Junction (the City). The Retiree Health Benefit Plan was implemented by the City in 1998, after a favorable vote by employees, to provide affordable healthcare coverage to its retirees and their dependents. The Rocky Mountain Healthcare C3 Plan (C3) offers healthcare coverage at retirement for the employee who retires at age 50-64 with 15 years of service or more. Retirees that qualify for coverage must pay 10% of current C3 rates to participate. Employee spouses and dependents that qualify for coverage must pay current C3 rates to participate. Coverage terminates for the employee and eligible dependents at age 65 when Medicare eligibility begins. Disabled employees with five years of service are also eligible to enroll in the plan.

Funding Policy. The contribution requirements of retirees and the City are established and may be amended by the City Council of the City. Retirees receiving benefits contributed \$101,222 or approximately 21.84% of the total premiums, through their required contribution of \$59.30 per month for single coverage, \$651.05 per month for spouse

coverage and \$1,035.69 for family coverage. Only the retiree's premium is paid partially by the City. During 2015, there were 59 retirees and 10 dependents receiving benefits.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to C3:

	Retiree Healthcare Plan
Annual required contribution (ARC)	\$ 1,224,286
Interest on net OPEB obligation	93,860
Adjustment to ARC	(83,804)
Annual OPEB cost (expense)	1,234,342
Contributions made	(505,643)
Increase in net OPEB obligation	728,699
Net OPEB obligation – January 1, 2015	2,346,495
Net OPEB obligation – December 31, 2015	\$ 3,075,194

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$1,003,512	62.83%	\$1,669,381
2014	1,231,440	45.01%	2,346,495
2015	1,234,342	40.96%	3,075,194

Funded Status and Funding Progress. As of June 30, 2014, the most recent actuarial valuation date, the plan was unfunded. The unfunded actuarial accrued liability (UAAL) for benefits was \$12.39 million. The covered payroll (annual payroll of active employees covered by the plan) was \$36,628,908 and the ratio of the UAAL to the covered payroll was 33.83%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the fund status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is based on the employer's own investments

and an annual healthcare cost trend rate of 7.5% initially, reduced by decrements to an ultimate rate of 5% after five years. Both rates included a 3.0% inflation assumption. The UAAL is being amortized on a level percent of pay, open basis. The remaining amortization period at June 30, 2014, was 30 years.

NOTE 12. RELATED ENTITIES

A. JOINT VENTURES

City of Grand Junction/Mesa County, Colorado, Joint Sewer System

The City operates and manages the City of Grand Junction/Mesa County, Colorado, Joint Sewer System, a regional sewer system. The regional sewer system was organized by agreements made in 1979 and 1980 to provide sewer collection and treatment for the metropolitan area in the Grand Valley. The City contributed all assets which were included in its pre existing Sewer Fund while Mesa County contributed its name through the issuance of revenue bonds, which are payable from and secured by revenue of the sewer system. After contribution of these assets, the City's pre existing Sewer Fund was terminated. The City does not have a measurable present or future claim to the net resources of the Joint Sewer System, and therefore does not record an equity interest in its financial statements. The agreements provide that both the City and Mesa County approve the sewer system's annual appropriation budget. The City's utility department operates and manages the sewer system. The agreements provide that upon dissolution of the joint venture, ownership of the assets of the Joint Sewer system shall be determined by mutual agreement. Condensed financial statements of the sewer system at December 31, 2015 and for the year then ended, are as follows:

<u>Statement of Net Position</u>	
Assets:	
Current assets	\$ 12,306,329
Noncurrent assets	40,399
Net property, plant, and equipment	89,690,418
Total assets	\$ 102,037,146
Liabilities:	
Current liabilities	\$ 1,401,270
Long-term debt	6,312,360
Total liabilities	7,713,630
Net Position:	
Net investment in capital assets	82,677,336
Unrestricted	11,646,180
Total net position	\$ 94,323,516

<u>Statement of Revenue and Expenses</u>	
Operating revenue	\$ 11,037,487
Operating expenses	9,698,134
Operating income (loss)	1,339,353
Net nonoperating revenue (expenses)	314,433
Capital contributions	2,009,450
Change in net position	3,663,236
Net position – beginning	90,660,280
Net position - ending	\$ 94,323,516

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 \$11,034,258 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 \$3,321,422 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, 2015 was \$4,350,000 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2016	\$ 410,000	\$ 185,818	\$ 595,818
2017	420,000	172,380	592,380
2018	435,000	159,048	594,048
2019	450,000	145,591	595,591
2020	465,000	131,884	596,884
2021-2024	2,170,000	205,990	2,375,990
	<u>\$4,350,000</u>	<u>\$1,000,711</u>	<u>\$5,350,711</u>

BONDS PAYABLE

The Joint Sewer System issued \$5,200,000 of approved revenue bonds (Direct Pay Build America Bonds Series 2009) bearing interest at 3.99% payable June 1 and December 1 annually through December 2019 to extend, better, otherwise improve and equip its joint wastewater system. The unpaid principal at December 31, 2015 was \$2,515,000 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2016	\$ 480,000	\$ 112,441	\$ 592,441
2017	490,000	93,275	583,275
2018	505,000	71,750	576,750
2019	1,040,000	48,807	1,088,807
	<u>\$2,515,000</u>	<u>\$ 326,273</u>	<u>\$2,841,273</u>

B. RELATED ORGANIZATIONS

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

Grand Junction Housing Authority

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

Horizon Drive Business Improvement District

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

NOTE 13. CONTINGENCIES

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to employee health claims; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established the Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Internal Service Fund provides coverage for up to a maximum of \$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 an excess policy for claims above the self-insured retention for worker's compensation and participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for claims in excess of coverage for general liability, crime, police professional liability, E & O and property. The City's share of surplus contributions held by CIRSA at December 31, 2015 was \$320,054. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

All funds of the City and the Joint Sewer System participate in the program and make payments to the Self-Insurance Internal Service Fund at amounts that approximate amounts which would have been paid to outside insurance providers. The claims liability of \$1,367,435 in the Self-Insurance Internal Service Fund at December 31, 2015, 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 2014 and 2015 were:

	January 1 Claims Payable	Claims and Changes in Estimates	Claim Payments	December 31 Claims Payable
2014	\$2,217,985	\$ 595,551	\$(739,657)	\$2,073,879
2015	\$2,073,879	\$ 1,211	\$(707,655)	\$1,367,435

B. GRANTS

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

C. LITIGATION

The City is involved in several claims and lawsuits as the result of the normal conduct of City business. City management believes that those claims and lawsuits will not have a material effect on the financial statements of the City.

NOTE 14. CONDUIT DEBT OBLIGATIONS

The City has sponsored several industrial revenue and special assessment bond issues to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These issues do not constitute debt of the City of Grand Junction and the City assumes no financial

obligation for these bond issues. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

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.

Lease Revenue Bonds were issued in 2006 for \$12,565,000 to fund the construction of the CBI Laboratory Facilities Project. The City is not liable for repayment of the debt.

NOTE 15. SEIZED FUNDS

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

NOTE 16. TAX, SPENDING AND DEBT LIMITATIONS

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

Future spending and revenue limits are determined based on the prior year's "Fiscal Year Spending" adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. In April 2007, City of Grand Junction voters approved the retention by the City of all revenues exceeding the Fiscal Year Spending limit for 2006 and subsequent years until the Riverside Parkway bonded debt is paid in full, with all amounts retained to be used exclusively for payment of the debt. To that end, \$22,398,651 has been restricted for payment of the debt. In addition to these funds, City Council assigned \$7,163,046 of general fund balance to be used for the early retirement of the Riverside Parkway Bonds. In 2012, the City used \$19,000,000 of these available resources with proceeds from the 2012 General Fund Revenue Refunding Bonds to advance refund \$49,340,000 of the outstanding Riverside Parkway Revenue 2004 Series Bonds.

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, 2015, totaling \$2,000,000 are presented as a reservation of fund balance in the General Fund. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

NOTE 17. CHANGE IN ACCOUNTING PRINCIPLES

In 2015, the City implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions-an amendment to GASB Statement No. 27, which improves the information provided by state and local government employers about financial support for pensions that is provided by other entities. This statement was the result of a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity and creating additional transparency. The effect of the implementation resulted in a restatement to the beginning net position on the Statement of Activities of \$3,117,387 for Governmental Activities.

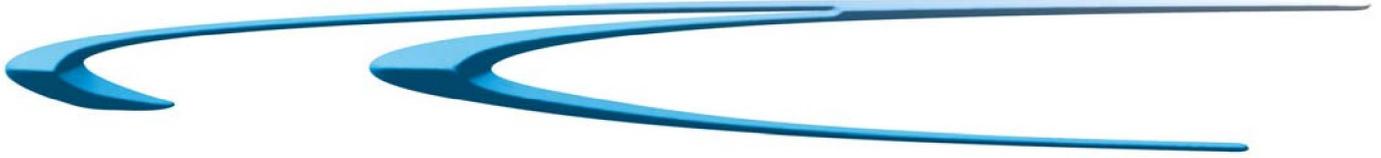
NOTE 18. PRIOR PERIOD ADJUSTMENT

In June 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions (“GASB 68”). GASB 68 established standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers. The requirements of GASB 68 were effective for fiscal years beginning after June 15, 2014. The implementation of GASB 68 by the City required a restatement of the prior year net position to recognize the City’s net pension liability (NPL), the liability to employees for benefits provided through the City’s Police and Fire Old Hire plans. The City’s NPL of \$2,483,040 was measured as of December 31, 2014, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. A restatement to recognize the NPL decreased the City’s beginning net position from \$700,748,234 to \$697,630,847.

The decrease in net position for governmental activities for the NPL was as follows:

Total net position December 31, 2014 as previously reported	\$ 648,269,630
Governmental funds	<u>(3,117,387)</u>
Total net position December 31, 2014, as restated	\$ <u>645,152,243</u>

Additional information regarding the Police Old Hire Pension Plan or the Fire Old Hire Pension Plan can be found in *Note 10*.



REQUIRED SUPPLEMENTARY INFORMATION

City of Grand Junction, Colorado
SCHEDULE OF CHANGES IN NET PENSION LIABILITY(ASSET) AND RELATED RATIOS
Police Old Hire Pension Plan
Last 10 Fiscal Years (to be built prospectively)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Pension Liability							
Service Cost	\$ -						
Interest on the Total Pension Liability	279,666						
Benefit Changes	-						
Difference between Expected and Actual Experience	-						
Assumption Changes	-						
Benefit Payments	(456,535)						
Totoal Change in Total Pension Liability	<u>(176,869)</u>						
Total Pension Liability-Beginning 1/1/2014	<u>3,953,023</u>						
Total Pension Liability-Ending 12/31/14 (a)	<u>\$ 3,776,154</u>						
 Plan Fiduciary Net Position							
Employer Contributions	\$ -						
Employee Contributions	-						
Pension Plan Net Investment Income	292,173						
Benefit Payments	(456,535)						
Pension Plan Administrative Expense	(10,032)						
Net Change in Plan Fiduciary Net Position	<u>(174,394)</u>						
Plan Fiduciary Net Position Beginning 1/1/14	<u>4,508,685</u>						
Plan Fiduciary Net Position Ending 12/31/14 (b)	<u>\$ 4,334,291</u>						
Net Pension Liability/(Asset) Ending (a)- (b)	<u>(558,137)</u>						
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	114.78%						
Covered Empolyee Payroll	N/A						
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A						

City of Grand Junction, Colorado
SCHEDULE OF CHANGES IN NET PENSION LIABILITY(ASSET) AND RELATED RATIOS
Fire Old Hire Pension Plan
 Last 10 Fiscal Years (to be built prospectively)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Pension Liability							
Service Cost	\$ -						
Interest on the Total Pension Liability	899,930						
Benefit Changes	-						
Difference between Expected and Actual Experience	-						
Assumption Changes	-						
Benefit Payments	(1,126,445)						
Totoal Change in Total Pension Liability	(226,515)						
Total Pension Liability-Beginning 1/1/2014	12,552,106						
Total Pension Liability-Ending 12/31/14 (a)	<u>\$ 12,325,591</u>						
Plan Fiduciary Net Position							
Employer Contributions	\$ 271,552						
Employee Contributions	-						
Pension Plan Net Investment Income	623,843						
Benefit Payments	(1,126,445)						
Pension Plan Administrative Expense	(17,764)						
Net Change in Plan Fiduciary Net Position	(248,814)						
Plan Fiduciary Net Position Beginning 1/1/14	9,533,228						
Plan Fiduciary Net Position Ending 12/31/14 (b)	<u>\$ 9,284,414</u>						
Net Pension Liability/(Asset) Ending (a)- (b)	3,041,177						
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.33%						
Covered Empolyee Payroll	N/A						
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A						

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City of Grand Junction, Colorado
SCHEDULE OF CONTRIBUTIONS MULTIYEAR
Police Old Hire Pension Plan
 Last 10 Fiscal Years (to be built prospectively)

FY Ending December 31,	Actuarially Determined Contribution*	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
[a]	[b]	[c]	[d] = [b] - [c]	[e]	[f]
2014	\$ 116,037	\$ -	\$ 116,037	N/A	N/A

*Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.

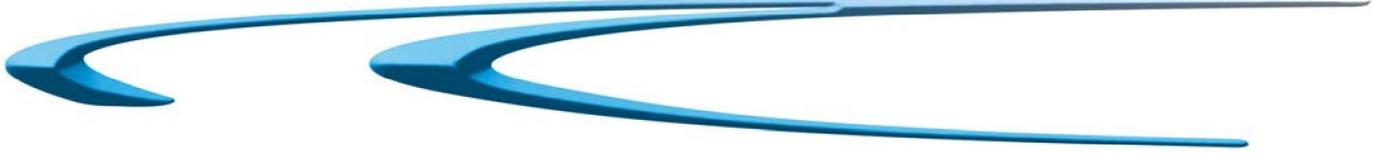
City of Grand Junction, Colorado
SCHEDULE OF CONTRIBUTIONS MULTYEAR
Fire Old Hire Pension Plan
 Last 10 Fiscal Years (to be built prospectively)

FY Ending December 31,	Actuarially Determined Contribution*	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
[a]	[b]	[c]	[d] = [b] - [c]	[e]	[f]
2014	\$ 276,015	\$ 271,552	\$ 4,463	N/A	N/A

*Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.



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NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted or committed to expenditures for specified purposes.

Visitors and Convention Bureau ~ to accumulate resources from a lodging tax approved by the voters in 1994 and other taxes committed by City Council to operate a visitor and convention bureau that promotes conventions and tourism.

Enhanced 911 Fund ~ to account for the resources from municipal telephone charges, as established by section 29-11-103 of the Colorado Revised Statutes, and their expenditure for improvements to the emergency 911 communication center.

Parkland Expansion Fund ~ to accumulate resources derived from fees paid by land developers within the City committed to acquire, develop and maintain parks and green space.

Conservation Trust Fund ~ to account for lottery proceeds received from the State of Colorado 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 and the public safety building certificates of participation issue.

