



2016

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2016

About our cover...

The Horizon Drive Roundabouts project was a 12-month construction project on Horizon Drive at the interchange with Interstate I-70 (Exit 31) in Grand Junction. The Colorado Department of Transportation, the City of Grand Junction, the Horizon Drive Business Improvement District and Ute Water Conservancy District partnered on Phase 1 of corridor improvements to address the intersection of Interstate 70 and Horizon Drive. The \$6.6M project removed three traffic signals and installed two roundabouts to vastly improve traffic flow at this “Gateway to Grand Junction.” The Horizon Drive District covered the cost of numerous additions for beautification, including 6 sculptures, additional landscaping, and Mission-style pedestrian lighting to enhance the project. Construction was completed in August of 2016 under budget, with no project-related injuries, and within the scheduled timeframe.

The project included:

- the construction on Horizon Drive of two modern-style roundabouts that will help improve traffic flow and safety;
- adding environmental aesthetics to the area;
- ramp upgrades;
- concrete sidewalks and gutters;
- re-surfacing;
- a new access route for the Grand Junction Visitors Center along Visitor’s Way; and
- a \$4.6 million grant from a CDOT program called RAMP or Responsible Acceleration of Maintenance and Partnerships.



Sculptor of the Grand Junction Horses - Joseph Fichter

Photographs courtesy of Facing West Media



Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2016

Prepared by:

Finance Department

Jodi Romero, Finance Director



TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal.....	3
Certificate of Achievement for Excellence in Financial Reporting.....	11
City Organizational Chart.....	12
City Map, Election District Boundaries	13
List of City Officials.....	13
FINANCIAL SECTION	
Independent Auditor’s Report	17
Management’s Discussion and Analysis	19
Basic Financial Statements	29
Government-wide Financial Statements:	
Statement of Net Position.....	31
Statement of Activities	32
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	34
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	35
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	37
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund.....	38
Statement of Net Position – Proprietary Funds	39
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	40
Statement of Cash Flows – Proprietary Funds	41
Statement of Fiduciary Net Position – Fiduciary Funds.....	42
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	43
Notes to Financial Statements	45
Required Supplementary Information	
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios – Police Old Hire Pension Plan	76
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios – Fire Old Hire Pension Plan	77
Schedule of Contributions Multiyear – Police Old Hire Pension Plan	78
Schedule of Contributions Multiyear – Fire Old Hire Pension Plan.....	79
Schedule of Funding Progress – Post Employment Retiree Healthcare Plan	80
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds	81
Combining Balance Sheet – Nonmajor Governmental Funds	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	86

TABLE OF CONTENTS

	<u>Page</u>
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Visitors and Convention Bureau Special Revenue Fund.....	88
Enhanced 911 Special Revenue Fund	89
Parkland Expansion Special Revenue Fund	90
Conservation Trust Special Revenue Fund	91
Community Development Special Revenue Fund	92
Ridges Debt Service Fund	93
Grand Junction Public Finance Corporation Debt Service Fund	94
General Debt Service Fund	95
Parkway Debt Retirement Debt Service Fund.....	96
Sales Tax Capital Improvements Capital Projects Fund	97
Storm Drainage Development Capital Projects Fund.....	98
Street Assessments Projects Capital Projects Fund.....	99
Cemetery Perpetual Care Permanent Trust Fund	100
Nonmajor Proprietary Funds	101
Combining Statement of Net Position – Nonmajor Proprietary Funds	103
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Proprietary Funds.....	104
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	105
Combining Statement of Net Position – Internal Service Funds.....	106
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds.....	107
Combining Statement of Cash Flows – Internal Service Funds	108
Fiduciary Funds.....	109
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	110
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds.....	111
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	112
Downtown Development Authority – A Component Unit.....	113
Balance Sheet – Governmental Funds.....	114
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	115
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual:	
Downtown Development Authority Special Revenue Fund	116
DDA TIF Debt Service Fund	117
DDA Capital Improvements Capital Projects Fund	118

STATISTICAL SECTION

Table 1 - Net Position.....	121
Table 2 - Changes in Net Position.....	122
Table 3 - Fund Balances, Governmental Funds	124
Table 4 - Changes in Fund Balances, Governmental Funds	125
Table 5 - Sales Tax Revenue by Type of Industry	126
Table 6 - Direct and Overlapping Sales Tax Rates	127
Table 7 - Principal Sales Tax Payers.....	128
Table 8 - Sales & Use Tax Collections	129

TABLE OF CONTENTS

	<u>Page</u>
Table 9 - Ratio of Outstanding Debt by Type	130
Table 10 - Ratio of Net General Bonded Debt	131
Table 11 - Computation of Legal Debt Margin.....	132
Table 12 - Computation of Direct and Overlapping Debt.....	133
Table 13 - Revenue Bond Coverage.....	134
Table 14 - Demographic and Economic Statistics	135
Table 15 - Top 10 Principal Employers	136
Table 16 - Miscellaneous Statistics	137
Table 17 - Capital Asset Statistics by Function.....	138

SINGLE AUDIT

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	141
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	143
Schedule of Expenditures of Federal Awards	145
Notes to Schedule of Expenditures of Federal Awards	146
Schedule of Findings and Questioned Costs	147

OTHER SUPPLEMENTAL INFORMATION

Independent Auditor's Report on Other Supplemental Information	151
Schedule of Revenues and Expenditures for Roads, Bridges and Streets.....	153



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City of Grand Junction, Colorado



INTRODUCTORY SECTION



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June 28, 2017

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 (the City), for the year ended December 31, 2016, 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 CAFR is hereby issued and submitted to you for the fiscal year ended December 31, 2016 in accordance with these requirements.

This report consists of management’s representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all 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 the 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.

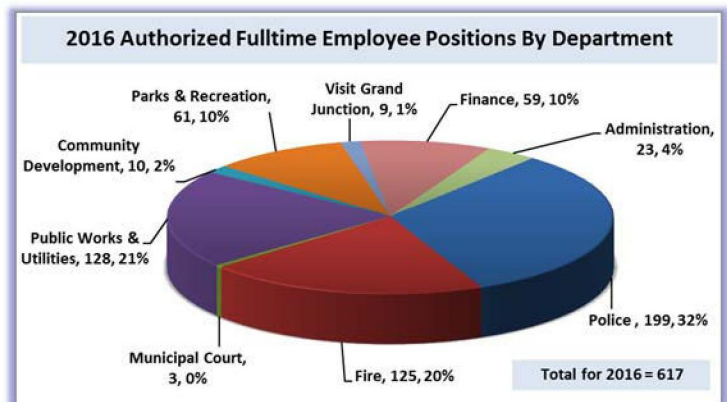
The City’s financial statements have been audited by Haynie & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City, for the fiscal year ended December 31, 2016, are free of material misstatement. The independent audit involves 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 has concluded, based upon the audit, that there is a reasonable basis for rendering an unqualified opinion that the City’s financial statements for the fiscal year ended December 31, 2016 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.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction. The City’s MD&A is found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Grand Junction was first settled in 1881 and 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 2016 Authorized Fulltime Employee Positions by Department chart, to the right, in terms of personnel.



Blended component units, although legally separate entities, are part of the primary government's operations in substance 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 currently occupies a land area of 39.6 square miles and serves an estimated population of 63,800 people. The City 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, use and lodging tax. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by City Council.