Capital Projects Funds (Continued)

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.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

General Debt Service Fund ~ to account for all resources which are being accumulated for general long-term debt principal and interest payments maturing in future years other than long-term debt accounted for in enterprise and internal service funds or where a separate debt service fund is legally mandated.

Parkway Debt Retirement Fund is a debt service fund used to account for all resources which are being accumulated for the early retirement of the Parkway Project long-term debt principal and interest payments maturing in future years.

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

Grand Junction 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, 2015

	Special Revenue					Total
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Conservation Trust	Community Development	
ASSETS						
Cash and investments	\$ 99,508	\$ 2,112,571	\$ 598,315	\$ 237,922	\$ -	\$ 3,048,316
Accounts receivable	93	352,411	-	-	-	352,504
Taxes receivable	140,204	-	-	-	-	140,204
Intergovernmental receivable	-	6,455	-	-	22,709	29,164
Prepays	13,396	-	-	-	-	13,396
Total assets	<u>\$ 253,201</u>	<u>\$ 2,471,437</u>	<u>\$ 598,315</u>	<u>\$ 237,922</u>	<u>\$ 22,709</u>	<u>\$ 3,583,584</u>
LIABILITIES						
Accounts payable	16,597	-	-	-	7,273	23,870
Accrued liabilities	27,585	-	-	-	-	27,585
Due to other funds	-	-	-	-	9,176	9,176
Unearned revenue	-	-	-	-	6,260	6,260
Total liabilities	<u>44,182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,709</u>	<u>66,891</u>
FUND BALANCES						
Nonspendable:						
Inventories and prepaids	\$ 13,396	\$ -	\$ -	\$ -	\$ -	\$ 13,396
Permanent fund principal	-	-	-	-	-	-
Restricted for:						
Debt service	-	-	-	-	-	-
Parks and recreation	-	-	-	237,922	-	237,922
Public safety	-	2,471,437	-	-	-	2,471,437
Committed to:						
Open space	-	-	598,315	-	-	598,315
Street capacity expansion	-	-	-	-	-	-
Tourism and convention	195,623	-	-	-	-	195,623
Total fund balances	<u>209,019</u>	<u>2,471,437</u>	<u>598,315</u>	<u>237,922</u>	<u>-</u>	<u>3,516,693</u>
Total liabilities and fund balances	<u>\$ 253,201</u>	<u>\$ 2,471,437</u>	<u>\$ 598,315</u>	<u>\$ 237,922</u>	<u>\$ 22,709</u>	<u>\$ 3,583,584</u>

Debt Service			Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJ Public Finance	Total	Storm Drainage Development	Street Assessment Capital Projects	Total	Cemetery Perpetual Care	
\$ 16,820	\$ 2,411	\$ 19,231	\$ 9,751	\$ 2,094,769	\$ 2,104,520	\$ 1,371,675	\$ 6,543,742
-	-	-	6,494	-	6,494	546	359,544
-	-	-	-	-	-	-	140,204
-	-	-	-	-	-	-	29,164
-	-	-	-	-	-	-	13,396
<u>\$ 16,820</u>	<u>\$ 2,411</u>	<u>\$ 19,231</u>	<u>\$ 16,245</u>	<u>\$ 2,094,769</u>	<u>\$ 2,111,014</u>	<u>\$ 1,372,221</u>	<u>\$ 7,086,050</u>
-	1,500	1,500	16,245	895,774	912,019	-	937,389
-	-	-	-	-	-	-	27,585
-	-	-	-	-	-	-	9,176
-	-	-	-	-	-	-	6,260
<u>-</u>	<u>1,500</u>	<u>1,500</u>	<u>16,245</u>	<u>895,774</u>	<u>912,019</u>	<u>-</u>	<u>980,410</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,396
-	-	-	-	-	-	1,372,221	1,372,221
16,820	911	17,731	-	-	-	-	17,731
-	-	-	-	-	-	-	237,922
-	-	-	-	-	-	-	2,471,437
-	-	-	-	-	-	-	598,315
-	-	-	-	1,198,995	1,198,995	-	1,198,995
-	-	-	-	-	-	-	195,623
<u>16,820</u>	<u>911</u>	<u>17,731</u>	<u>-</u>	<u>1,198,995</u>	<u>1,198,995</u>	<u>1,372,221</u>	<u>6,105,640</u>
<u>\$ 16,820</u>	<u>\$ 2,411</u>	<u>\$ 19,231</u>	<u>\$ 16,245</u>	<u>\$ 2,094,769</u>	<u>\$ 2,111,014</u>	<u>\$ 1,372,221</u>	<u>\$ 7,086,050</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, 2015

	Special Revenue					
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Conservation Trust	Community Development	Total
REVENUES						
Taxes	\$ 2,047,956	\$ -	\$ -	\$ -	\$ -	\$ 2,047,956
Intergovernmental	-	-	-	611,755	359,517	971,272
Charges for services	9,557	2,446,834	-	-	-	2,456,391
Miscellaneous	8,327	-	109,751	-	-	118,078
Investment income	235	11,944	4,442	1,567	-	18,188
Total revenues	<u>2,066,075</u>	<u>2,458,778</u>	<u>114,193</u>	<u>613,322</u>	<u>359,517</u>	<u>5,611,885</u>
EXPENDITURES						
Current:						
General government	1,962,905	-	-	-	-	1,962,905
Urban development and housing	-	-	-	-	156,781	156,781
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>1,962,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,781</u>	<u>2,119,686</u>
Excess (deficiency) of revenues over (under) expenditures	103,170	2,458,778	114,193	613,322	202,736	3,492,199
OTHER FINANCING SOURCES (USES)						
Transfers in	862	-	-	-	-	862
Transfers out	<u>(190,505)</u>	<u>(2,550,382)</u>	<u>(504,075)</u>	<u>(559,260)</u>	<u>(202,736)</u>	<u>(4,006,958)</u>
Total other financing sources (uses)	<u>(189,643)</u>	<u>(2,550,382)</u>	<u>(504,075)</u>	<u>(559,260)</u>	<u>(202,736)</u>	<u>(4,006,096)</u>
Net change in fund balance	(86,473)	(91,604)	(389,882)	54,062	-	(513,897)
Fund balances - beginning	295,492	2,563,041	988,197	183,860	-	4,030,590
Fund balances - ending	<u>\$ 209,019</u>	<u>\$ 2,471,437</u>	<u>\$ 598,315</u>	<u>\$ 237,922</u>	<u>\$ -</u>	<u>\$ 3,516,693</u>

Debt Service			Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJ Public Finance	Total	Storm Drainage Development	Street Assessment Capital Projects	Total	Cemetery Perpetual Care	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,047,956
-	-	-	129,870	-	129,870	-	1,101,142
-	-	-	-	-	-	19,710	2,476,101
-	300,000	300,000	12,714	1,242,775	1,255,489	-	1,673,567
73	922	995	-	-	-	5,959	25,142
<u>73</u>	<u>300,922</u>	<u>300,995</u>	<u>142,584</u>	<u>1,242,775</u>	<u>1,385,359</u>	<u>25,669</u>	<u>7,323,908</u>
-	1,500	1,500	-	-	-	-	1,964,405
-	-	-	-	-	-	-	156,781
-	220,000	220,000	-	-	-	-	220,000
-	312,000	312,000	-	-	-	-	312,000
-	-	-	368,703	689,235	1,057,938	-	1,057,938
-	<u>533,500</u>	<u>533,500</u>	<u>368,703</u>	<u>689,235</u>	<u>1,057,938</u>	<u>-</u>	<u>3,711,124</u>
73	(232,578)	(232,505)	(226,119)	553,540	327,421	25,669	3,612,784
-	232,876	232,876	226,119	-	226,119	-	459,857
-	-	-	-	-	-	(6,300)	(4,013,258)
-	<u>232,876</u>	<u>232,876</u>	<u>226,119</u>	<u>-</u>	<u>226,119</u>	<u>(6,300)</u>	<u>(3,553,401)</u>
73	298	371	-	553,540	553,540	19,369	59,383
16,747	613	17,360	-	645,455	645,455	1,352,852	6,046,257
<u>\$ 16,820</u>	<u>\$ 911</u>	<u>\$ 17,731</u>	<u>\$ -</u>	<u>\$ 1,198,995</u>	<u>\$ 1,198,995</u>	<u>\$ 1,372,221</u>	<u>\$ 6,105,640</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,017,348	\$ 2,026,365	\$ 2,047,956	\$ 21,591
Charges for services	9,000	9,000	9,557	557
Miscellaneous	-	8,200	8,327	127
Investment income	597	597	235	(362)
Total revenues	<u>2,026,945</u>	<u>2,044,162</u>	<u>2,066,075</u>	<u>21,913</u>
EXPENDITURES				
Current:				
General government	<u>1,952,332</u>	<u>1,955,689</u>	<u>1,962,905</u>	<u>(7,216)</u>
Excess of revenues over expenditures	74,613	88,473	103,170	14,697
OTHER FINANCING SOURCES/(USES)				
Transfers in	862	862	862	-
Transfers out	<u>(135,131)</u>	<u>(197,721)</u>	<u>(190,505)</u>	<u>7,216</u>
Total other financing sources/(uses)	<u>(134,269)</u>	<u>(196,859)</u>	<u>(189,643)</u>	<u>7,216</u>
Net change in fund balance	(59,656)	(108,386)	(86,473)	21,913
Fund balances - beginning	295,492	295,492	295,492	-
Fund balances - ending	<u>\$ 235,836</u>	<u>\$ 187,106</u>	<u>\$ 209,019</u>	<u>\$ 21,913</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,420,600	\$ 2,420,600	\$ 2,446,834	\$ 26,234
Investment income	5,568	5,568	11,944	6,376
Total revenues	<u>2,426,168</u>	<u>2,426,168</u>	<u>2,458,778</u>	<u>32,610</u>
EXPENDITURES				
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING USES				
Transfers out	<u>(3,147,005)</u>	<u>(3,352,830)</u>	<u>(2,550,382)</u>	<u>802,448</u>
Net change in fund balance	(720,837)	(926,662)	(91,604)	835,058
Fund balances - beginning	2,563,041	2,563,041	2,563,041	-
Fund balances - ending	<u>\$ 1,842,204</u>	<u>\$ 1,636,379</u>	<u>\$ 2,471,437</u>	<u>\$ 835,058</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 98,000	\$ 58,000	\$ 109,751	\$ 51,751
Investment income	1,831	1,831	4,442	2,611
Total revenues	<u>99,831</u>	<u>59,831</u>	<u>114,193</u>	<u>54,362</u>
EXPENDITURES				
	-	-	-	-
Excess of revenues over expenditures	99,831	59,831	114,193	54,362
OTHER FINANCING USES				
Transfers out	<u>(678,762)</u>	<u>(802,319)</u>	<u>(504,075)</u>	<u>298,244</u>
Net change in fund balance	(578,931)	(742,488)	(389,882)	352,606
Fund balances - beginning	988,197	988,197	988,197	-
Fund balances - ending	<u>\$ 409,266</u>	<u>\$ 245,709</u>	<u>\$ 598,315</u>	<u>\$ 352,606</u>

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 611,755	\$ 11,755
Investment income	167	167	1,567	1,400
Total revenues	<u>600,167</u>	<u>600,167</u>	<u>613,322</u>	<u>13,155</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	600,167	600,167	613,322	13,155
OTHER FINANCING USES				
Transfers out	<u>(610,920)</u>	<u>(620,920)</u>	<u>(559,260)</u>	<u>61,660</u>
Net change in fund balance	(10,753)	(20,753)	54,062	74,815
Fund balances - beginning	183,860	183,860	183,860	-
Fund balances - ending	<u>\$ 173,107</u>	<u>\$ 163,107</u>	<u>\$ 237,922</u>	<u>\$ 74,815</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 335,000	\$ 457,522	\$ 359,517	\$ (98,005)
EXPENDITURES				
Current:				
Urban development and housing	300,000	244,449	156,781	87,668
Excess of revenues over expenditures	35,000	213,073	202,736	(10,337)
OTHER FINANCING USES				
Transfers out	(35,000)	(213,073)	(202,736)	10,337
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment income	\$ -	\$ 73	\$ 73
Total revenues	<u>-</u>	<u>73</u>	<u>73</u>
EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	73	73
Fund balances - beginning	16,747	16,747	-
Fund balances - ending	<u>\$ 16,747</u>	<u>\$ 16,820</u>	<u>\$ 73</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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Miscellaneous	\$ 300,000	\$ 300,000	\$ -
Investment Income	-	922	922
Total revenues	<u>300,000</u>	<u>300,922</u>	<u>922</u>
EXPENDITURES			
Current:			
General government	1,505	1,500	5
Debt service:			
Principal retirement	220,000	220,000	-
Interest and fiscal charges	312,000	312,000	-
Total expenditures	<u>533,505</u>	<u>533,500</u>	<u>5</u>
Deficiency of revenues under expenditures	(233,505)	(232,578)	927
OTHER FINANCING SOURCES			
Transfers in	<u>233,505</u>	<u>232,876</u>	<u>(629)</u>
Net change in fund balance	-	298	298
Fund balances - beginning	613	613	-
Fund balances - ending	<u>\$ 613</u>	<u>\$ 911</u>	<u>\$ 298</u>

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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 717,011	\$ 717,011	\$ -
Investment Income	-	264	264
Total revenues	<u>717,011</u>	<u>717,275</u>	<u>264</u>
EXPENDITURES			
Current:			
General government	3,005	3,000	5
Debt service:			
Principal retirement	3,165,000	3,165,000	-
Interest and fiscal charges	3,713,923	3,713,922	1
Total expenditures	<u>6,881,928</u>	<u>6,881,922</u>	<u>6</u>
Deficiency of revenues under expenditures	(6,164,917)	(6,164,647)	270
OTHER FINANCING SOURCES			
Transfers in	<u>6,164,917</u>	<u>6,164,752</u>	<u>(165)</u>
Net change in fund balance	-	105	105
Fund balances - beginning	75	75	-
Fund balances - ending	<u>\$ 75</u>	<u>\$ 180</u>	<u>\$ 105</u>

City of Grand Junction, Colorado
PARKWAY DEBT RETIREMENT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2015

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final				
REVENUES						
Investment income	\$ 44,755	\$ 44,755	\$ 37,734	\$ 6,240	\$ 43,974	\$ (781)
EXPENDITURES						
Excess of revenues over expenditures	44,755	44,755	37,734	6,240	43,974	(781)
OTHER FINANCING SOURCES						
Transfers in	1,233,863	1,217,955	1,217,955	-	1,217,955	-
Net change in fund balance	1,278,618	1,262,710	1,255,689	6,240	1,261,929	(781)
Fund balances - beginning	8,609,762	8,609,762	8,604,537	5,225	8,609,762	-
Fund balances - ending	\$ 9,888,380	\$ 9,872,472	\$ 9,860,226	\$ 11,465	\$ 9,871,691	\$ (781)

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, 2015

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes	\$ 11,966,915	\$ 12,014,658	\$ 11,993,612	\$ 95,012	\$ 12,088,624	\$ 73,966
Intergovernmental	5,292,914	3,360,229	3,005,054	-	3,005,054	(355,175)
Special assessments	12,000	12,000	13,771	-	13,771	1,771
Investment income	4,000	4,000	3,463	-	3,463	(537)
Charges for services	49,000	30,000	49,123	-	49,123	19,123
Other contributions	10,000	63,473	51,209	-	51,209	(12,264)
Total revenues	<u>17,334,829</u>	<u>15,484,360</u>	<u>15,116,232</u>	<u>95,012</u>	<u>15,211,244</u>	<u>(273,116)</u>
EXPENDITURES						
Capital outlay:						
Construction	<u>10,804,064</u>	<u>11,841,836</u>	<u>8,836,223</u>	<u>-</u>	<u>8,836,223</u>	<u>3,005,613</u>
Excess of revenues over expenditures	6,530,765	3,642,524	6,280,009	95,012	6,375,021	2,732,497
OTHER FINANCING SOURCES (USES)						
Transfers in	1,138,233	976,448	933,773	-	933,773	(42,675)
Transfers out	(8,332,493)	(7,911,886)	(7,734,150)	-	(7,734,150)	177,736
Insurance recoveries	-	30,892	28,892	-	28,892	(2,000)
Sales of capital assets	560,000	560,000	560,000	-	560,000	-
Total other financing sources (uses)	<u>(6,634,260)</u>	<u>(6,344,546)</u>	<u>(6,211,485)</u>	<u>-</u>	<u>(6,211,485)</u>	<u>133,061</u>
Net change in fund balance	(103,495)	(2,702,022)	68,524	95,012	163,536	2,865,558
Fund balances - beginning	980,575	980,575	1,040,494	(59,919)	980,575	-
Fund balances - ending	<u>\$ 877,080</u>	<u>\$ (1,721,447)</u>	<u>\$ 1,109,018</u>	<u>\$ 35,093</u>	<u>\$ 1,144,111</u>	<u>\$ 2,865,558</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, 2015

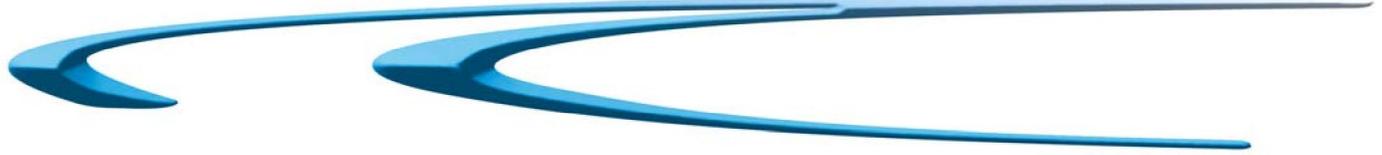
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 139,130	\$ 129,870	\$ (9,260)
Miscellaneous:			
Development fees	10,000	12,714	2,714
Total revenues	<u>149,130</u>	<u>142,584</u>	<u>(6,546)</u>
EXPENDITURES			
Capital outlay:			
Construction	<u>655,400</u>	<u>368,703</u>	<u>286,697</u>
Deficiency of revenues under expenditures	(506,270)	(226,119)	280,151
OTHER FINANCING SOURCES			
Transfers in	<u>329,096</u>	<u>226,119</u>	<u>(102,977)</u>
Net change in fund balance	(177,174)	-	177,174
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ (177,174)</u>	<u>\$ -</u>	<u>\$ 177,174</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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Miscellaneous:			
Development fees	\$ 1,100,000	\$ 1,242,775	\$ 142,775
EXPENDITURES			
Capital outlay:			
Construction	950,000	689,235	260,765
Excess of revenues over expenditures	150,000	553,540	403,540
OTHER FINANCING SOURCES			
Transfers Out	(237,056)	-	(237,056)
Net change in fund balance	(87,056)	553,540	166,484
Fund balances - beginning	645,455	645,455	-
Fund balances - ending	\$ 558,399	\$ 1,198,995	\$ 166,484

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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Perpetual care revenue	\$ 23,400	\$ 19,710	\$ (3,690)
Investment income	6,300	5,959	(341)
Total revenues	<u>29,700</u>	<u>25,669</u>	<u>(4,031)</u>
EXPENDITURES			
	-	-	-
Excess revenues over expenditures	29,700	25,669	(4,031)
OTHER FINANCING USES			
Transfers out	(6,300)	(6,300)	-
Net change in fund balance	23,400	19,369	(4,031)
Fund balances - beginning	1,352,852	1,352,852	-
Fund balances - ending	<u>\$ 1,376,252</u>	<u>\$ 1,372,221</u>	<u>\$ (4,031)</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.

Irrigation Fund ~ to account for the resources and expenses associated with the operation of the irrigation system located in the Ridges residential area.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Data Processing Fund ~ to account for expenses associated with the operations of the data processing center that provides services to City agencies and the related charges for these Services.

Equipment Fund ~ to account for the expenses associated with the acquisition, operation and maintenance of City-owned vehicles and equipment, and the related charges for these services.

Self-Insurance Fund ~ to account for the expenses associated with providing workman's compensation and excess property and liability insurance coverage, and the related charges to the various department's within the City.

Communications Center Fund ~ to account for the expenses associated with the operations of the Grand Valley Combined Emergency 911 Communications Center, as well as the related charges for its operation to the various local governments using its services.

Facilities Management Fund ~ to account for the expenses associated with the utilities and maintenance of City-owned buildings and the related charges for these services.



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City of Grand Junction, Colorado
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
December 31, 2015

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
ASSETS			
Current assets:			
Cash and investments	\$ 727,511	\$ 95,113	\$ 822,624
Accounts receivable, net of allowance	436,388	28,425	464,813
Prepaid Items	750	-	750
Total current assets	<u>1,164,649</u>	<u>123,538</u>	<u>1,288,187</u>
Noncurrent assets:			
Capital assets:			
Buildings, improvements, plant and system	249,750	3,435,807	3,685,557
Equipment	1,255,139	11,185	1,266,324
Less accumulated depreciation	<u>(1,131,030)</u>	<u>(2,790,432)</u>	<u>(3,921,462)</u>
Total capital assets (net of accumulated depreciation)	<u>373,859</u>	<u>656,560</u>	<u>1,030,419</u>
Total noncurrent assets	<u>373,859</u>	<u>656,560</u>	<u>1,030,419</u>
Total assets	<u>1,538,508</u>	<u>780,098</u>	<u>2,318,606</u>
LIABILITIES			
Current liabilities:			
Accounts payable	91,488	-	91,488
Accrued liabilities	29,401	2,546	31,947
Compensated absences payable	5,362	744	6,106
Due to other funds	87,187	-	87,187
Total current liabilities	<u>213,438</u>	<u>3,290</u>	<u>216,728</u>
Noncurrent liabilities:			
Compensated absences payable	85,070	11,796	96,866
Advances from other funds - general fund	588,169	-	588,169
Total noncurrent liabilities	<u>673,239</u>	<u>11,796</u>	<u>685,035</u>
Total liabilities	<u>886,677</u>	<u>15,086</u>	<u>901,763</u>
NET POSITION			
Net investment in capital assets	373,859	656,560	1,030,419
Unrestricted	277,972	108,452	386,424
Total net position	<u>\$ 651,831</u>	<u>\$ 765,012</u>	<u>\$ 1,416,843</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the year ended December 31, 2015

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
Operating revenues:			
Charges for sales and services, net of allowances	\$ 3,645,893	\$ 244,199	\$ 3,890,092
Operating expenses:			
Personal services	1,070,906	91,769	1,162,675
Costs of sales and services	2,324,824	144,295	2,469,119
Depreciation and amortization	68,877	86,828	155,705
Total operating expenses	<u>3,464,607</u>	<u>322,892</u>	<u>3,787,499</u>
Operating income (loss)	<u>181,286</u>	<u>(78,693)</u>	<u>102,593</u>
Nonoperating revenues:			
Investment income	2,781	376	3,157
Total nonoperating revenues	<u>2,781</u>	<u>376</u>	<u>3,157</u>
Income (loss) before contributions and transfers	<u>184,067</u>	<u>(78,317)</u>	<u>105,750</u>
Capital contributions - tap fees	-	3,380	3,380
Transfers in	1,222	104	1,326
Change in net position	<u>185,289</u>	<u>(74,833)</u>	<u>110,456</u>
Net position - beginning	466,542	839,845	1,306,387
Net position - ending	<u>\$ 651,831</u>	<u>\$ 765,012</u>	<u>\$ 1,416,843</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the year ended December 31, 2015

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
Cash flows from operating activities:			
Cash received from customers and users	\$ 3,626,533	\$ 244,195	\$ 3,870,728
Cash paid to interfund	(1,097,680)	(133,154)	(1,230,834)
Cash paid to suppliers	(1,228,080)	(12,597)	(1,240,677)
Cash paid to employees	(1,102,806)	(90,830)	(1,193,636)
Net cash provided by operating activities	<u>197,967</u>	<u>7,614</u>	<u>205,581</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	1,222	104	1,326
Increase in amount due other funds	2,292	-	2,292
Net cash provided by noncapital financing activities	<u>3,514</u>	<u>104</u>	<u>3,618</u>
Cash flows from capital and related financing activities:			
Tap fees	-	3,380	3,380
Repayment of interfund capital loans	(87,187)	-	(87,187)
Purchase of capital assets	-	(5,888)	(5,888)
Net cash (used) in capital and related financing activities	<u>(87,187)</u>	<u>(2,508)</u>	<u>(89,695)</u>
Cash flows from investing activities:			
Investment income received	2,781	376	3,157
Net cash provided by investing activities	<u>2,781</u>	<u>376</u>	<u>3,157</u>
Net increase in cash and cash equivalents	117,075	5,586	122,661
Cash and cash equivalents, January 1	610,436	89,527	699,963
Cash and cash equivalents, December 31	<u>\$ 727,511</u>	<u>\$ 95,113</u>	<u>\$ 822,624</u>
Reconciliation of Operating Income (loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 181,286	\$ (78,693)	\$ 102,593
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	68,877	86,828	155,705
(Increase) decrease in accounts receivable	(19,360)	(4)	(19,364)
(Increase) decrease in prepaids	(750)	-	(750)
Increase (decrease) in accounts payable	(186)	(1,456)	(1,642)
Increase (decrease) in accrued liabilities and compensated absences payable	(31,900)	939	(30,961)
Total adjustments	<u>16,681</u>	<u>86,307</u>	<u>102,988</u>
Net cash provided by operating activities	<u>\$ 197,967</u>	<u>\$ 7,614</u>	<u>\$ 205,581</u>

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2015

	Data Processing	Equipment	Self- Insurance	Communications Center	Facilities Management	Total
ASSETS						
Current assets:						
Cash and investments	\$ 1,845,443	\$ 1,968,333	\$ 5,115,022	\$ 209,281	\$ 575,410	\$ 9,713,489
Accounts receivable, net of allowance	-	688	502,533	4,256	12,287	519,764
Intergovernmental receivable	-	99,782	-	19,923	-	119,705
Prepaid items	17,018	187,093	-	4,149	-	208,260
Total current assets	<u>1,862,461</u>	<u>2,255,896</u>	<u>5,617,555</u>	<u>237,609</u>	<u>587,697</u>	<u>10,561,218</u>
Noncurrent assets:						
Capital assets:						
Buildings and improvements	-	3,319,363	-	13,700	22,470	3,355,533
Equipment	5,526,897	23,182,325	-	9,929,355	14,097	38,652,674
Construction in progress	11,462	-	-	235,763	-	247,225
Less accumulated depreciation	(3,182,999)	(15,071,378)	-	(5,344,571)	(4,269)	(23,603,217)
Total capital assets (net of accumulated depreciation)	<u>2,355,360</u>	<u>11,430,310</u>	<u>-</u>	<u>4,834,247</u>	<u>32,298</u>	<u>18,652,215</u>
Total assets	<u>4,217,821</u>	<u>13,686,206</u>	<u>5,617,555</u>	<u>5,071,856</u>	<u>619,995</u>	<u>29,213,433</u>
LIABILITIES						
Current liabilities:						
Accounts payable	66,384	118,791	79,912	26,420	118,876	410,383
Accrued liabilities	65,903	31,154	7,157	120,392	14,152	238,758
Compensated absences payable	9,299	3,722	977	14,622	1,587	30,207
Claims payable	-	-	679,837	-	-	679,837
Deferred revenue	-	-	-	13,000	-	13,000
Total current liabilities	<u>141,586</u>	<u>153,667</u>	<u>767,883</u>	<u>174,434</u>	<u>134,615</u>	<u>1,372,185</u>
Noncurrent liabilities						
Compensated absences payable	147,537	59,051	15,497	231,995	25,179	479,259
Claims payable	-	-	687,598	-	-	687,598
Total noncurrent liabilities	<u>147,537</u>	<u>59,051</u>	<u>703,095</u>	<u>231,995</u>	<u>25,179</u>	<u>1,166,857</u>
Total liabilities	<u>289,123</u>	<u>212,718</u>	<u>1,470,978</u>	<u>406,429</u>	<u>159,794</u>	<u>2,539,042</u>
NET POSITION						
Net investment in capital assets	2,355,360	11,430,310	-	4,834,247	32,298	18,652,215
Restricted for:						
Public safety	150,292	-	-	-	-	150,292
Unrestricted	1,423,046	2,043,178	4,146,577	(168,820)	427,903	7,871,884
Total net position	<u>\$ 3,928,698</u>	<u>\$ 13,473,488</u>	<u>\$ 4,146,577</u>	<u>\$ 4,665,427</u>	<u>\$ 460,201</u>	<u>\$ 26,674,391</u>

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the year ended December 31, 2015

	Data Processing	Equipment	Self- Insurance	Communications Center	Facilities Management	Total
Operating revenues:						
Charges for sales and services	\$ 6,557,487	\$ 5,395,595	\$ 2,556,220	\$ 4,238,043	\$ 3,005,268	\$ 21,752,613
Miscellaneous	-	-	612,112	3,429	21,060	636,601
Total operating revenues	<u>6,557,487</u>	<u>5,395,595</u>	<u>3,168,332</u>	<u>4,241,472</u>	<u>3,026,328</u>	<u>22,389,214</u>
Operating expenses:						
Personal services	2,182,828	1,049,024	259,270	4,289,906	525,780	8,306,808
Costs of sales and services	3,287,726	2,241,679	1,675,775	1,739,274	2,204,374	11,148,828
Depreciation and amortization	862,702	1,637,097	-	1,177,955	4,269	3,682,023
Total operating expenses	<u>6,333,256</u>	<u>4,927,800</u>	<u>1,935,045</u>	<u>7,207,135</u>	<u>2,734,423</u>	<u>23,137,659</u>
Operating income (loss)	<u>224,231</u>	<u>467,795</u>	<u>1,233,287</u>	<u>(2,965,663)</u>	<u>291,905</u>	<u>(748,445)</u>
Nonoperating revenues (expenses):						
Intergovernmental	-	331,103	-	2,508	2,353	335,964
Investment income	4,881	8,678	21,176	-	-	34,735
Gain (loss) on disposition of property and equipment	(188,835)	139,490	-	(21,380)	-	(70,725)
Total nonoperating revenues (expenses)	<u>(183,954)</u>	<u>479,271</u>	<u>21,176</u>	<u>(18,872)</u>	<u>2,353</u>	<u>299,974</u>
Income (loss) before contributions and transfers						
	40,277	947,066	1,254,463	(2,984,535)	294,258	(448,471)
Transfers in	1,942	1,147	-	2,064,292	165,943	2,233,324
Transfers out	-	-	(63,517)	-	-	(63,517)
Change in net position	<u>42,219</u>	<u>948,213</u>	<u>1,190,946</u>	<u>(920,243)</u>	<u>460,201</u>	<u>1,721,336</u>
Net position - beginning	3,886,479	12,525,275	2,955,631	5,585,670	-	24,953,055
Net position - ending	<u>\$ 3,928,698</u>	<u>\$ 13,473,488</u>	<u>\$ 4,146,577</u>	<u>\$ 4,665,427</u>	<u>\$ 460,201</u>	<u>\$ 26,674,391</u>