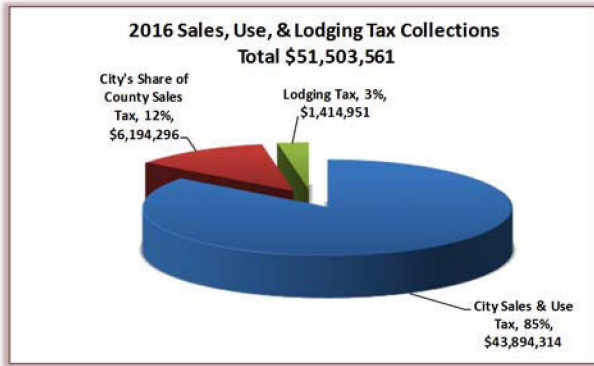
The City's policy-making and legislative authority is vested in a City Council consisting of seven members, one of which is elected Mayor each year. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing boards and commissions and hiring the City Manager, City Attorney and Municipal Court Judge. The City Manager is responsible for carrying out the policies and ordinances of City Council, for overseeing the day-to-day operations of the City and for appointing the heads of the various departments. City 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 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. Although the budget enacted by 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, 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 and non-major governmental funds this comparison is presented in the other funds statements subsection of this report, starting 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, known as the Grand Valley, formed at the junction of the Gunnison and Colorado Rivers surrounded by a majestic mesa. 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 that provide for a diverse economic base.



The mild climate and 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, economic development and popular citizen programs. 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 2016 Sales, Use, & Lodging Tax Collections chart above shows the sales, use and lodging taxes and their proportionate size, while the Historical Sales, Use, & Lodging Tax Collections graph shows the historical collections and growth since 2007. As seen below, tax revenues show growth from 2013 but then decrease again in 2016 from 2015. After falling significantly in 2009, tax revenues continue to stay between the 2006 and 2007 levels as they have for the last few years.

The Grand Junction Metropolitan Statistical Area (MSA), which includes 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, and the average



annual unemployment rate has continued to decline to its current 3.8%. As demonstrated in the 10 year Historical Sales, Use, & Lodging Tax Collections graph above, the recessionary job loss restricted consumer spending, resulting in significant declines in retail activity and sales tax revenues. Since the sales, use and lodging tax collection 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 was completed in 2016. This \$6.6 million project was funded in large part with a State of Colorado Responsible Acceleration of Maintenance and Partnership (RAMP) grant.
- A beautification project to one of the oldest east west thoroughfares in the city began with design and planning in 2014, and the \$2.2 million North Avenue Streetscape project was completed in 2016. This project was 80% funded by a federal highway grant administered through the Colorado Department of Transportation and a Colorado Department of Local Affairs grant.
- By leveraging conservation trust and parkland expansion funds, the City continues to invest in improvements to parks, playground systems and pools. In 2016, the City started construction on the Las Colonias Park Amphitheater along the south downtown riverfront. This park is one component of the overall long-term plan for

the development of Las Colonias Park. The \$3.5 million amphitheater was funded 76% by a DOLA grant, foundation grants and community contributions and will be completed in 2017.

- In 2016, the City began a \$1.45 million multimodal construction project in the Orchard Mesa area by reconfiguring an existing overpass to provide a safe bicycle and pedestrian crossing of US Highway 50. The City leveraged a \$1.2 million federal highway grant through the Colorado Department of Transportation for this project. The overpass bikeway/walkway will be completed in 2017.
- Water and sewer enterprises invested \$8.3 million in replacements of pipelines and improvements to the water and sewer plant systems.

FUTURE OUTLOOK

The City of Grand Junction 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 community partners in economic development, including the Grand Junction Economic Partnership, Grand Junction Area Chamber of Commerce, Business Incubator and Colorado Mesa University. The City has a department dedicated to 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 City 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 into motion several action steps including a branding and marketing analysis, exploration of foreign trade opportunities and the launch of an economic development website. Beginning in 2016, the City committed to funding local economic partners to implement recommendations resulting from a marketing and branding analysis completed in 2015. Recently, City Council authorized a limit on the vendor's fee paid to businesses for the collection of city sales tax and dedicated the resulting available resources as a sustainable funding source for economic development. City Council also pledged commitment to Mesa County's Rural Jump-Start Zone by authorizing tax rebates to qualifying businesses. This was 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, eight businesses have located or expanded in Mesa County under the program. The most recent economic development opportunity involves a concept for the development of a business park on the riverfront. The 15-acre business park would be located on the east end of the Las Colonias recreation park. With an estimated \$30 million in public and private investments, this project meets several economic development objectives: retention of a home-grown and world class local business, completion of improved park amenities according to the Parks Master Plan for the area ahead of the normal funding schedule, creation of a Google-like campus focused on recruiting businesses in the outdoor recreation industry, creation of primary jobs in the community and redevelopment of the south downtown area within the Downtown Development Authority.

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 has supported this project through economic development contributions of \$7.5 million through 2016, 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, remodel of Fire Station #2, and most recently, move of Fire Station #4 to better serve the southeast area of the community. City Council remains committed to addressing future public safety needs and improvements in fire and emergency medical services (EMS) coverage, including plans for a new fire station to better 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 of streets infrastructure to maintain. 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, and in April of 2017, the voters authorized the use of the Taxpayer Bill of Rights Amendment (TABOR) excess dollars to be allocated to street infrastructure improvements through 2022.

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 Road 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.

Historically, City Council has committed funding for major maintenance and improvement projects for the City's existing 30 developed parks. The purchase and development of the 103-acre regional Canyon View Park began in 1996 with major softball and soccer facilities. Improvements continued with the addition of a baseball field, tennis courts and new restroom facilities and a playground renovation. 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. 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. In addition, the City has over 20 miles of developed trails and has partnered with Mesa Land Trust in the acquisition of land to facilitate the development of walking and bike trails along Monument Road.

The City is serving the community by the redevelopment of the riverfront along the Colorado River. Currently there are 8.5 miles of riverfront trail maintained by the City. The City has acquired land in the south downtown riverfront area that was previously the site of wrecking yards and mill tailings disposal. These areas have been cleaned up and are continuing to be improved. In 2014, the City began phase one of the development of the 150-acre Las Colonias Park, which is the second regional park in the community. The park objectives are to provide additional recreational facilities, beautify the entrance to the City and improve flood control for the area. To date, several components of the master plan for Las Colonias have been completed, including the botanical gardens, a disc golf course, a native arboretum, and in 2017, an amphitheater and slough. The final improvements will be completed with the development of the business park, as discussed previously.

The City 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, expanding the City's CNG fueling station and utilizing the Persigo Wastewater Treatment Plant component which converts excess digester gas (methane) into compressed natural gas to be used as a vehicle fuel (biogas). The system became operational in 2015 and has gained national recognition for the innovation. The system serves the Grand Valley Transit (GVT) who recently partnered with the City in a significant expansion of the fueling stations. Currently, the equivalent of 400 gallons of gasoline is produced onsite daily and has offset the same volume use of diesel fuel. This has resulted in a carbon emission reduction of approximately 3 million pounds per year. At this time, 62 CNG vehicles are realizing the cost savings and other additional benefits from using the biogas, and the City will continue to partner with GVT to enhance the investment in the CNG Program.

The Comprehensive Plan was formally adopted in 2010 after a three-year staff and community effort and is reflective of the community's values and vision. The Comprehensive Plan is intended to serve as a compass for City Council in decision making and policy planning. As a regional plan, the Comprehensive Plan establishes goals and policies that are critical in guiding land use, directing growth and establishing a vision that focuses the community on what should be done to sustain the quality of life that all residents desire and expect. The Comprehensive Plan recommends the creation of additional area and topic specific plans, and as such, recent efforts include the creation of a housing study in 2015, a wireless master plan and broadband study in 2016 and continued work on the Grand Valley Circulation Plan.

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 22 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 of Grand Junction, Mesa County, School District #51 and Colorado Mesa University make use of and contribute to 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 Grand Valley and outlying municipalities in 2000; currently, the transit system provides over 1 million passenger trips per year. The City contracts to provide maintenance and repair services for the CNG transit busses. **Animal Control and 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.