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2015

	Data Processing	Equipment	Self - Insurance	Communications Center	Facilities Management	Total
Cash flows from operating activities:						
Cash received from interfund	\$ 6,476,389	\$ 4,664,643	\$ 2,556,220	\$ 2,446,295	\$ 3,005,268	\$ 19,148,815
Cash received from customers and users	81,398	742,654	-	1,791,776	-	2,615,828
Cash paid to interfund	(274,679)	(189,756)	(18,238)	(1,214,392)	(157,142)	(1,854,207)
Cash paid to suppliers	(3,024,063)	(2,175,500)	(2,421,542)	(523,778)	(1,928,356)	(10,073,239)
Cash paid to employees	(2,173,376)	(1,036,709)	(284,592)	(4,267,360)	(484,862)	(8,246,899)
Miscellaneous receipts	-	-	715,134	3,429	8,773	727,336
Net cash provided (used) by operating activities	<u>1,085,669</u>	<u>2,005,332</u>	<u>546,982</u>	<u>(1,764,030)</u>	<u>443,681</u>	<u>2,317,634</u>
Cash flows from noncapital financing activities:						
Transfers from other funds	1,942	1,147	-	2,064,292	165,943	2,233,324
Transfers to other funds	-	-	(63,517)	-	-	(63,517)
Intergovernmental receipts	-	-	-	1,003	2,353	3,356
Net cash provided (used) by noncapital financing activities	<u>1,942</u>	<u>1,147</u>	<u>(63,517)</u>	<u>2,065,295</u>	<u>168,296</u>	<u>2,173,163</u>
Cash flows from capital and related financing activities:						
Intergovernmental receipts	25,239	331,103	-	274,441	-	630,783
Proceeds from disposition of capital assets	-	128,967	-	-	-	128,967
Purchase of capital assets	(480,567)	(2,374,397)	-	(517,878)	(36,567)	(3,409,409)
Net cash used in capital and related financing activities	<u>(455,328)</u>	<u>(1,914,327)</u>	<u>-</u>	<u>(243,437)</u>	<u>(36,567)</u>	<u>(2,649,659)</u>
Cash flows from investing activities:						
Investment income received	4,881	8,678	21,176	-	-	34,735
Net cash provided by investing activities	<u>4,881</u>	<u>8,678</u>	<u>21,176</u>	<u>-</u>	<u>-</u>	<u>34,735</u>
Net increase in cash and cash equivalents	637,164	100,830	504,641	57,828	575,410	1,875,873
Cash and cash equivalents, January 1	1,208,279	1,867,503	4,610,381	151,453	-	7,837,616
Cash and cash equivalents, December 31	<u>\$ 1,845,443</u>	<u>\$ 1,968,333</u>	<u>\$ 5,115,022</u>	<u>\$ 209,281</u>	<u>\$ 575,410</u>	<u>\$ 9,713,489</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 224,231	\$ 467,795	\$ 1,233,287	\$ (2,965,663)	\$ 291,905	\$ (748,445)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	862,702	1,637,097	-	1,177,955	4,269	3,682,023
(Increase) decrease in accounts receivable	300	11,702	103,022	(12,972)	(12,287)	89,765
(Increase) decrease in prepaid items	(9,323)	(117,127)	-	-	-	(126,450)
Increase (decrease) in accounts payable	(24,720)	(5,671)	(57,561)	(78,691)	118,876	(47,767)
Increase (decrease) in claims payable	-	-	(706,444)	-	-	(706,444)
Increase (decrease) in accrued wages and compensated absences payable	9,452	12,315	(25,322)	22,546	40,918	59,909
Increase (decrease) in deferred revenues	-	-	-	13,000	-	13,000
(Increase) decrease in accounts payable due to purchase of capital assets on account	23,027	(779)	-	79,795	-	102,043
Total adjustments	<u>861,438</u>	<u>1,537,537</u>	<u>(686,305)</u>	<u>1,201,633</u>	<u>151,776</u>	<u>3,066,079</u>
Net cash provided (used) by operating activities	<u>\$ 1,085,669</u>	<u>\$ 2,005,332</u>	<u>\$ 546,982</u>	<u>\$ (1,764,030)</u>	<u>\$ 443,681</u>	<u>\$ 2,317,634</u>
Noncash Investing, Capital and Financing Activities						
Purchase of capital assets on account	\$ 1,274	\$ 779	\$ -	\$ -	\$ -	\$ 2,053
Net book value of capital assets traded in on capital assets acquired	-	45,876	-	-	-	45,876
Trade in value of disposed assets	-	66,300	-	-	-	66,300
Intergovernmental receipts from noncapital financing activities	-	-	-	272,936	-	272,936



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 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.

Agency Funds

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

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 STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
December 31, 2015

	Mesa County Valley School District 51 SLD Fee	General Trust	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 95,385	\$ 468	\$ 95,853
LIABILITIES	<u> </u>	<u> </u>	<u> </u>
	-	-	-
NET POSITION HELD IN TRUST FOR			
Individuals, organizations and others	\$ 95,385	\$ 468	\$ 95,853
	<u> </u>	<u> </u>	<u> </u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
For the year ended December 31, 2015

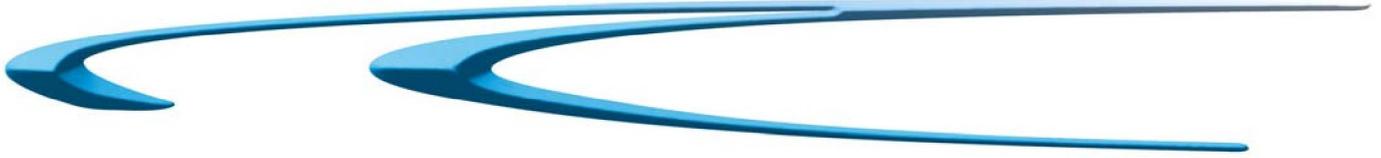
	Mesa County Valley School District 51 SLD Fee	General Trust	Total
ADDITIONS			
Additions by participants	\$ 147,280	\$ -	\$ 147,280
Investment income	273	-	273
Total additions	<u>147,553</u>	<u>-</u>	<u>147,553</u>
DEDUCTIONS			
Distributions to participants	130,580	-	130,580
Administrative expense	4,039	-	4,039
Total deductions	<u>134,619</u>	<u>-</u>	<u>134,619</u>
Change in net position	12,934	-	12,934
Net position - beginning	82,451	468	82,919
Net position - ending	<u>\$ 95,385</u>	<u>\$ 468</u>	<u>\$ 95,853</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the year ended December 31, 2015

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
<u>PARK IMPROVEMENT ADVISORY BOARD</u>				
ASSETS				
Cash and investments	\$ 160,115	\$ 116,154	\$ 93,739	\$ 182,530
LIABILITIES				
Accounts payable	\$ 1,000	\$ 86,287	\$ 87,287	\$ -
Due to other governments	159,115	29,867	6,452	182,530
Total liabilities	<u>\$ 160,115</u>	<u>\$ 116,154</u>	<u>\$ 93,739</u>	<u>\$ 182,530</u>
<u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ 498,263	\$ 361,570	\$ 331,420	\$ 528,413
LIABILITIES				
Due to other governments	\$ 498,263	\$ 361,570	\$ 331,420	\$ 528,413
<u>DOWNTOWN BUSINESS IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ 72,222	\$ 451,619	\$ 495,273	\$ 28,568
Accounts receivable, net of allowance	4,050	1,821	4,730	1,141
Total assets	<u>\$ 76,272</u>	<u>\$ 453,440</u>	<u>\$ 500,003</u>	<u>\$ 29,709</u>
LIABILITIES				
Accounts payable	\$ 15,685	\$ 278,574	\$ 274,900	\$ 19,359
Due to other governments	60,587	174,866	225,103	10,350
Total liabilities	<u>\$ 76,272</u>	<u>\$ 453,440</u>	<u>\$ 500,003</u>	<u>\$ 29,709</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 730,600	\$ 929,343	\$ 920,432	\$ 739,511
Accounts receivable, net of allowance	4,050	1,821	4,730	1,141
Total assets	<u>\$ 734,650</u>	<u>\$ 931,164</u>	<u>\$ 925,162</u>	<u>\$ 740,652</u>
LIABILITIES				
Accounts payable	\$ 16,685	\$ 364,861	\$ 362,187	\$ 19,359
Due to other governments	717,965	566,303	562,975	721,293
Total liabilities	<u>\$ 734,650</u>	<u>\$ 931,164</u>	<u>\$ 925,162</u>	<u>\$ 740,652</u>



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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 or committed to expenditures for specified purposes.

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

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 TIF 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 Capital Improvements Fund ~ to account for capital improvements within the boundaries of the Downtown Development Authority (DDA).

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	DDA Operations Special Revenue Fund	DDA TIF Debt Service Fund	Capital Improvements Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 650,380	\$ 1,660,428	\$ 470,038	\$ 2,780,846
Property taxes receivable	259,208	1,156,967	-	1,416,175
Accounts receivable	720	-	1	721
Prepaid items	16,000	-	-	16,000
Total assets	<u>926,308</u>	<u>2,817,395</u>	<u>470,039</u>	<u>4,213,742</u>
LIABILITIES				
Accounts payable	8,504	500	4,341	13,345
Accrued liabilities	1,498	-	-	1,498
Compensated absences payable	366	-	-	366
Total liabilities	<u>10,368</u>	<u>500</u>	<u>4,341</u>	<u>15,209</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	250,311	1,146,290	-	1,396,601
Total deferred inflows of resources	<u>250,311</u>	<u>1,146,290</u>	<u>-</u>	<u>1,396,601</u>
FUND BALANCES				
Nonspendable:				
Inventories and prepaids	16,000	-	-	16,000
Restricted for:				
Debt service	-	1,670,605	-	1,670,605
Legends historical sculptures project	100,352	-	-	100,352
Urban development and housing	549,277	-	465,698	1,014,975
Total fund balances	<u>665,629</u>	<u>1,670,605</u>	<u>465,698</u>	<u>2,801,932</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 926,308</u>	<u>\$ 2,817,395</u>	<u>\$ 470,039</u>	

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

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

5,262,114

Long-term liabilities such as bonds and notes payable, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds.

Bonds Payable	\$ (5,280,000)	
Loans Payable	(1,000,000)	
Accrued Interest payable	(10,643)	
Compensated absences	<u>(5,804)</u>	(6,296,447)

Net position -Component Unit - Downtown Development Authority. (page 31)

\$ 1,767,599

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, 2015

	DDA Operations Special Revenue Fund	DDA TIF Debt Service Fund	Capital Improvements Capital Project Fund	Total Governmental Funds
REVENUES				
Taxes	\$ 298,974	\$ 1,294,854	\$ -	\$ 1,593,828
Intergovernmental	92	487,405	6,266	493,763
Charges for services	6,224	-	-	6,224
Miscellaneous	86,172	-	2,000	88,172
Investment income	2,806	9,547	1,139	13,492
Total revenues	<u>394,268</u>	<u>1,791,806</u>	<u>9,405</u>	<u>2,195,479</u>
EXPENDITURES				
Current:				
Urban development and housing	301,663	1,021,193	-	1,322,856
Debt service:				
Principal retirement	-	635,000	-	635,000
Interest and fiscal charges	-	275,058	-	275,058
Capital outlay	-	-	672,927	672,927
Total expenditures	<u>301,663</u>	<u>1,931,251</u>	<u>672,927</u>	<u>2,905,841</u>
Excess (deficiency) of revenues over (under) expenditures	92,605	(139,445)	(663,522)	(710,362)
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Note proceeds	-	-	997,978	997,978
Sale of capital assets	5,422	-	-	5,422
Total other financing sources	<u>5,422</u>	<u>-</u>	<u>997,978</u>	<u>1,003,400</u>
Net change in fund balances	98,027	(139,445)	334,456	293,038
Fund balances - beginning	567,602	1,810,050	131,242	2,508,894
Fund balances - ending	<u>\$ 665,629</u>	<u>\$ 1,670,605</u>	<u>\$ 465,698</u>	<u>\$ 2,801,932</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) \$ 293,038

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 \$1,654,111 exceeded depreciation (\$260,557) in the current period. 1,393,554

The net effect of transactions involving the sale, trade, and disposal of capital assets. (5,051)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, these transactions have no effect on net position. Also, governmental funds report the effect of 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.

Loan Payable issued	\$	(1,000,000)	
Debt principal payments		635,000	
Decrease in accrued interest		808	
			(364,192)

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. 3,886

Change in net position of the Component Unit - Downtown Development Authority (page 33) \$ 1,321,235

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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	\$ 301,792	\$ 298,974	\$ (2,818)
Intergovernmental	92	92	-
Charges for services	5,000	6,224	1,224
Miscellaneous	64,300	86,172	21,872
Investment income	2,329	2,806	477
Total revenues	<u>373,513</u>	<u>394,268</u>	<u>20,755</u>
EXPENDITURES			
Current:			
Urban development and housing	<u>676,357</u>	<u>301,663</u>	<u>374,694</u>
Excess (deficiency) of revenues over (under) expenditures	(302,844)	92,605	395,449
OTHER FINANCING SOURCES			
Sale of capital assets	<u>-</u>	<u>5,422</u>	<u>5,422</u>
Total other financing sources	<u>-</u>	<u>5,422</u>	<u>5,422</u>
Net change in fund balance	(302,844)	98,027	400,871
Fund balances - beginning	567,602	567,602	-
Fund balances - ending	<u>\$ 264,758</u>	<u>\$ 665,629</u>	<u>\$ 400,871</u>

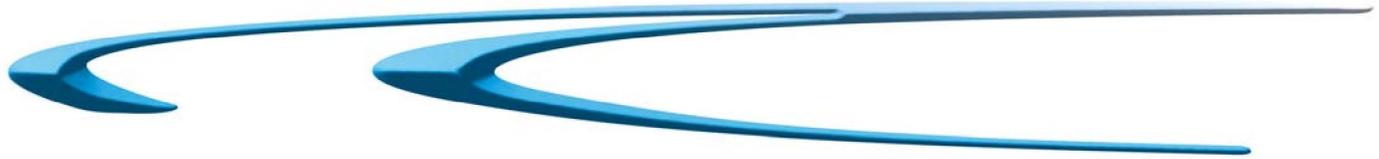
DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
DDA TIF DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	\$ 1,299,737	\$ 1,294,854	\$ (4,883)
Intergovernmental	483,644	487,405	3,761
Investment Income	6,988	9,547	2,559
Total revenues	<u>1,790,369</u>	<u>1,791,806</u>	<u>1,437</u>
EXPENDITURES			
Current:			
Urban development and housing	1,023,493	1,021,193	2,300
Debt service:			
Principal retirement	736,798	635,000	101,798
Interest and fiscal charges	275,059	275,058	1
Total expenditures	<u>2,035,350</u>	<u>1,931,251</u>	<u>104,099</u>
Excess of revenues			
Over expenditures	(244,981)	(139,445)	105,536
Fund balances - beginning			
	1,810,050	1,810,050	-
Fund balances - ending	<u>\$ 1,565,069</u>	<u>\$ 1,670,605</u>	<u>\$ 105,536</u>

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
DDA CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ 6,267	\$ 6,266	\$ (1)
Miscellaneous	-	2,000	2,000
Investment income	-	1,139	1,139
Total revenues	<u>6,267</u>	<u>9,405</u>	<u>3,138</u>
EXPENDITURES			
Capital projects	<u>1,210,000</u>	<u>672,927</u>	<u>537,073</u>
Deficiency of revenues under expenditures	(1,203,733)	(663,522)	540,211
OTHER FINANCING SOURCES			
Note proceeds	<u>997,978</u>	<u>997,978</u>	<u>-</u>
Total other financing sources	<u>997,978</u>	<u>997,978</u>	<u>-</u>
Net change in fund balance	(205,755)	334,456	540,211
Fund balances - beginning	131,242	131,242	-
Fund balances - ending	<u>\$ (74,513)</u>	<u>\$ 465,698</u>	<u>\$ 540,211</u>



STATISTICAL SECTION

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

Contents	Pages
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the City’s financial condition has changed over time.	123-127
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the City’s largest revenue source, sales tax.	128-131
<u>Debt Capacity</u> These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	132-136
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	137-138
<u>Operating Information</u> These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	139-140



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TABLE 1

City of Grand Junction, Colorado
NET POSITION
 Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net investment in capital assets	\$ 328,338,540	\$ 408,037,121	\$ 498,158,781	\$ 529,106,956	\$ 555,543,770	\$ 581,854,487	\$ 607,986,872	\$ 617,381,868	\$ 611,760,765	\$ 613,450,583
Restricted	7,504,598	4,548,128	15,726,010	18,544,790	21,495,852	30,951,878	13,618,901	14,511,996	17,330,295	18,491,942
Unrestricted	59,014,985	60,693,788	40,514,664	28,682,910	28,430,021	26,937,580	26,568,548	23,367,630	19,178,570	17,737,303
Total governmental activities net position	\$ 392,856,123	\$ 473,279,037	\$ 554,399,455	\$ 576,334,656	\$ 605,469,643	\$ 639,743,945	\$ 648,174,321	\$ 655,261,494	\$ 648,269,630	\$ 649,679,828
Business-type Activities										
Net investment in capital assets	\$ 36,518,897	\$ 39,673,423	\$ 44,539,563	\$ 46,087,527	\$ 47,807,739	\$ 45,541,828	\$ 45,880,136	\$ 45,720,564	\$ 56,207,881	\$ 54,680,110
Restricted	610,844	-	-	-	-	-	-	-	-	-
Unrestricted	4,114,096	4,176,474	(271,321)	(2,881,656)	(4,987,177)	(4,277,701)	(4,545,053)	(4,148,827)	(3,729,277)	(1,753,775)
Total business-type activities net position	\$ 41,243,837	\$ 43,849,897	\$ 44,268,242	\$ 43,205,871	\$ 42,820,562	\$ 41,264,127	\$ 41,335,083	\$ 41,571,737	\$ 52,478,604	\$ 52,926,335
Primary Government										
Net investment in capital assets	\$ 362,855,437	\$ 447,710,544	\$ 542,698,344	\$ 575,194,483	\$ 603,351,509	\$ 627,396,315	\$ 653,867,008	\$ 663,102,432	\$ 667,968,646	\$ 668,130,693
Restricted	8,115,442	4,548,128	15,726,010	18,544,790	21,495,852	30,951,878	13,618,901	14,511,996	17,330,295	18,491,942
Unrestricted	63,129,081	64,870,262	40,243,343	25,801,254	23,442,844	22,659,879	22,023,495	19,218,803	15,449,293	15,983,528
Total primary governmental net position	\$ 434,099,960	\$ 517,128,934	\$ 598,667,697	\$ 619,540,527	\$ 648,290,205	\$ 681,008,072	\$ 689,509,404	\$ 696,833,231	\$ 700,748,234	\$ 702,606,163
Component Unit:										
Net investment in capital assets	\$ 1,873,613	\$ 1,968,943	\$ 5,999,915	\$ 6,222,119	\$ 5,697,948	\$ 4,870,916	\$ 4,295,348	\$ 4,542,743	\$ 3,816,756	\$ 5,211,363
Restricted	1,325,219	834,551	3,334,219	2,810,117	1,462,300	1,278,049	955,845	1,890,167	2,508,894	2,801,932
Unrestricted	2,213,997	34,939	(5,713,208)	(5,147,792)	(5,468,141)	(6,144,689)	(4,189,009)	(6,637,278)	(5,879,286)	(6,245,696)
Total component unit net position	\$ 5,412,829	\$ 2,838,433	\$ 3,620,926	\$ 3,884,444	\$ 1,692,107	\$ 4,276	\$ 1,062,184	\$ (204,368)	\$ 446,364	\$ 1,767,599

Source: Current and prior years' financial statements

TABLE 2

City of Grand Junction, Colorado
CHANGES IN NET POSITION
 Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
General Government	\$ 8,775,975	\$ 12,412,910	\$ 16,143,424	\$ 14,022,155	\$ 11,591,395	\$ 12,583,783	\$ 12,735,595	\$ 16,206,096	\$ 13,966,239	\$ 14,618,900
Public Safety	24,638,801	28,167,497	32,088,791	32,487,535	33,423,757	33,105,266	41,301,254	40,054,201	42,680,344	44,948,119
Public Works	19,400,979	15,521,625	19,680,247	21,353,413	20,728,384	6,512,483	19,980,846	20,093,321	20,025,758	19,900,575
Parks and Recreation	4,743,303	7,419,519	7,955,933	8,924,292	8,771,342	8,425,816	10,281,037	7,279,163	19,345,400	9,904,241
Urban Development and Housing	110,694	565,373	545,715	572,728	561,457	645,572	477,886	591,545	634,827	511,257
Interest of Long-Term Debt	2,474,655	3,233,840	3,332,614	3,188,419	3,645,322	5,443,771	4,713,532	3,952,399	3,774,690	3,684,545
Total Governmental Activities Expense	60,144,407	67,320,764	79,746,724	80,548,540	78,721,657	66,716,691	89,490,150	88,176,725	100,427,258	93,567,637
Business-Type Activities:										
Water	4,349,852	4,671,765	5,067,168	5,283,655	5,419,125	4,881,038	5,405,744	5,420,503	5,757,132	5,638,750
Convention Center	2,805,768	2,968,119	3,514,396	3,396,100	2,857,866	2,600,896	2,881,584	2,591,225	2,804,818	2,933,380
Solid Waste Removal	2,632,219	2,820,253	2,907,325	4,196,468	3,462,854	3,113,744	3,179,267	3,130,852	3,231,386	3,336,173
Swimming Pools	1,015,665	991,685	1,014,976	1,025,401	1,038,563	983,212	-	-	-	-
Golf	1,966,353	2,123,769	2,285,777	2,472,997	2,266,394	2,181,540	2,072,890	2,064,247	1,928,826	1,934,766
Parking	693,381	402,916	1,829,547	531,711	480,383	415,355	405,744	405,157	421,526	408,248
Irrigation Systems	298,439	289,528	318,708	300,130	306,572	298,694	302,106	315,178	325,255	307,312
Ambulance Transport	865,138	2,252,275	2,350,943	2,308,421	2,173,362	1,961,509	-	-	-	-
Total Business-Type Activities Expense	14,626,815	16,520,310	19,288,840	19,514,883	18,005,119	16,435,988	14,247,335	13,927,162	14,468,943	14,558,629
Total Primary Government Expenses	\$ 74,771,222	\$ 83,841,074	\$ 99,035,564	\$ 100,063,423	\$ 96,726,776	\$ 83,152,679	\$ 103,737,485	\$ 102,103,887	\$ 114,896,201	\$ 108,126,266
Total Component Unit Expenses	\$ 1,378,932	\$ 4,633,804	\$ 2,117,208	\$ 2,636,069	\$ 4,826,697	\$ 4,622,211	\$ 1,511,186	\$ 3,753,863	\$ 1,565,280	\$ 1,877,644
Program Revenues										
Governmental Activities:										
Charge for Service:										
General Government	\$ 2,350,160	\$ 5,451,358	\$ 2,929,275	\$ 2,639,601	\$ 3,274,890	\$ 3,224,426	\$ 3,002,193	\$ 2,725,767	\$ 2,940,902	\$ 3,034,609
Public Safety	4,503,743	4,774,346	5,895,984	6,406,830	7,104,163	8,071,588	10,741,763	10,718,690	10,485,105	11,566,683
Public Works	2,595,528	3,325,868	5,554,332	1,884,073	2,659,523	1,895,207	1,927,747	3,200,996	1,925,024	2,436,354
Parks and Recreation	1,070,852	3,199,673	2,286,100	1,423,145	1,461,584	1,456,400	2,069,864	2,051,380	2,056,017	2,179,082
Operating Grants and Contributions	565,044	1,182,795	1,548,954	1,661,118	2,184,680	3,608,414	3,204,209	3,950,533	3,011,613	3,377,677
Capital Grants and Contributions	66,735,306	56,633,477	63,431,598	23,963,787	26,800,939	12,816,892	9,936,906	7,190,063	6,279,358	7,833,385
Total Governmental Activities Program Revenues	77,820,633	74,567,517	81,646,243	37,978,554	43,485,779	31,072,927	30,882,682	29,837,429	26,698,019	30,427,790
Business-Type Activities:										
Water	4,670,635	4,987,126	5,293,379	5,527,333	5,231,378	4,913,952	5,271,849	5,303,609	5,877,233	6,075,893
Convention Center	2,437,970	2,544,726	2,840,966	2,657,327	2,322,730	2,279,695	2,385,684	1,998,488	2,026,520	1,942,729
Solid Waste Removal	2,500,954	2,841,130	3,051,483	2,976,883	3,251,274	3,324,152	3,311,362	3,337,992	3,538,962	3,645,893
Swimming Pools	691,810	697,770	680,496	760,756	590,332	532,456	-	-	-	-
Golf	1,956,584	2,106,921	2,221,204	2,147,161	1,901,601	1,949,258	1,980,120	1,748,166	1,818,323	1,804,130
Parking	338,286	343,471	504,766	540,054	412,578	487,517	491,203	454,184	475,368	499,357
Irrigation Systems	179,837	191,854	204,956	212,043	219,820	219,367	216,915	229,676	241,265	244,199
Ambulance Transport	1,107,880	2,313,432	2,461,174	2,315,001	2,027,458	2,117,997	-	-	-	-
Operating Grants and Contributions	-	-	-	-	595,361	148,215	85,190	79,894	172,561	93,203
Capital Grants and Contributions	654,170	1,998,637	523,422	406,834	496,259	211,850	221,151	339,734	10,729,437	91,175
Total Business-Type Activities Program Revenues	14,538,126	18,025,067	17,781,846	17,543,392	17,048,791	16,184,459	13,963,474	13,491,743	24,879,669	14,396,579
Total Primary Government Program Revenues	\$ 92,358,759	\$ 92,592,584	\$ 99,428,089	\$ 55,521,946	\$ 60,534,570	\$ 47,257,386	\$ 44,846,156	\$ 43,329,172	\$ 51,577,688	\$ 44,824,369
Total Component Unit Program Revenues	\$ 315,417	\$ 411,870	\$ 712,232	\$ 601,094	\$ 439,960	\$ 752,974	\$ 563,206	\$ 742,790	\$ 551,632	\$ 1,591,559

TABLE 2 (Continued)