Each year, City Council commits over \$2 million to 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

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 Taxpayer Bill of Rights Amendment (TABOR), restricts growth in governmental revenues and property tax revenues to amounts adjusted for inflation and a local growth factor. In 2016, the City did not exceed the overall revenue limitation but did exceed the property tax revenue limitation. However, in April 2007, 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 has been transferred to a debt service fund designated for payment of the Riverside Parkway bonds. In 2007, City voters authorized the use of those funds to be dedicated to street infrastructure improvements through 2022. The City is also 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 has 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 of Grand Junction for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2015. This was the 32nd consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. The City’s submitted report satisfied both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year. The City believes that our current CAFR continues to meet the Certificate of Achievement Program’s requirements, and the report will be submitted to the GFOA to determine its eligibility for another certificate.

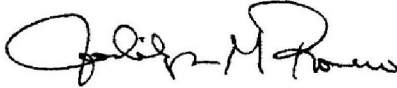
ACKNOWLEDGEMENTS

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 Finance 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, 2016.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jodi M. Romero". The signature is fluid and cursive, with a large initial "J" and "R".

Jodi Romero
Finance Director





Government Finance Officers Association

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

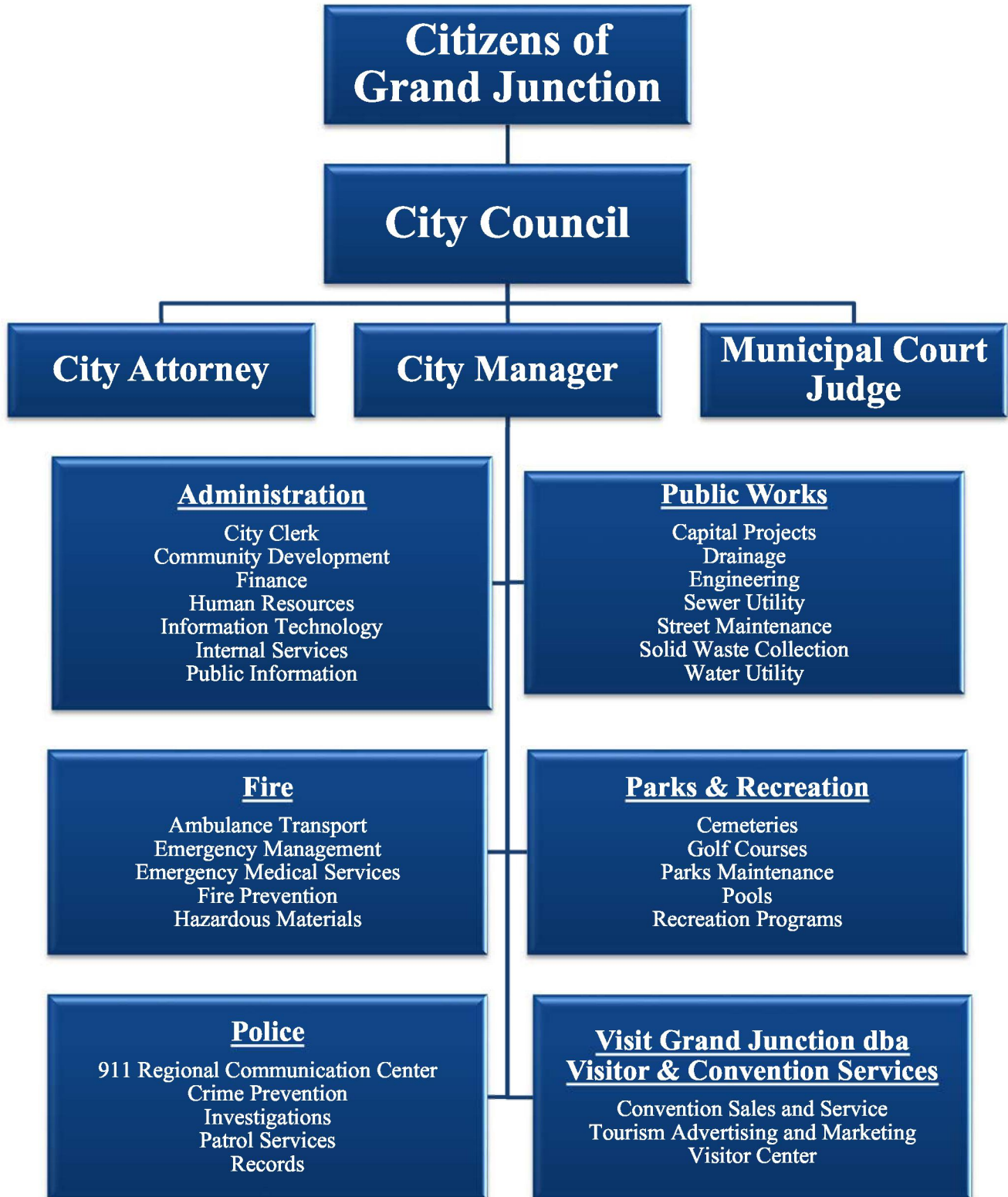
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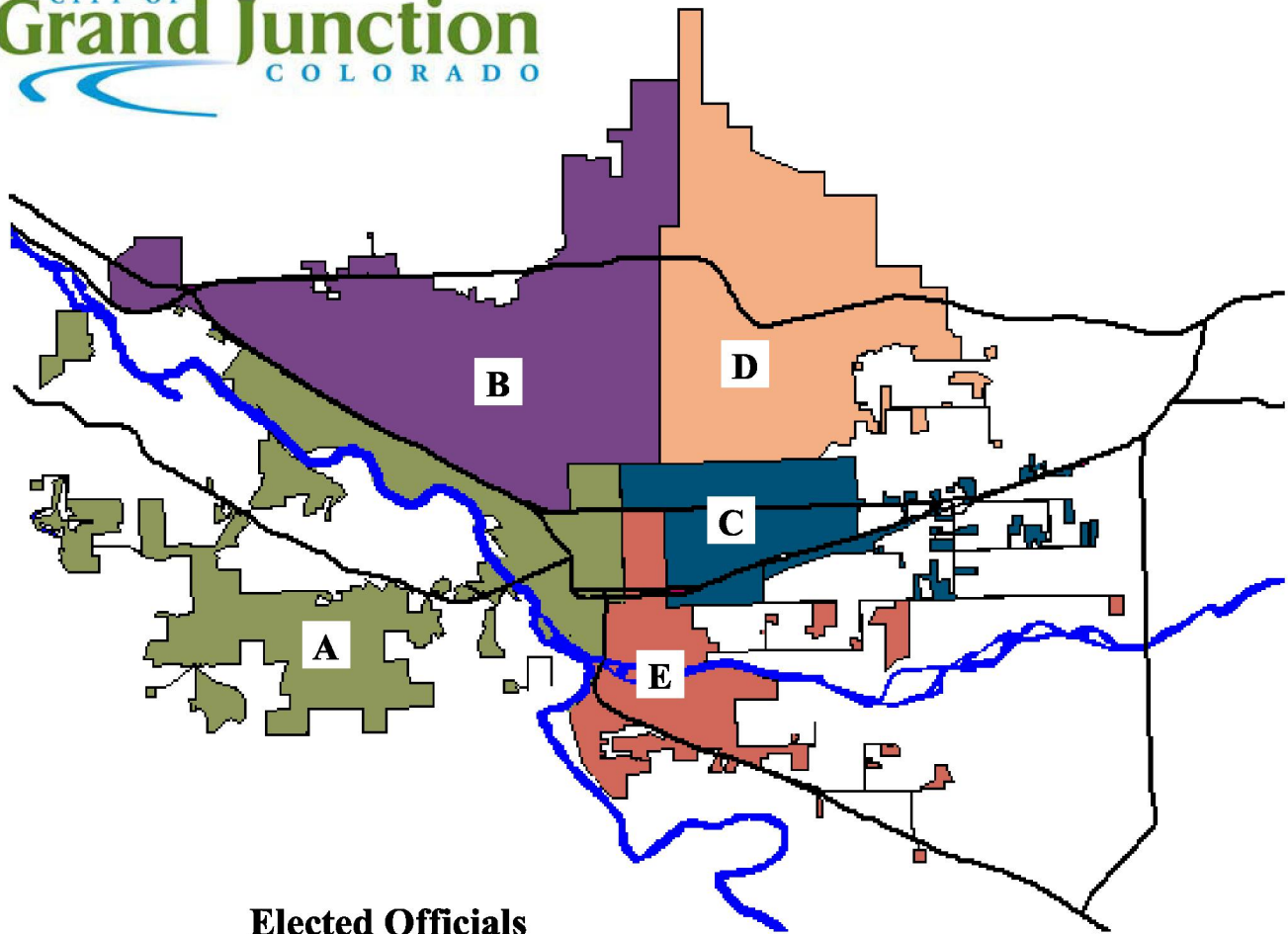
**City of Grand Junction
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO





Elected Officials

City Council

Expires

Rick Taggart, Mayor – District at Large.....	May 2021
Bennett Boeschenstein, Mayor Pro Tem – District C.....	May 2019
Phyllis Norris – District A.....	May 2021
Barbara Traylor Smith – District B.....	May 2019
Duke Wortmann – District D.....	May 2021
Duncan McArthur – District E.....	May 2021
Chris Kennedy – District at Large.....	May 2019

**Election District
 Boundaries**

Appointed Officials

Department Directors

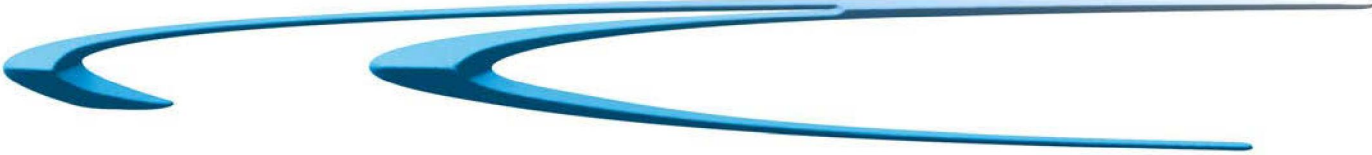
Greg Caton
 John P. Shaver
 Caré McInnis

City Manager
 City Attorney
 Municipal Judge

Jodi Romero – Finance
 Claudia Hazelhurst – Human Resources
 Debbie Kovalik – Visitor & Convention Bureau
 Ken Watkins – Fire Chief
 Rob Schoeber – Parks & Recreation
 John Camper – Police Chief
 Greg Lanning – Public Works
 Tamra Allen – Community Development



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FINANCIAL SECTION



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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, 2016, 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, 2016, 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.

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

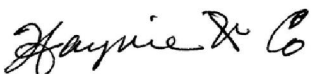
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, component 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Littleton, Colorado
June 28, 2017

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, 2016. 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 2016 by \$707.3 million (*net position*) primarily due to annexations. Of this amount, \$13.0 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, decreased by 1.0% in 2016 after increases in some other revenues (property taxes, licenses and permits, intergovernmental revenues, charges for services and investment income) and decreases in others (sales and use taxes, franchise taxes, severance taxes and fines and forfeitures). Sales and use taxes are the single largest revenue source for the General Fund, comprising over half of the \$65.0 million in total revenues.
- At the end of 2016, unrestricted fund balance (the total of the *committed*, *assigned* and *unassigned* components of *fund balance*) for the General Fund was \$10.8 million, or 16.0% of the total General Fund expenditures. This is slightly down from 2015 which was 17.4% of General Fund expenditures. The overall General Fund balance decreased due to planned use of fund balance for economic development contributions.
- The City invested over \$16.0 million in capital projects in 2016. These projects included street construction, machinery, buildings, parks development and water line and system replacements.
- At the close of 2016, the City had \$11.2 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, was used to advance refund \$43.9 million of the 2004 Riverside Parkway Revenue Bonds.

OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis provided here is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of 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.

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, some revenues and expenses reported in this statement 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.

Additionally, the government-wide financial statements include financial information for the Grand Junction Downtown Development Authority, a legally separate entity for which the City is financially accountable. The 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 in 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 the financial resources that can be spent in the near future to finance the City's programs. There is a description of the relationship and 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 these funds, as determined by generally accepted accounting principles, the only major funds are the General Fund, Sales Tax Capital Improvements Fund, Street Assessment Improvements Fund, General Debt Service Fund and Parkway Debt Retirement Fund. The balances of the other 9 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 utility, Two Rivers Convention Center, golf courses and parking enterprise funds meet the criteria of a major fund classification. All other funds are classified as non-major and are included in the combining statements within this report.

The second type of proprietary funds 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, 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 of 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 and Fire Old Hire Pension Plan starting on page 75 of this report. Additionally, other supplemental information concerning the City's Local Highway Finance Report is also presented. This supplemental information can be found on pages 153 through 154 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 the 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 previously, 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 exceeded liabilities and deferred inflows of resources by \$707.3 million at the close of the 2016 fiscal year.

By far, the largest portion (95.4%) of the City's total net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, 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	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 60,646	\$ 60,755	\$ 988	\$ (770)	\$ 61,634	\$ 59,985
Capital assets	683,753	681,146	59,492	59,174	743,245	740,320
Total assets	<u>744,399</u>	<u>741,901</u>	<u>60,480</u>	<u>58,404</u>	<u>804,879</u>	<u>800,305</u>
Total deferred outflows of resources	<u>2,187</u>	<u>1,927</u>	<u>-</u>	<u>-</u>	<u>2,187</u>	<u>1,927</u>
Long-term debt outstanding	79,799	81,392	6,215	5,006	86,014	86,398
Other liabilities	5,051	5,242	1,118	472	6,169	5,714
Total liabilities	<u>84,850</u>	<u>86,634</u>	<u>7,333</u>	<u>5,478</u>	<u>92,183</u>	<u>92,112</u>
Total deferred inflows of resources	<u>7,528</u>	<u>7,514</u>	<u>-</u>	<u>-</u>	<u>7,528</u>	<u>7,514</u>
Net position:						
Net investment in capital assets	619,706	613,451	53,749	54,680	673,455	668,131
Restricted	20,012	18,492	858	-	20,870	18,492
Unrestricted	14,490	17,737	(1,460)	(1,754)	13,030	15,983
Total net position	<u>\$ 654,208</u>	<u>\$ 649,680</u>	<u>\$ 53,147</u>	<u>\$ 52,926</u>	<u>\$ 707,355</u>	<u>\$ 702,606</u>

An additional portion of the City's net position (3.0%) represents resources that are subject to external restrictions on how they may be used.

Changes in Net Position

The City's total revenues of \$117.4 million exceeded program expenses of \$112.7 million for an increase in net position of \$4.7 million.