City of Grand Junction, Colorado
CHANGES IN NET POSITION
 Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/ Revenue										
Governmental Activities	\$ 17,676,226	\$ 7,246,753	\$ 1,899,519	\$ (42,569,986)	\$ (35,235,878)	\$ (35,643,764)	\$ (58,607,468)	\$ (58,339,296)	\$ (73,729,239)	\$ (63,139,847)
Business-Type Activities	(88,689)	1,504,757	(1,506,994)	(1,971,491)	(956,328)	(251,529)	(283,861)	(435,419)	10,410,726	(162,050)
Total Primary Government Net Expense	\$ 17,587,537	\$ 8,751,510	\$ 392,525	\$ (44,541,477)	\$ (36,192,206)	\$ (35,895,293)	\$ (58,891,329)	\$ (58,774,715)	\$ (63,318,513)	\$ (63,301,897)
Total Component Unit Net Expense	\$ (1,063,515)	\$ (4,221,934)	\$ (1,404,976)	\$ (2,034,975)	\$ (4,386,737)	\$ (3,869,237)	\$ (947,980)	\$ (3,010,873)	\$ (1,013,648)	\$ (286,085)
Governmental Activities:										
Taxes										
Sales & Use Taxes	\$ 50,373,971	\$ 56,583,254	\$ 59,447,697	\$ 46,856,622	\$ 47,424,012	\$ 50,312,521	\$ 50,702,973	\$ 50,468,227	\$ 51,272,814	\$ 52,554,260
Property Taxes	5,618,112	5,926,469	8,440,775	8,701,650	10,146,009	10,608,818	8,976,292	8,837,970	8,089,029	8,250,740
Franchise Taxes	2,159,287	2,147,224	2,456,659	2,432,704	2,527,530	2,572,877	2,528,419	2,743,512	2,977,638	2,804,961
Highway Users Tax	1,763,231	1,732,774	1,718,004	1,940,291	2,262,898	2,261,503	2,186,732	2,167,518	2,240,348	2,291,572
Other Taxes	3,544,629	3,388,467	5,978,962	4,024,160	1,907,422	2,403,354	2,648,647	1,811,980	2,313,571	2,110,926
Investment Income	3,093,381	4,185,692	2,789,072	1,299,123	635,807	435,929	329,469	77,084	320,969	250,356
Gain on Sale of Capital Assets	81,053	88,000	85,329	75,592	-	-	-	-	-	-
Transfers	(2,094,261)	(875,719)	(1,695,599)	(824,955)	(532,813)	1,323,064	(334,688)	(679,822)	(477,014)	(595,383)
Total Governmental Activities	\$ 64,539,403	\$ 73,176,161	\$ 79,220,899	\$ 64,505,187	\$ 64,370,865	\$ 69,918,066	\$ 67,037,844	\$ 65,426,469	\$ 66,737,375	\$ 67,667,432
Business-Type Activities:										
Investment Income (Loss)	254,587	225,584	229,740	84,165	38,206	18,158	20,129	(7,749)	19,127	14,398
Transfers	2,094,261	875,719	1,695,599	824,955	532,813	(1,323,064)	334,688	679,822	477,014	595,383
Total Business-Type Activities	\$ 2,348,848	\$ 1,101,303	\$ 1,925,339	\$ 909,120	\$ 571,019	\$ (1,304,906)	\$ 354,817	\$ 672,073	\$ 496,141	\$ 609,781
Total Primary Government Activities	\$ 66,888,251	\$ 74,277,464	\$ 81,146,238	\$ 65,414,307	\$ 64,941,884	\$ 68,613,160	\$ 67,392,661	\$ 66,098,542	\$ 67,233,516	\$ 68,277,213
Component Unit Activities:										
Property Taxes	1,445,856	1,498,752	2,081,840	2,179,438	2,192,121	2,203,253	1,984,461	1,576,439	1,651,056	1,593,828
Investment Income (Loss)	152,150	198,530	105,629	119,057	57,279	(21,847)	21,427	(9,795)	13,324	13,492
Gain (Loss) on Sale of Capital Assets	-	(49,744)	-	-	-	-	-	177,677	-	-
Total Component Unit Activities	\$ 1,598,006	\$ 1,647,538	\$ 2,187,469	\$ 2,298,493	\$ 2,249,400	\$ 2,181,406	\$ 2,005,888	\$ 1,744,321	\$ 1,664,380	\$ 1,607,320
Change In Net Position										
Governmental Activities	\$ 82,215,629	\$ 80,422,914	\$ 81,120,418	\$ 21,935,201	\$ 29,134,987	\$ 34,274,302	\$ 8,430,376	\$ 7,087,173	\$ (6,991,864)	\$ 4,527,585
Business-Type Activities	2,260,159	2,606,060	418,345	(1,062,371)	(385,309)	(1,556,435)	70,956	236,654	10,906,867	447,731
Total Primary Government	\$ 84,475,788	\$ 83,028,974	\$ 81,538,763	\$ 20,872,830	\$ 28,749,678	\$ 32,717,867	\$ 8,501,332	\$ 7,323,827	\$ 3,915,003	\$ 4,975,316
Total Component Unit: Downtown Development Authority	\$ 534,491	\$ (2,574,396)	\$ 782,493	\$ 263,518	\$ (2,137,337)	\$ (1,687,831)	\$ 1,057,908	\$ (1,266,552)	\$ 650,732	\$ 1,321,235

Source: Current and prior year's financial statements

TABLE 3

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,329,598	\$ 7,498,417	\$ 7,474,266	\$ 6,852,617	\$ 6,386,895
Restricted	-	-	-	-	-	6,825,911	4,945,478	4,651,828	3,937,335	3,806,415
Assigned	-	-	-	-	-	1,802,875	7,362,016	2,258,043	2,348,435	1,084,580
Unassigned	-	-	-	-	-	13,193,886	10,535,731	10,198,700	9,116,534	10,501,371
Reserved	6,391,927	7,958,173	9,135,472	9,589,625	11,740,961	-	-	-	-	-
Unreserved	20,157,996	26,430,185	18,320,471	9,573,798	14,916,902	-	-	-	-	-
Total General Fund	26,549,923	34,388,358	27,455,943	19,163,423	26,657,863	30,152,270	30,341,642	24,582,837	22,254,921	21,779,261
All Other Governmental Funds										
Nonspendable, reported in:										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,605	\$ 9,276	\$ 9,189	\$ 9,120	\$ 13,396
Permanent Funds	-	-	-	-	-	1,289,972	1,309,993	1,329,102	1,352,852	1,372,221
Capital Projects Funds	-	-	-	-	-	20,157	91,149	-	-	-
Restricted, reported in:										
Special Revenue Funds	-	-	-	-	-	4,095,089	3,192,341	2,390,993	2,746,901	2,709,359
Debt Service Funds	-	-	-	-	-	19,245,569	4,238,829	6,483,403	8,621,972	9,878,137
Capital Projects Funds	-	-	-	-	-	23,437,299	3,598,365	78,328	1,040,494	1,109,018
Committed, reported in:										
Special Revenue Funds	-	-	-	-	-	1,353,572	1,299,165	1,235,568	1,274,569	793,938
Capital Projects Funds	-	-	-	-	-	571,214	924,099	236,967	645,455	1,198,995
Assigned, reported in:										
Capital Projects Funds	-	-	-	-	-	458,557	253,027	2,217,442	-	-
Reserved	6,659,252	1,517,413	10,916,914	14,581,790	18,168,718	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	5,640,048	4,716,567	5,378,544	4,569,216	4,086,536	-	-	-	-	-
Debt Service Funds	-	150	(3,420)	-	-	-	-	-	-	-
Capital Projects Funds	19,384,444	11,513,358	2,482,529	1,532,966	41,078,067	-	-	-	-	-
Total All Other Governmental Funds	31,683,744	17,747,488	18,774,567	20,683,972	63,333,321	50,485,034	14,916,244	13,980,992	15,691,363	17,075,064
Total Governmental Funds	\$ 58,233,667	\$ 52,135,846	\$ 46,230,510	\$ 39,847,395	\$ 89,991,184	\$ 80,637,304	\$ 45,257,886	\$ 38,563,829	\$ 37,946,284	\$ 38,854,325

Note: The City of Grand Junction implemented GASB 54 as of December 31, 2011

Source: Current and prior year's financial statements.

TABLE 4

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 63,459,234	\$ 69,778,188	\$ 78,042,097	\$ 63,955,427	\$ 64,267,871	\$ 68,159,073	\$ 67,043,063	\$ 66,029,207	\$ 66,893,400	\$ 68,012,459
Licenses, Fees, and Permits	101,165	113,224	129,993	121,783	118,128	116,930	110,618	108,206	118,991	116,091
Intergovernmental	3,535,141	4,260,519	12,009,672	4,955,308	4,476,793	5,131,948	5,096,820	7,541,086	6,157,849	8,102,118
Charges for Services	11,513,267	8,633,619	8,997,208	8,311,362	9,923,697	9,940,383	12,462,603	13,956,659	10,151,290	9,763,812
Fines and Forfeitures	1,001,569	1,152,790	1,094,388	945,666	1,234,810	1,296,959	1,533,575	896,190	869,216	885,305
Special Assessments	75,103	146,610	24,493	92,198	49,372	32,868	15,814	14,708	16,050	13,771
Investment Earnings	2,982,954	3,270,125	1,968,465	984,031	553,700	423,863	289,435	96,784	280,162	221,580
Other Income	1,185,987	902,798	283,116	136,935	130,638	47,399	45,683	50,755	27,560	1,277,516
Other Contributions	70,874	1,063,174	873,869	196,833	176,607	456,452	1,273,521	779,898	1,652,899	530,015
Total Revenues	83,925,294	89,321,047	103,423,301	79,699,543	80,931,616	85,605,875	87,871,132	89,473,493	86,167,417	88,922,667
Expenditures										
General Government	\$ 10,404,115	\$ 12,336,103	\$ 15,596,506	\$ 13,793,482	\$ 10,301,970	\$ 10,692,566	\$ 10,922,302	\$ 11,576,206	\$ 11,872,673	\$ 12,625,502
Public Safety	22,930,060	25,791,977	29,657,426	29,092,018	27,193,471	28,691,061	33,791,689	35,406,743	35,610,598	37,871,800
Public Works	8,865,640	9,562,091	10,779,300	9,954,111	9,686,215	10,035,622	9,752,185	10,014,670	9,509,928	8,866,234
Parks and Recreation	5,795,820	6,432,863	7,273,190	7,347,609	7,067,698	7,083,898	8,421,297	8,456,460	8,403,649	8,663,393
Urban Development and Housing	249,847	565,373	545,715	572,726	561,457	645,572	477,886	591,545	634,827	511,257
Debt Service										
Advance Refunding Escrow	-	-	-	-	-	-	17,812,681	-	-	-
Principal Retirement	2,216,032	2,584,661	3,907,232	3,883,479	4,073,479	4,275,000	5,130,000	5,380,000	4,620,000	3,385,000
Interest and Fiscal Charges	2,757,618	3,254,707	3,693,947	3,508,632	3,317,358	5,858,657	5,268,794	4,432,045	4,189,597	4,025,922
Bond Issuance Costs	-	163,569	-	-	364,048	-	146,923	-	-	-
Capital Outlay: Construction	46,927,452	55,168,305	36,484,253	16,879,724	9,916,907	26,126,955	28,376,550	17,516,041	9,762,451	9,894,161
Total Expenditures	100,146,584	115,859,649	107,937,569	85,031,781	72,482,603	93,409,331	120,100,307	93,373,710	84,603,723	85,843,269
Other Financing Sources (Uses)										
Transfers In	13,272,934	25,222,052	41,941,154	24,695,090	15,000,174	13,823,542	13,491,409	16,759,243	13,150,703	9,387,527
Transfers Out	(16,525,848)	(28,794,574)	(43,974,059)	(25,745,967)	(15,652,330)	(15,453,966)	(16,792,117)	(19,553,083)	(15,407,597)	(12,152,716)
Bonds Issued	654,860	22,925,000	-	-	-	-	30,645,000	-	-	-
Bond Premium	-	997,936	-	-	-	-	5,512,594	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	(36,007,129)	-	-	-
Certificates of Participation Issued	-	-	-	-	42,670,000	-	-	-	-	-
Discount on Certificates of Participation	-	-	-	-	(422,392)	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-	-	30,657	28,892
Sale of Capital Assets	-	90,367	641,837	-	99,324	80,000	-	-	44,998	564,940
Total Other Financing Sources(Uses)	(2,598,054)	20,440,781	(1,391,068)	(1,050,877)	41,694,776	(1,550,424)	(3,150,243)	(2,793,840)	(2,181,239)	(2,171,357)
Net Change In Fund Balances	\$ (18,819,344)	\$ (6,097,821)	\$ (5,905,336)	\$ (6,383,115)	\$ 50,143,789	\$ (9,353,880)	\$ (35,379,418)	\$ (6,694,057)	\$ (617,545)	\$ 908,041
Debt Service as a Percentage of Noncapital Expenditures	9.3%	9.7%	10.8%	10.9%	11.9%	18.7%	11.3%	12.9%	11.7%	9.7%

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	Miscellaneous Retail	General Merchandise	Motor Vehicles	Construction Industry	Restaurants & Bars	Taxable Utilities	Grocery, Convenience & Drug Stores	Oil & Gas Extraction	Liquor Stores	Hotels	Other	Total Sales Tax	Total Direct Tax Rate
2006	7,543,081	7,547,529	6,312,831	7,547,605	4,098,032	2,125,053	1,255,194	954,200	710,919	1,104,717	1,807,939	41,007,100	2.75%
2007	8,477,530	7,960,438	7,201,947	8,165,020	4,515,221	2,288,858	1,416,413	1,301,887	806,259	1,358,948	1,996,431	45,488,952	2.75%
2008	8,364,818	7,828,007	7,396,061	8,182,627	4,844,944	2,560,660	1,508,914	1,834,548	901,415	1,519,542	2,084,745	47,026,281	2.75%
2009	7,086,333	6,973,695	5,532,003	5,460,768	4,484,915	2,361,704	1,469,116	1,129,496	920,406	1,187,725	1,626,684	38,232,845	2.75%
2010	7,542,580	6,696,440	6,052,294	5,262,981	4,482,577	2,358,091	1,503,627	1,299,543	913,171	1,169,747	1,528,720	38,809,771	2.75%
2011	8,239,971	6,996,380	5,884,540	5,409,778	4,593,741	2,310,226	1,668,861	1,407,923	931,723	1,108,903	1,338,826	39,890,872	2.75%
2012	8,605,978	6,910,212	6,146,000	5,298,252	4,812,086	2,281,527	1,748,586	1,612,912	979,827	1,150,713	755,253	40,301,346	2.75%
2013	8,369,041	6,518,572	6,208,876	5,712,485	5,044,912	2,371,461	1,752,567	1,045,718	1,018,575	1,220,306	1,466,599	40,729,112	2.75%
2014	8,225,826	6,495,169	6,758,219	5,989,543	5,319,764	2,388,032	1,765,891	1,095,263	1,047,948	1,262,280	1,703,372	42,051,307	2.75%
2015	8,374,648	6,444,453	6,957,027	5,678,347	5,470,778	2,565,699	1,960,658	652,693	1,089,131	1,346,842	2,293,187	42,833,463	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.

Note: Categories are restated for 2006-2013 to more accurately reflect sales tax collection by industry.

Source: City Financial Operations Department: Sales Tax Reports

2015 Sales Tax Revenue by Type of Industry

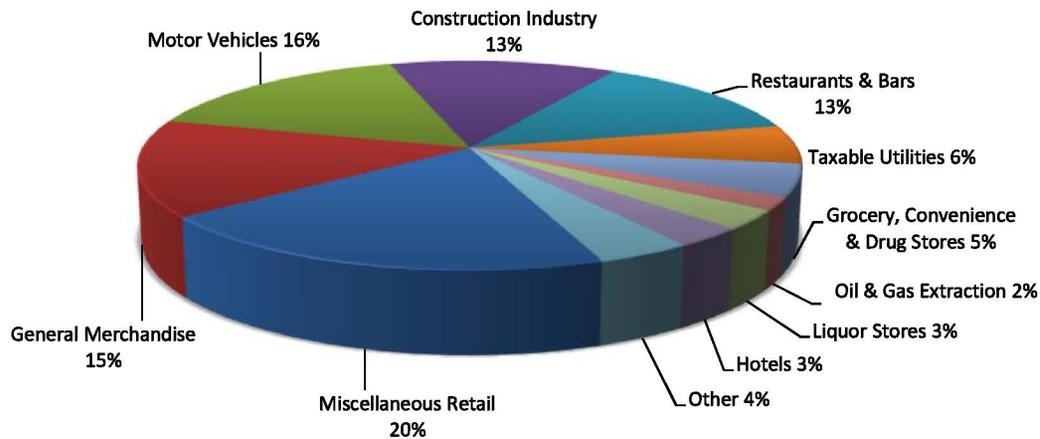


TABLE 6

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

Fiscal Year	City Direct Rate		Overlapping Rates		Total Overlapping Sales Tax Rate
	City of Grand Junction	Total Direct Sales Tax Rate	Mesa County	State of Colorado	
2006	2.75%	2.75%	2.00%	2.90%	7.65%
2007	2.75%	2.75%	2.00%	2.90%	7.65%
2008	2.75%	2.75%	2.00%	2.90%	7.65%
2009	2.75%	2.75%	2.00%	2.90%	7.65%
2010	2.75%	2.75%	2.00%	2.90%	7.65%
2011	2.75%	2.75%	2.00%	2.90%	7.65%
2012	2.75%	2.75%	2.00%	2.90%	7.65%
2013	2.75%	2.75%	2.00%	2.90%	7.65%
2014	2.75%	2.75%	2.00%	2.90%	7.65%
2015	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 Department: Sales Tax Reports