CHANGES IN NET POSITION

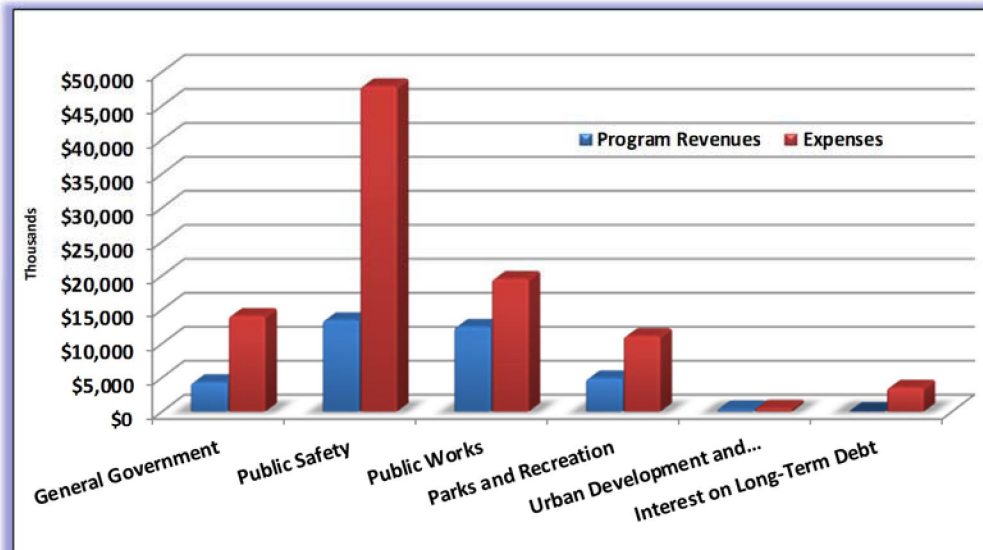
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 20,806	\$ 19,217	\$ 15,230	\$ 14,212	\$ 36,036	\$ 33,429
Operating grants	3,141	3,378	119	93	3,260	3,471
Capital grants	11,638	7,833	209	91	11,847	7,924
General revenues:						
Property taxes	8,294	8,251	-	-	8,294	8,251
Sales and use taxes	51,504	52,554	-	-	51,504	52,554
Other taxes	6,083	7,208	-	-	6,083	7,208
Other general revenues	377	250	35	14	412	264
Total revenues	101,843	98,691	15,593	14,410	117,436	113,101
Expenses:						
General government	14,101	14,619	-	-	14,101	14,619
Public safety	47,901	44,948	-	-	47,901	44,948
Public works	19,565	19,901	-	-	19,565	19,901
Parks and recreation	11,136	9,904	-	-	11,136	9,904
Urban development and housing	512	511	-	-	512	511
Interest on long-term debt	3,555	3,685	-	-	3,555	3,685
Water	-	-	6,562	5,639	6,562	5,639
Convention center	-	-	3,149	2,933	3,149	2,933
Solid waste removal	-	-	3,564	3,336	3,564	3,336
Golf	-	-	1,926	1,935	1,926	1,935
Parking	-	-	400	408	400	408
Irrigation systems	-	-	316	307	316	307
Total expenses	96,770	93,568	15,917	14,558	112,687	108,126
Increase (decrease) in net position before transfers	5,073	5,123	(324)	(148)	4,749	4,975
Transfers	(545)	(595)	545	595	-	-
Increase (decrease) in net position	4,528	4,528	221	447	4,749	4,975
Net position 1/1/16	649,680	645,152	52,926	52,479	702,606	697,631
Net position 12/31/16	\$ 654,208	\$ 649,680	\$ 53,147	\$ 52,926	\$ 707,355	\$ 702,606

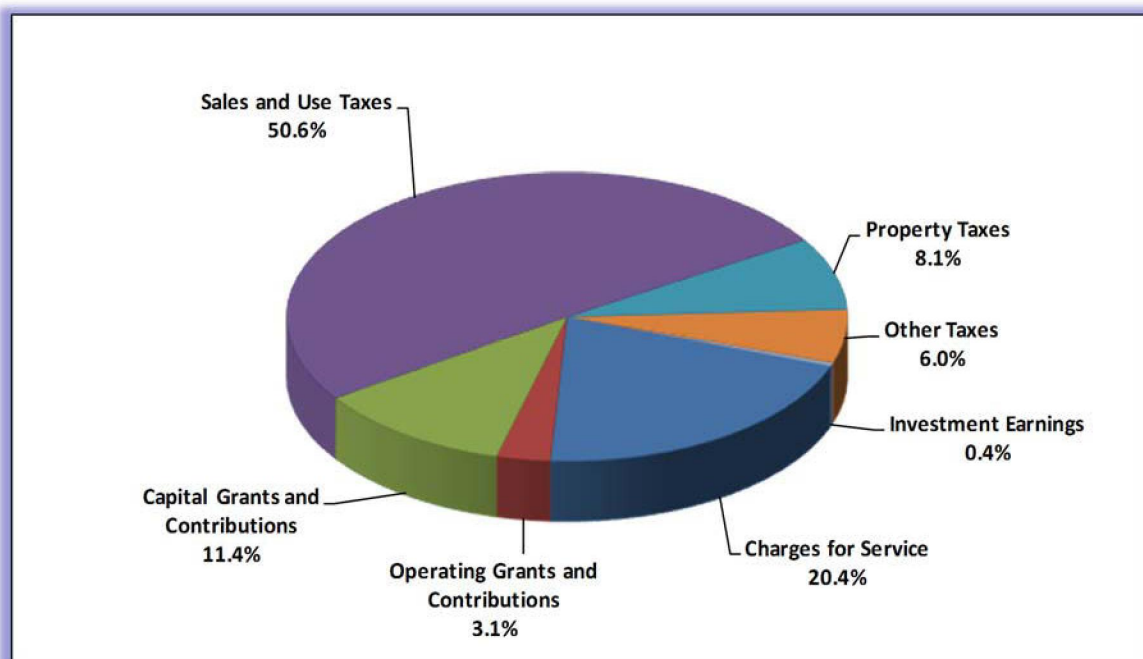
Governmental Activities

Governmental activities increased the City's net position by \$4.5 million. Following are illustrative charts of governmental activities summarizing revenues and expenses:

EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Sales tax and use tax revenues decreased \$590 thousand and \$376 thousand, respectively, as compared to 2015. Property tax revenue increased by \$43 thousand, or 0.5%, during the year. This increase was attributed to an increase in assessed valuation and new construction. The mill levy has remained constant since 1992. Other tax revenues, including severance tax and federal mineral leasing, have decreased by \$1.1 million, or 15.6%, compared to 2015 primarily due to decreased oil and gas exploration in the State as well as a decrease in energy employees residing in Mesa County.

Charges for services revenue increased by \$1.6 million compared to 2015. This was a result of an increase in ambulance transport fee revenue.

Capital grants and contributions increased by \$3.8 million, or 48.6%, compared to 2015 primarily resulting from grants received for road and highway projects.

Business-type Activities

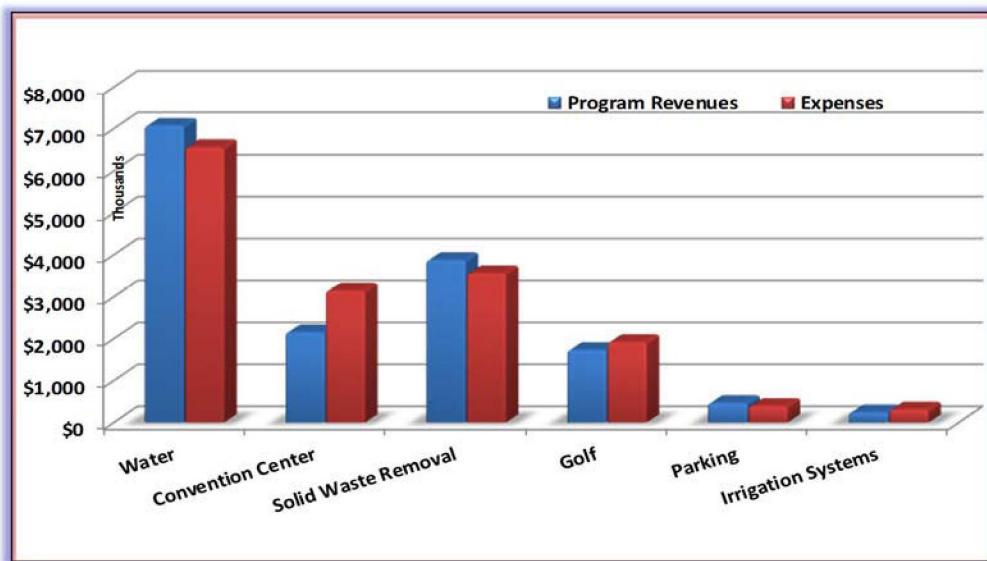
Net position of business-type activities increased by \$220 thousand. Business-type activities include water utility, convention center, solid waste, golf courses, parking and irrigation.