TABLE 7

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Aggregate Top Ten Filers ^{1,2}	\$ 10,330,320	\$ 10,843,864	\$ 11,216,552	\$ 9,889,256	\$ 9,964,913	\$ 9,809,972	\$ 9,742,148	\$ 9,811,983	\$ 9,881,413	\$ 10,302,782
Aggregate All Other Filers ²	30,676,780	34,645,088	35,809,729	28,343,589	28,844,858	30,080,900	30,559,198	30,917,129	32,169,894	32,530,681
Total Sales Tax	\$ 41,007,100	\$ 45,488,952	\$ 47,026,281	\$ 38,232,845	\$ 38,809,771	\$ 39,890,872	\$ 40,301,346	\$ 40,729,112	\$ 42,051,307	\$ 42,833,463
Top Ten Filers as a Percentage of Total Sales Tax	25.19%	23.84%	23.85%	25.87%	25.68%	24.59%	24.17%	24.09%	23.50%	24.05%

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

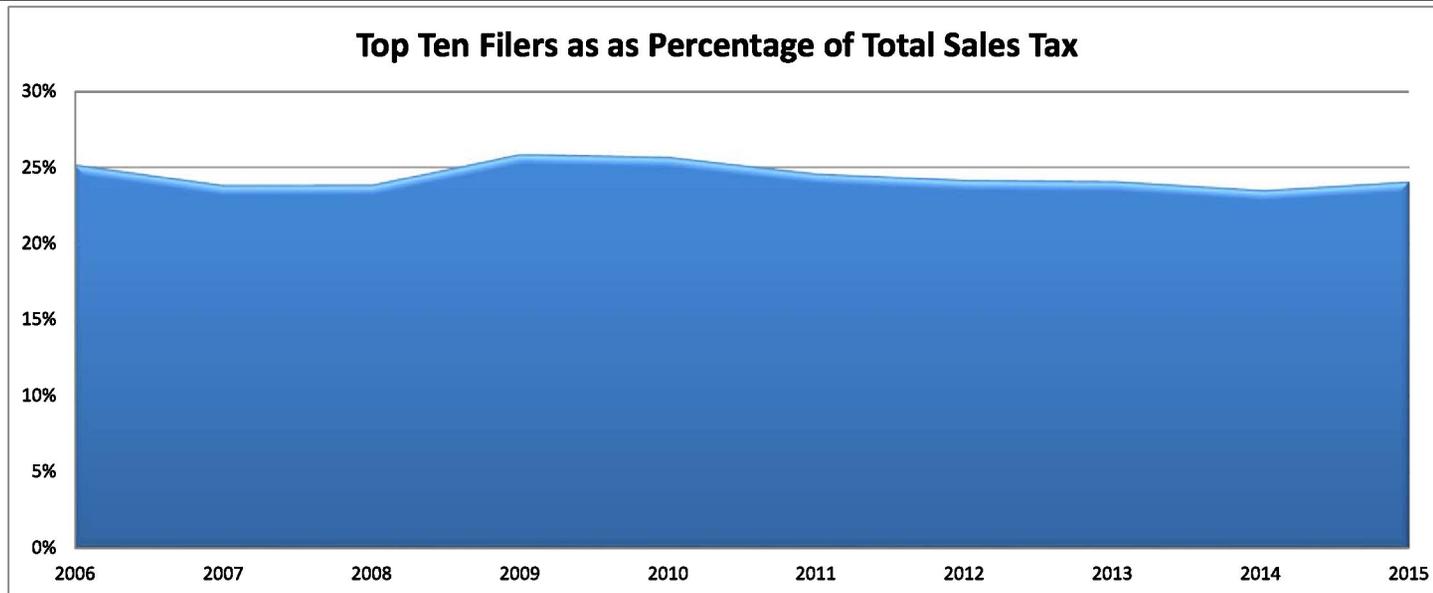


TABLE 8

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
2006	41,007,100	2,165,095	6,120,684	1,081,096	50,373,975
2007	45,488,952	2,690,355	7,080,141	1,323,806	56,583,254
2008	47,026,281	3,696,770	7,216,665	1,507,981	59,447,697
2009	38,232,845	1,711,356	5,721,514	1,190,907	46,856,622
2010	38,809,771	2,110,934	5,354,386	1,148,921	47,424,012
2011	39,890,872	3,560,160	5,727,861	1,133,628	50,312,521
2012	40,301,346	3,230,026	5,959,563	1,212,038	50,702,973
2013	40,729,112	2,636,987	5,896,129	1,205,999	50,468,227
2014	42,051,307	1,910,683	6,056,300	1,254,524	51,272,814
2015	42,833,463	2,026,919	6,325,229	1,368,649	52,554,260

Source: City Financial Operations Department: Sales Tax Reports

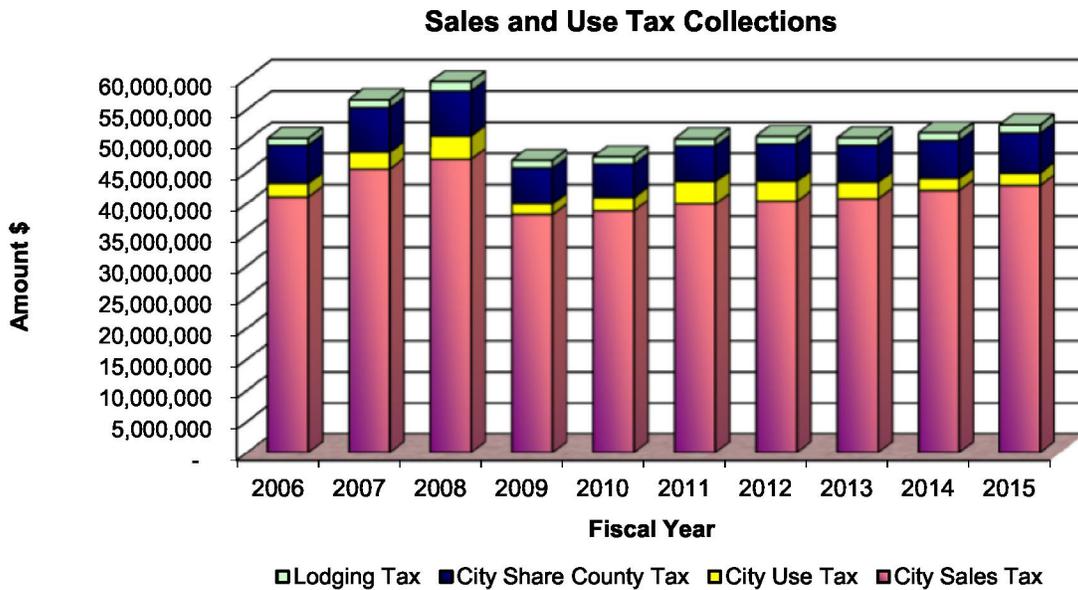


TABLE 9

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

Fiscal Year	Popu- lation ^A	Personal Income In Thousands ^C	Governmental Activities			Business-Type Activities		Total Primary Government	Ratio of Outstanding Debt to Personal Income	Outstanding Debt Per Capita
			General Obligation Bonds ¹	Revenue Bonds	Promissory Notes	Capital Leases	Promissory Notes			
2006	51,569	1,656,035	1,389,950	57,867,070	72,893	-	89,850	3,052,921	3.69%	1,184
2007	53,662	1,874,682	1,090,000	79,664,693	38,181	-	80,441	2,900,164	4.41%	1,541
2008	55,189	2,060,868	935,000	75,815,801	-	-	70,561	2,747,362	3.82%	1,425
2009	56,446	1,963,813	770,000	71,838,039	-	-	-	2,589,193	3.79%	1,319
2010	58,566	2,084,423	595,000	67,723,497	-	42,286,843	-	6,201,050	5.58%	1,984
2011	58,702	2,038,310	410,000	63,459,413	-	42,097,628	-	5,864,020	5.47%	1,898
2012	60,170	2,169,008	210,000	43,920,951	-	41,266,270	-	5,534,201	4.18%	1,508
2013	60,317	2,193,669	-	38,850,946	-	40,426,335	-	5,198,101	3.85%	1,401
2014	61,212	2,367,313	-	34,412,916	-	39,557,327	-	4,851,055	3.33%	1,288
2015	61,847	2,463,057 ^D	-	31,283,775	-	38,659,324	-	4,494,375	3.02%	1,204

¹ The general obligation bonds consist of the Ridges Metropolitan District debt and the Grand Junction West Water and Sanatation 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.

Source: Current and prior year's financial statements

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

^B Estimate, Colorado Department of Local Affairs, State Demography Office

^C Bureau of Economic Analysis

^D Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 10

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

Fiscal Year	Popu- lation ^A	Personal Income in Thousands ^C	Revenue Bonded Debt	Debt Service Monies Avail- able	Debt Payable From Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Personal Income	Net Bonded Debt Per Capita
2006	51,569	1,656,035	57,867,070	6,240,215	-	51,626,855	3.12%	1,001
2007	53,662	1,874,682	79,664,693	3,568,205	-	76,096,488	4.06%	1,418
2008	55,189	2,060,868	75,815,801	9,374,254	-	66,441,547	3.22%	1,204
2009	56,446	1,963,813	71,838,039	12,186,977	-	59,651,062	3.04%	1,057
2010	58,566	2,084,423	67,723,497	15,100,529	-	52,622,968	2.52%	899
2011	58,702	2,038,310	63,459,413	19,079,054	-	44,380,359	2.18%	756
2012	60,170	2,169,008	43,920,951	4,117,083	-	39,803,868	1.84%	662
2013	60,317	2,193,669	38,850,946	6,467,441	-	32,383,505	1.48%	537
2014	61,212	2,367,313	34,412,916	8,604,537	-	25,808,379	1.09%	422
2015	61,847 ^B	2,463,057 ^D	31,283,775	9,860,226	-	21,423,549	0.87%	346

Notes: Details regarding the city's outstanding debt can be found in Note 7 of the financial statements.

The general obligation bonds consist of Ridges Metropolitan District debt and the Grand Junction West Water and Sanitation District debt which 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 Department

^B Estimate, Colorado Department of Local Affairs, State Demography Office

^C Bureau of Economic Analysis

^D Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 11

City of Grand Junction, Colorado
COMPUTATION OF LEGAL DEBT MARGIN
December 31, 2015

Estimated actual value as determined by Assessor ^A	\$ <u>6,423,083,640</u>
Debt limit - 3% of actual value	\$ 192,692,509
Legal debt margin	\$ <u>192,692,509</u>

Source:

^A Mesa County Assessor

TABLE 12

City of Grand Junction, Colorado
COMPUTATION OF DIRECT AND OVERLAPPING DEBT ¹
 December 31, 2015

<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	\$ 69,943,099	100.00%	\$ 69,943,099
Overlapping:			
Mesa County Valley School District No. 51 ^B	88,190,000	50.00%	44,095,000
Mesa County ^C	15,710,000	50.00%	7,855,000
			<u>51,950,000</u>
Total			<u>\$ 121,893,099</u>

Notes:

¹ Computation of overlapping debt includes only the three major governmental units and excludes several special districts that partially overlap the City. For the purposes of GASB Statement 44, certificates of participation are included in the overlapping debt calculation. However, certificates of participation do not constitute a general obligation or other indebtedness or multiple fiscal year financial obligations within the meaning of any constitutional or statutory debt limitation.

Source:

- ^A City Financial Operations Department
- ^B Mesa County Valley School District No. 51 Finance Department
- ^C Mesa County Financial Services 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
2006	5,003,881	3,506,330	1,497,551	-	-	-	-
2007	5,319,132	3,794,036	1,525,096	-	-	-	-
2008	5,950,066	4,129,193	1,820,873	-	-	-	-
2009	5,977,671	4,299,638	1,678,033	-	-	-	-
2010	5,771,565	4,283,596	1,487,969	-	-	-	-
2011	5,241,766	3,860,748	1,381,018	-	-	-	-
2012	5,578,993	4,196,685	1,382,308	-	-	-	-
2013	5,452,497	4,305,490	1,147,007	-	-	-	-
2014	6,149,570	4,465,619	1,683,951	-	-	-	-
2015	6,264,306	4,515,103	1,749,203	-	-	-	-

Source: City Financial Operations Department

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 ^C	Per Capita Income ^C	School ^B Enrollment	Unemployment Rate ^{D, E}	
						Grand Junction MSA	State of Colorado
2006	51,569	135,468	1,656,035	32,113	20,877	4.0%	4.3%
2007	53,662	140,416	1,874,682	34,935	21,396	3.2%	3.8%
2008	55,189	144,440	2,060,868	37,342	22,272	3.9%	4.8%
2009	56,446	147,522	1,963,813	34,791	22,147	9.3%	8.1%
2010	58,566	146,723	2,084,423	35,591	22,203	10.7%	9.0%
2011	58,702	149,556	2,038,310	34,723	22,081	9.9%	8.5%
2012	60,170	147,753	2,169,008	36,048	21,914	9.2%	7.3%
2013	60,317	148,013	2,193,669	36,369	21,714	7.4%	5.9%
2014	61,212	147,811	2,367,313	38,674	21,894	5.1%	4.2%
2015	61,847 ^F	148,348 ^F	2,463,057	39,825 ^G	21,742	5.4%	3.3%

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 Bureau of Economic Analysis
- ^D US Department of Labor, Bureau of Labor Statistics, Non Seasonally Adjusted
- ^E 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
- ^F Colorado Department of Local Affairs, State Demography Office
- ^G Estimate, based on prior year data and Bureau of Economic Analysis

Population, Income and School Enrollment Trend

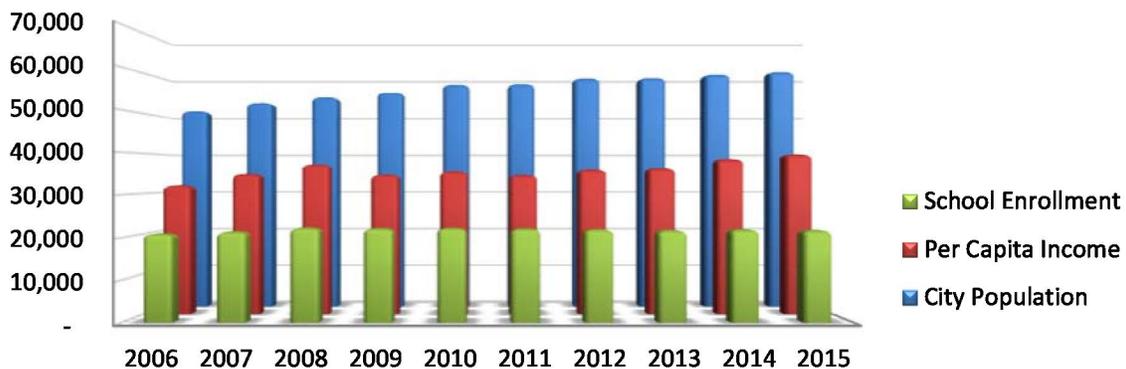


TABLE 15

City of Grand Junction, Colorado
TOP 10 PRINCIPAL EMPLOYERS
 December 31, 2015
 Last Ten Fiscal Years