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.

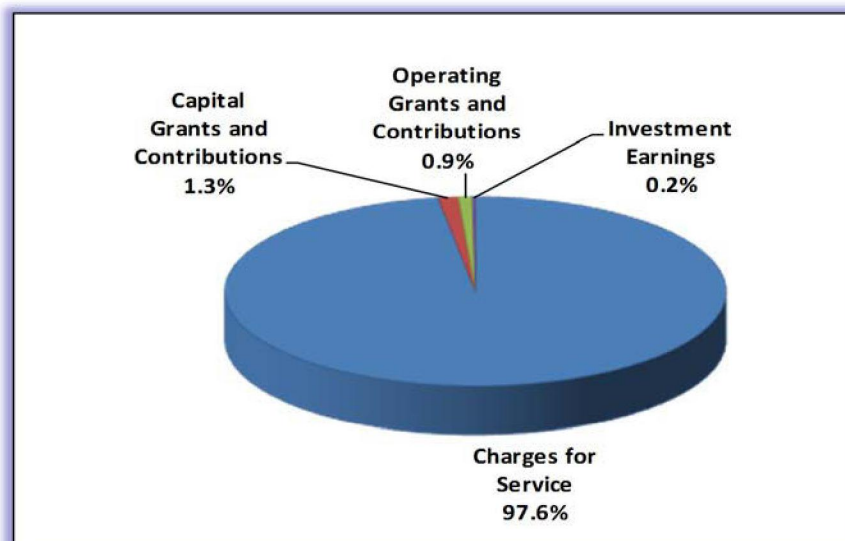
Unrestricted net position at the end of the year for business-type activities amounted to (\$1.5) million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City business-type activities.

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 stated 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, 2016, the City's governmental funds (general, special revenue, debt service, capital projects and permanent) reported combined fund balances of \$40.2 million. This represents an increase of \$1.3 million 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 decreased 1.0% over 2015 while expenditures increased 1.2%. The majority of these revenue decreases were from sales, use and severance taxes, while expenditure increases were mostly due to labor increases in public safety. The General Fund's total fund balance, on a budgetary basis, decreased \$1.3 million from last year, primarily due to the planned use of fund balance for 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 decreased by nearly \$150 thousand during the year ended December 31, 2016. This decrease in the fund balance was a result of capital improvement projects that were started in 2015 and completed in 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 \$66.9 million to a final budget of \$68.6 million. All recommended revisions for budget changes came through the Finance 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.

In the General Fund, the original budget for revenues was \$67.0 million while the final budgeted amount was \$66.6 million, reflecting the net of a decrease in the projection for tax revenues, an increase in ambulance transport revenues, and a planned transfer from the Self-insurance Fund for the Retiree Health Benefit Plan. Actual revenues, on a budgetary basis, for 2016 came in \$420 thousand lower than the final budget at \$66.1 million. This was primarily due to not making the planned transfer for the Retiree Health Benefit Plan.

Actual General Fund expenditures, including transfers, totaled \$67.5 million. General Fund expenditures, including transfers, were approximately \$1.2 million (1.7%) lower than the final budget. This was due to achieving higher than expected budget savings in the department operating budgets from prudent spending and unfinished projects that will need to be carried forward into the 2017 budget. The year-end budgetary basis fund balance of \$20.4 million was \$772 thousand 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 \$2.3 million during the year. The General Fund's total fund balance decreased \$1.3 million from last year. An analysis for this fund balance shows that it represents over 31.0% of projected revenues for the new fiscal year which ends December 31, 2017.

Taxes continue to be the largest source of revenue in the General Fund and represent 80.0% of total General Fund revenues. The largest element of taxes is sales and taxes, as it has been for many years. Sales tax represents 72.3% of total tax revenues and 57.9% of total general fund revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the City had invested in a broad range of capital assets, including police and fire equipment, roads, parks, water system, storm drainage and other infrastructure.

The following table provides a summary of total capital assets at December 31, 2016:

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 306,075	\$ 303,880	\$ 5,194	\$ 5,194	\$ 311,269	\$ 309,074
Buildings and systems	74,882	73,419	47,362	47,304	122,244	120,723
Improvements other than buildings	12,986	13,864	4,743	4,991	17,729	18,855
Vehicles, machinery & equipment	21,720	21,828	1,211	1,402	22,931	23,230
Infrastructure	264,185	261,241	-	-	264,185	261,241
Construction in progress	2,557	5,605	791	92	3,348	5,697
Intangible assets	1,348	1,309	191	191	1,539	1,500
Total	\$ 683,753	\$ 681,146	\$ 59,492	\$ 59,174	\$ 743,245	\$ 740,320

Major capital additions during 2016 include:

Equipment replacement program	\$ 4,033,264
North Avenue Streetscape	2,040,853
Street overlays	1,978,762
Horizon Drive interchange improvements	1,028,758
Las Colonias Park Amphitheater	1,005,946
Purdy Mesa Reservoir rehabilitation	958,498
B ½ Road Overpass at US 50 multimodal	914,258
Water line replacements	763,118
Water treatment plant filter upgrade	710,575
Matchett Park land	355,000

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 58.

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, 2016, the City had \$71.6 million in outstanding debt. Of this amount, \$65.8 million represents General Government debt. The largest portion, \$37.7 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 \$28.1 million. The remaining \$5.7 million of outstanding debt consists of bonds, notes and loans to be repaid by fee revenue and appropriated funds. Total debt service payments of approximately \$4.6 million in 2017 represent 4.6% 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, 2016:

OUTSTANDING DEBT, AT YEAR-END
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenue bonds and notes (backed by tax and fee revenue)	\$ 28,098	\$ 31,284	\$ -	\$ -	\$ 28,098	\$ 31,284
Certificates of participation (backed by the constructed assets)	37,727	38,659	-	-	37,727	38,659
Loans (backed by fee revenue)	-	-	5,743	4,494	5,743	4,494
Total	\$ 65,825	\$ 69,943	\$ 5,743	\$ 4,494	\$ 71,568	\$ 74,437