Employer	Type of Business	Number of Employees 2006 ^A	Percentage of Total 2006	Number of Employees 2007 ^A	Percentage of Total 2007	Number of Employees 2008 ^B	Percentage of Total 2008	Number of Employees 2009 ^B	Percentage of Total 2009	Number of Employees 2010 ^B	Percentage of Total 2010	Number of Employees 2011 ^B	Percentage of Total 2011	Number of Employees 2012 ^B	Percentage of Total 2012	Number of Employees 2013 ^B	Percentage of Total 2013	Number of Employees 2014 ^B	Percentage of Total 2014	Number of Employees 2015 ^B	Percentage of Total 2015
School District #51	Schools	2,600	3.54%	3,133	4.48%	3,200	4.42%	3,000	4.05%	3,000	4.22%	2,554	3.53%	2,348	3.46%	2,401	3.54%	2,675	3.95%	2,502	3.69%
St. Mary's Hospital	Medical	2,000	2.72%	2,235	3.20%	2,235	3.09%	2,191	2.96%	2,068	2.91%	1,494	2.07%	1,548	2.28%	1,500	2.21%	1,500	2.21%	1,655	2.44%
State of Colorado	Government	982	1.34%	982	1.40%	1,197	1.65%	1,212	1.64%	995	1.40%	973	1.35%	902	1.33%	623	0.92%	1,004	1.48%	1,004	1.48%
Mesa County	Government	925	1.26%	977	1.40%	982	1.36%	978	1.32%	980	1.38%	962	1.33%	987	1.46%	987	1.46%	978	1.44%	998	1.47%
Community Hospital	Medical					574	0.79%	588	0.79%			583	0.81%	416	0.61%			538	0.79%	800	1.18%
Star Tek USA	Services	600	0.82%	625	0.89%			595	0.80%	600	0.84%			860	1.27%	900	1.33%	675	1.00%	700	1.03%
Hilltop Community Resources	Services													593	0.88%					680	1.00%
VA Medical Center	Medical											600	0.83%	648	0.96%	569	0.84%	593	0.88%	650	0.96%
City Markets, Inc.	Retail	589	0.80%	590	0.84%	650	0.90%	677	0.91%	565	0.79%	1,656	2.29%			637	0.94%	648	0.96%	648	0.96%
City of Grand Junction	Government	808	1.10%	968	1.38%	1,202	1.66%	1,219	1.65%	672	0.94%	625	0.86%	636	0.94%	642	0.95%	641	0.95%	640	0.94%
Colorado Mesa University	Schools	1,250	1.70%	1,440	2.06%	1,259	1.74%	718	0.97%	699	0.98%			576	0.85%	604	0.89%	622	0.92%		
Halliburton Energy	Services	700	0.95%	800	1.14%	977	1.35%			700	0.98%			855	1.18%			625	0.92%		
Walmart	Retail	910	1.24%	865	1.24%	860	1.19%	980	1.32%	859	1.21%	775	1.07%								
Other		60,571	84.53%	63,729	81.96%	65,767	81.84%	61,306	83.59%	58,786	84.34%	61,255	84.68%	64,572	85.96%	62,874	86.00%	63,073	85.43%	57,488	84.85%
Total of All Employees ^C		71,935		76,344		78,903		73,464		69,924		72,332		74,086		71,133		72,325		67,765	

Source:

- ^A Grand Junction Chamber of Commerce (Includes Part-Time and Seasonal Employees)
- ^B Grand Junction Economic Partnership (Includes Part-Time and Seasonal Employees)
- ^C Colorado Department of Labor and Employment (Includes Part-Time and Seasonal Employees)

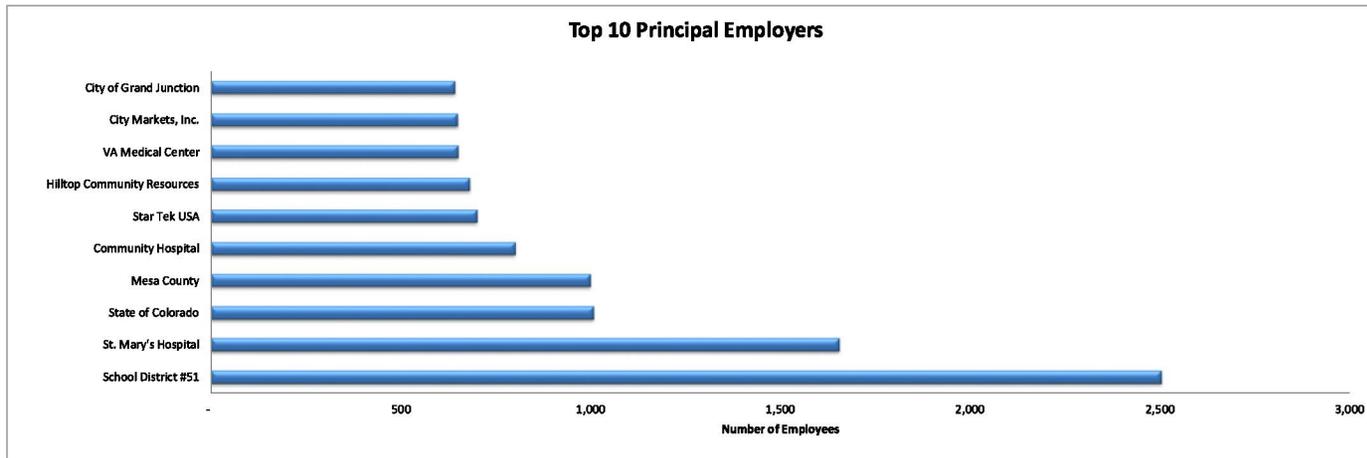


TABLE 16

City of Grand Junction, Colorado
MISCELLANEOUS STATISTICS
 Last Ten 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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	119	113	116	122	115	114	115	131	127	132
Fire Protection	98	98	99	99	95	96	103	112	111	108
Parks and Recreation	70	74	87	73	67	68	67	67	66	63
Police Protection										
Sworn	91	100	102	107	90	102	103	105	109	114
Non-Sworn	70	65	78	80	82	72	80	86	84	80
Public Works	161	187	197	187	160	153	156	136	135	131
Total	609	637	679	668	609	605	624	637	632	628

Building permits:^B

Year	# Issued	Value
2006	2,205	286,484,081
2007	2,183	323,358,687
2008	1,762	254,912,474
2009	984	89,935,667
2010	929	128,551,321
2011	881	96,498,756
2012	899	90,830,317
2013	988	124,166,999
2014	1,075	168,028,225
2015	1,024	158,448,472

Elections:^A

Year	Number of Registered Voters	Number of Votes in last General Election	Percentage
2006	21,677	8,756	40.39%
2007	21,677	8,756	40.39%
2008	34,774	27,508	79.11%
2009	27,977	8,579	30.66%
2010	24,558	21,463	87.40%
2011	23,928	13,786	57.61%
2012	29,989	29,039	96.83%
2013	29,989	11,665	38.90%
2014	32,367	22,540	69.64%
2015	31,482	11,262	35.77%

Education:

Type	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Mesa County Valley School District No. 51 Enrollment: ^C										
Elementary	10,153	10,147	10,783	10,710	10,753	10,107	10,034	10,224	9,898	9,945
Middle	4,751	4,729	4,882	4,868	4,860	5,366	5,319	5,307	5,515	5,670
High	5,973	6,520	6,607	6,569	6,590	6,441	6,361	6,363	6,329	6,289
Colorado Mesa University Enrollment: ^D	5,938	6,127	6,205	6,665	7,746	8,826	9,010	9,325	8,853	9,065

Source:

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

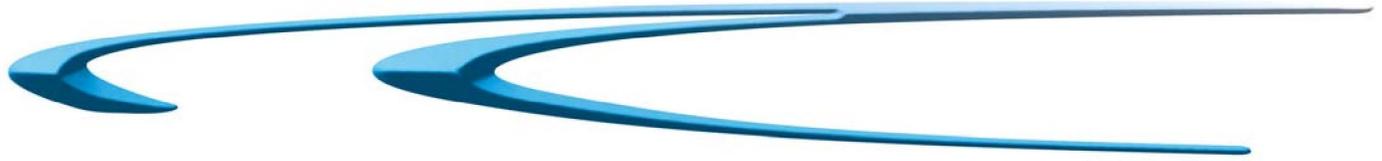
TABLE 17

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

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police ^B										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicular Patrol Units	31	33	35	38	39	39	40	41	40	41
Canine Units	3	3	3	3	3	3	3	2	2	2
Motorcycles Units	6	6	6	8	8	8	8	8	8	8
Bicycles (Attached to Patrol Units)	23	23	26	20	17	22	22	20	20	20
Fire Stations ^C	5	5	5	5	5	5	5	5	5	5
Public Works ^A										
Area (Sq Miles)	35.47	36.90	37.46	37.84	38.05	39.10	39.18	39.35	39.37	39.62
Paved Streets (Centerline Miles)	333.50	342.60	353.70	357.10	360.60	361.80	362.54	368.54	370.03	370.68
Unpaved Streets (Centerline Miles)	3.80	3.50	4.20	4.20	4.20	5.40	5.44	5.52	3.43	3.62
Total Streets (Centerline Miles)	337.30	346.10	357.90	361.30	364.80	367.20	367.98	374.06	373.46	374.30
Parks and Recreation ^D										
Developed Parks (Acres)	365.22	365.22	365.22	365.22	365.22	365.22	365.22	365.22	365.22	367.23
Undeveloped Parks (Acres)	389.00	389.00	389.00	389.00	389.00	389.00	396.50	396.50	396.50	394.49
Total Parks (Acres)	754.22	754.22	754.22	754.22	754.22	754.22	761.72	761.72	761.72	761.72
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Waterslides	1	1	2	2	2	2	2	2	2	2
Pickleball Courts	-	-	-	-	-	-	-	-	4	4
Tennis Courts	16	16	22	22	22	22	22	24	22	22
Shelters	18	18	18	18	18	18	19	19	19	21
Baseball Stadiums(Lighted)	1	1	1	1	1	1	1	1	1	1
Baseball Stadiums(Unlighted)	1	1	1	1	1	1	1	1	1	1
Football/Track Stadium (Lighted)	1	1	1	1	1	1	1	1	1	1
Softball Fields(Lighted)	6	6	6	6	6	6	6	6	6	6
Softball Fields(Unlighted)	2	2	2	2	2	2	2	2	2	2
Golf Courses	2	2	2	2	2	2	2	2	2	2
Golf Courses (Acres)	156	156	156	156	156	156	156	156	156	156
Outdoor Basketball Courts (Lighted)	1	1	1	1	1	1	1	2	2	2
Outdoor Basketball Courts (Unlighted)	7	7	10	10	10	10	10	10	10	10
Multi-purpose Fields (Lighted)	1	1	1	1	1	1	1	1	1	1
Multi-purpose Fields (Unlighted)	12	12	12	12	12	12	12	12	12	12
Auditorium	1	1	1	1	1	1	1	1	1	1
Senior Recreation Center	1	1	1	1	1	1	1	1	1	1
Riverfront Trail (Miles)	14.80	14.80	18.70	18.70	19.07	19.07	21.47	21.47	21.47	21.47
Skateparks	2	2	2	2	2	2	2	2	2	2
Activity Center	1	1	1	1	1	1	1	1	1	1
Utilities ^E										
Storm sewer (Miles)	135.24	216.07	138.57	161.37	185.03	186.63	192.17	205.76	251.00	160.99
Sanitary sewer (Miles)	502.57	537.64	589.70	597.81	595.27	594.68	596.35	600.57	601.00	538.73

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

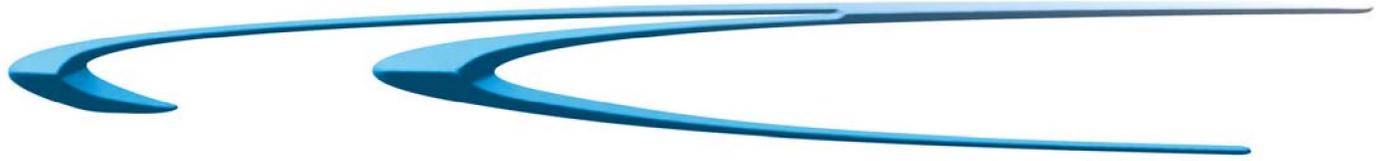


SINGLE AUDIT

The City of Grand Junction did not have a Single Audit during the year ended December 31, 2015 because Federal expenditures did not exceed the threshold requiring it.



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OTHER SUPPLEMENTAL INFORMATION



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**Haynie &
Company**

Certified Public Accountants (a professional corporation)
1221 West Mineral Ave, Ste. 202 Littleton, Colorado 80120-4544 (303) 734-4800 Fax (303) 795-3356

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, 2015, and our report thereon dated June 27, 2016, which expressed unmodified opinions on those financial statements, appears on page 17. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Local Highway Finance Report is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Littleton, Colorado
June 27, 2016



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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
YEAR ENDING :
December 2015

This Information From The Records Of (example - City of _ or County of) Prepared By:
Phone:

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)	4,372,055
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	898,873
2. General fund appropriations	3,703,220	b. Snow and ice removal	97,315
3. Other local imposts (from page 2)	1,870,796	c. Other	
4. Miscellaneous local receipts (from page 2)	1,366,551	d. Total (a. through c.)	996,188
5. Transfers from toll facilities		4. General administration & miscellaneous	253,114
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	5,621,357
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	1,381,800
7. Total (1 through 6)	6,940,567	b. Redemption	2,470,000
B. Private Contributions		c. Total (a. + b.)	3,851,800
C. Receipts from State government (from page 2)	2,530,193	2. Notes:	
D. Receipts from Federal Government (from page 2)	2,397	a. Interest	
E. Total receipts (A.7 + B + C + D)	9,473,157	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	3,851,800
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	9,473,157

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	30,645,000	0	2,470,000	28,175,000
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	9,473,157	9,473,157		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2015

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	13,426	a. Interest on investments	3,463
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	49,123
5. Specific Ownership &/or Other	1,857,370	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,857,370	h. Other	1,313,965
c. Total (a. + b.)	1,870,796	i. Total (a. through h.)	1,366,551
	(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	2,291,572	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	238,621	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	2,397
f. Total (a. through e.)	238,621	g. Total (a. through f.)	2,397
4. Total (1. + 2. + 3.f)	2,530,193	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	68,898	270,691	339,589
b. Engineering Costs	130,369	224,449	354,818
c. Construction:			
(1). New Facilities		648,081	648,081
(2). Capacity Improvements	22,065	645,201	667,266
(3). System Preservation		2,311,054	2,311,054
(4). System Enhancement & Operation		51,247	51,247
(5). Total Construction (1) + (2) + (3) + (4)	22,065	3,655,583	3,677,648
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	221,332	4,150,723	4,372,055
			(Carry forward to page 1)

Notes and Comments:





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