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

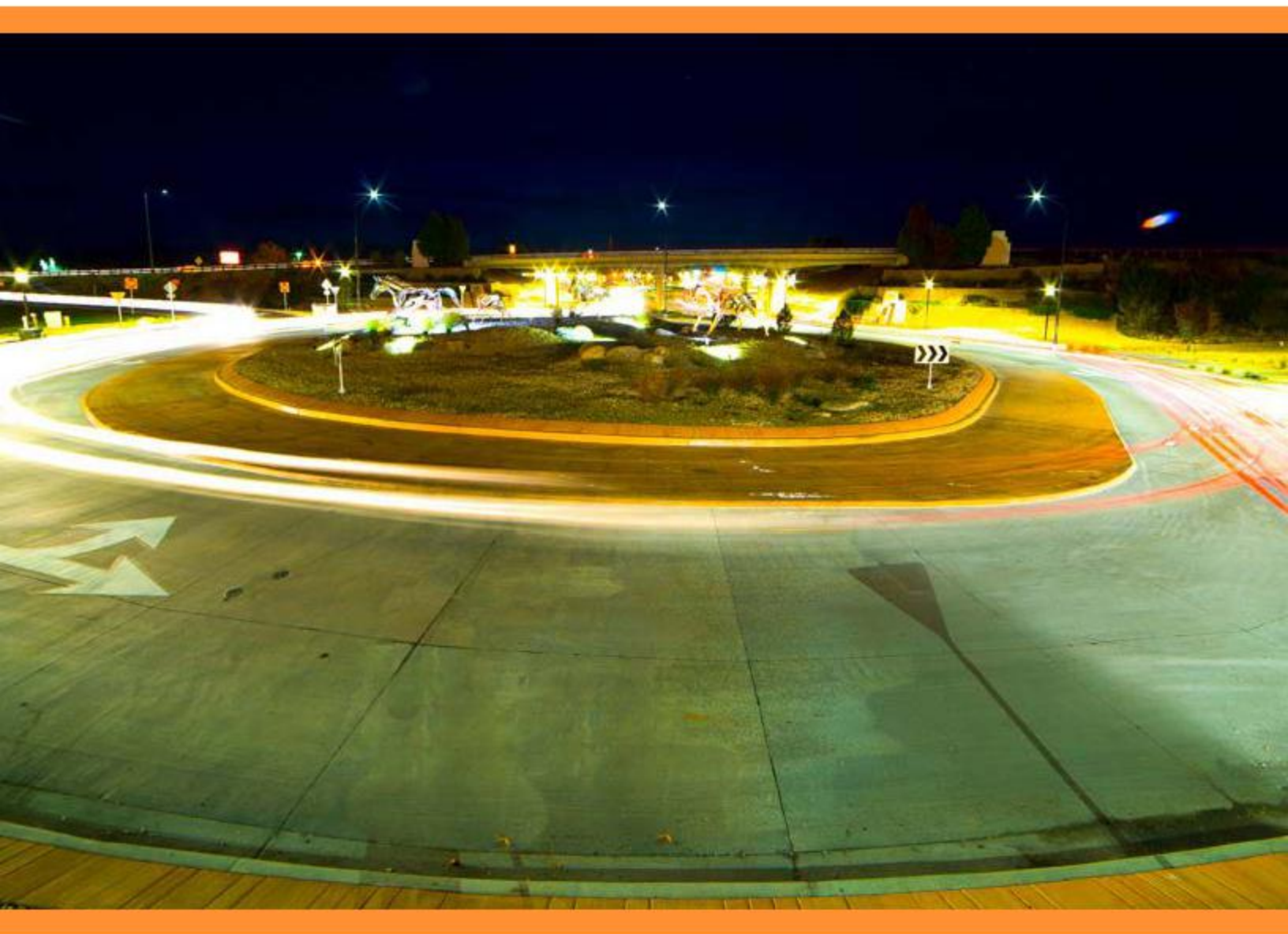
The local economy has shown varying signs of recovery from year to year since the national recession. Sales tax revenues for 2016 were originally budgeted at a 2% increase but were amended down as the year progressed to a level less than 2015. For the 2017 budget, sales tax revenues have been budgeted flat with 2016. 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 (17.9%) of the budget.

Rates in the Utility Funds will be set to cover operating and future capital investment. In 2017, utility revenues will be increased by an average of 9.5% in residential water fees, an average of 9.5% increase in commercial water fees, a 4% 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 the City of Grand Junction's citizens, taxpayers, customers, 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 Finance 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, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and investments	\$ 36,617,568	\$ 3,733,900	\$ 40,351,468	\$ 3,021,776
Cash held by others - restricted	-	857,852	857,852	-
Other receivables, net of allowance for uncollectibles	17,388,429	1,720,257	19,108,686	1,363,693
Internal balances	5,422,482	(5,371,850)	50,632	-
Prepays	62,781	-	62,781	-
Inventories	200,988	47,919	248,907	-
Restricted cash and investments	536,873	-	536,873	-
Net pension asset	417,121	-	417,121	-
Capital assets (net of accumulated depreciation):				
Land	306,075,535	5,193,890	311,269,425	848,871
Buildings and systems	74,881,584	47,361,950	122,243,534	2,834,473
Improvements other than buildings	12,985,603	4,742,981	17,728,584	927,228
Equipment	21,720,277	1,211,660	22,931,937	460,076
Infrastructure	264,184,725	-	264,184,725	-
Construction in progress	2,557,129	790,582	3,347,711	-
Intangible assets	1,348,093	190,464	1,538,557	-
Total assets	<u>744,399,188</u>	<u>60,479,605</u>	<u>804,878,793</u>	<u>9,456,117</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	1,245,364	-	1,245,364	-
Deferred outflows related to pensions	942,211	-	942,211	-
Total deferred outflows of resources	<u>2,187,575</u>	<u>-</u>	<u>2,187,575</u>	<u>-</u>
LIABILITIES				
Accounts payable and other current liabilities	4,297,750	1,084,583	5,382,333	506,752
Accrued interest payable	632,124	33,981	666,105	9,481
Unearned revenue	121,695	-	121,695	-
Noncurrent liabilities:				
Due within one year	5,203,450	444,046	5,647,496	685,504
Due in more than one year	70,165,492	5,770,518	75,936,010	3,943,081
Net pension liability	4,429,667	-	4,429,667	-
Total liabilities	<u>84,850,178</u>	<u>7,333,128</u>	<u>92,183,306</u>	<u>5,144,818</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	7,527,792	-	7,527,792	1,348,397
Total deferred inflows of resources	<u>7,527,792</u>	<u>-</u>	<u>7,527,792</u>	<u>1,348,397</u>
NET POSITION				
Net investment in capital assets	619,706,429	53,748,958	673,455,387	5,026,241
Restricted for:				
Capital Construction	-	857,852	857,852	-
Perpetual care:				
Expendable	-	-	-	-
Nonexpendable	1,392,430	-	1,392,430	-
Avalon Theatre building improvements	-	-	-	-
Debt service	12,316,229	-	12,316,229	1,946,786
Emergency reserves	2,000,000	-	2,000,000	-
General capital improvements	958,702	-	958,702	-
Legends historical sculptures project	-	-	-	24,054
Museum and library	-	-	-	-
Parks and recreation	490,491	-	490,491	-
Public safety	2,851,220	-	2,851,220	-
Capital projects	3,323	-	3,323	-
Urban development and housing	-	-	-	558,976
Unrestricted	14,489,969	(1,460,333)	13,029,636	(4,593,155)
Total net position	<u>\$ 654,208,793</u>	<u>\$ 53,146,477</u>	<u>\$ 707,355,270</u>	<u>\$ 2,962,902</u>

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

City of Grand Junction
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 14,100,775	\$ 3,121,643	\$ 1,189,581	\$ 29,141
Public safety	47,901,187	12,562,322	621,926	298,972
Public works	19,564,851	2,537,724	30,117	9,921,845
Parks and recreation	11,135,606	2,584,704	933,359	1,388,405
Urban development and housing	512,150	-	365,827	-
Interest on long-term debt	3,555,539	-	-	-
Total governmental activities	<u>96,770,108</u>	<u>20,806,393</u>	<u>3,140,810</u>	<u>11,638,363</u>
Business-type Activities:				
Water	6,562,089	6,774,915	90,493	207,415
Convention center	3,148,969	2,127,845	28,205	-
Solid waste removal	3,563,890	3,879,469	-	-
Golf	1,926,486	1,732,473	-	-
Parking	399,909	469,545	-	-
Irrigation systems	315,951	246,063	-	1,560
Total business-type activities	<u>15,917,294</u>	<u>15,230,310</u>	<u>118,698</u>	<u>208,975</u>
Total primary government	<u>\$ 112,687,402</u>	<u>\$ 36,036,703</u>	<u>\$ 3,259,508</u>	<u>\$ 11,847,338</u>
Component unit:				
Downtown Development Authority	<u>\$ 1,351,091</u>	<u>\$ 38,086</u>	<u>\$ -</u>	<u>\$ 915,417</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
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
\$ (9,760,410)	\$ -	\$ (9,760,410)	\$ -
(34,417,967)	-	(34,417,967)	-
(7,075,165)	-	(7,075,165)	-
(6,229,138)	-	(6,229,138)	-
(146,323)	-	(146,323)	-
(3,555,539)	-	(3,555,539)	-
<u>(61,184,542)</u>	<u>-</u>	<u>(61,184,542)</u>	<u>-</u>
-	510,734	510,734	-
-	(992,919)	(992,919)	-
-	315,579	315,579	-
-	(194,013)	(194,013)	-
-	69,636	69,636	-
-	(68,328)	(68,328)	-
<u>-</u>	<u>(359,311)</u>	<u>(359,311)</u>	<u>-</u>
\$ <u>(61,184,542)</u>	\$ <u>(359,311)</u>	\$ <u>(61,543,853)</u>	\$ <u>-</u>
-	-	-	(397,588)
51,503,561	-	51,503,561	-
8,293,562	-	8,293,562	1,565,227
2,467,131	-	2,467,131	-
2,106,327	-	2,106,327	-
1,510,032	-	1,510,032	-
377,556	34,791	412,347	27,664
-	-	-	-
(544,662)	544,662	-	-
<u>65,713,507</u>	<u>579,453</u>	<u>66,292,960</u>	<u>1,592,891</u>
4,528,965	220,142	4,749,107	1,195,303
649,679,828	52,926,335	702,606,163	1,767,599
\$ <u>654,208,793</u>	\$ <u>53,146,477</u>	\$ <u>707,355,270</u>	\$ <u>2,962,902</u>

City of Grand Junction
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Street Assessment Improvements Capital Projects Fund	General Debt Service Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 7,741,683	\$ -	\$ 3,779,455	\$ 465	\$ 11,189,404	\$ 4,788,338	\$ 27,499,345
Interest receivable	115,243	-	-	-	-	-	115,243
Accounts receivable, net of allowances for uncollectibles	903,299	-	-	-	-	360,964	1,264,263
Taxes receivable	11,487,387	1,770,600	-	-	-	136,335	13,394,322
Special assessments receivable	-	16,711	-	-	-	-	16,711
Intergovernmental receivables	494,140	1,848,147	-	-	-	117,403	2,459,690
Due from other funds	2,719,983	-	-	-	-	-	2,719,983
Prepaid items	22,963	-	-	-	-	13,703	36,666
Inventories	200,988	-	-	-	-	-	200,988
Restricted cash and investments	533,500	-	-	481	-	-	533,981
Advances to other funds	5,700,815	-	-	-	-	-	5,700,815
Total assets	<u>\$ 29,920,001</u>	<u>\$ 3,635,458</u>	<u>\$ 3,779,455</u>	<u>\$ 946</u>	<u>\$ 11,189,404</u>	<u>\$ 5,416,743</u>	<u>\$ 53,942,007</u>
LIABILITIES							
Accounts payable	1,706,092	480,285	1,401,291	-	-	143,166	3,730,834
Accrued liabilities	206,129	-	-	-	-	4,274	210,403
Due to other funds	-	2,179,760	-	-	-	-	2,179,760
Unearned revenue	121,695	-	-	-	-	-	121,695
Total liabilities	<u>2,033,916</u>	<u>2,660,045</u>	<u>1,401,291</u>	<u>-</u>	<u>-</u>	<u>147,440</u>	<u>6,242,692</u>
DEFERRED INFLOWS OF RESOURCES							
Property taxes	7,527,792	-	-	-	-	-	7,527,792
Unavailable revenue-special assessments	-	16,711	-	-	-	-	16,711
Total deferred inflows of resources	<u>7,527,792</u>	<u>16,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,544,503</u>
FUND BALANCES							
Nonspendable:							
Advances	\$ 5,700,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,700,815
Inventories and prepaids	223,951	-	-	-	-	13,703	237,654
Permanent fund principal	-	-	-	-	-	1,392,430	1,392,430
Restricted for:							
Debt service	1,623,777	-	-	946	11,189,404	20,801	12,834,928
Emergency reserves	2,000,000	-	-	-	-	-	2,000,000
General capital improvements	-	958,702	-	-	-	-	958,702
Parks and recreation	25,000	-	-	-	-	465,491	490,491
Public safety	-	-	-	-	-	2,615,672	2,615,672
Capital projects	-	-	-	-	-	3,323	3,323
Street improvements	-	-	2,378,164	-	-	-	2,378,164
Committed to:							
Open space	-	-	-	-	-	587,640	587,640
Tourism and convention	-	-	-	-	-	170,243	170,243
Assigned to:							
Cultural arts	3,856	-	-	-	-	-	3,856
Retiree health benefits	936,163	-	-	-	-	-	936,163
Subsequent year's expenditures	638,415	-	-	-	-	-	638,415
Unassigned:	9,206,316	-	-	-	-	-	9,206,316
Total fund balances	<u>20,358,293</u>	<u>958,702</u>	<u>2,378,164</u>	<u>946</u>	<u>11,189,404</u>	<u>5,269,303</u>	<u>40,154,812</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,920,001</u>	<u>\$ 3,635,458</u>	<u>\$ 3,779,455</u>	<u>\$ 946</u>	<u>\$ 11,189,404</u>	<u>\$ 5,416,743</u>	<u>\$ 53,942,007</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, 2016

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

Total fund balance - governmental funds (page 34)		\$ 40,154,812
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		664,276,211
The net pension asset is not an available resource and therefore, is not reported in the funds.		417,121
Deferred outflows related to pension are not current assets or financial resources.		942,211
Other long-term assets are not available to pay current expenditures and therefore, are reported as unavailable revenue in the funds.		67,770
Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation and maintenance, self-insurance activities, communication services and facilities management to individual funds. The assets \$28,711,106 and liabilities (\$3,057,570) of the internal service funds are included in governmental activities on the statement of net position.		25,653,536
Interfund for internal service fund allocated to business-type activities.		(818,556)
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. Therefore, these items are not reported in the funds.		
Revenue bonds	\$ (25,600,000)	
Bond premium (to be amortized over life of debt)	(2,498,015)	
Deferred charge on refunding (to be amortized over life of debt)	1,245,364	
Certificates of participation	(38,055,000)	
Discount on certificates of participation (to be amortized over life of lease)	327,635	
Net pension liability	(4,429,667)	
Accrued interest payable	(632,124)	
Compensated absences	(3,374,583)	
Other post employment benefit obligation	(3,467,922)	
	(76,484,312)	
 Total net position - governmental activities (page 31)		 \$ 654,208,793

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, 2016

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Street Assessment Improvements Capital Projects Fund	General Debt Service Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Property	\$ 8,293,562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,293,562
Sales and use	37,503,314	11,911,969	-	-	-	2,088,278	51,503,561
Franchise	2,467,131	-	-	-	-	-	2,467,131
Severance	607,236	-	-	-	-	-	607,236
Other	3,009,123	-	-	-	-	-	3,009,123
Licenses and permits	160,265	-	-	-	-	-	160,265
Intergovernmental revenues	3,321,917	3,416,667	-	718,554	-	1,092,776	8,549,914
Charges for services	8,340,211	89,676	-	-	-	2,404,853	10,834,740
Fines and forfeitures	708,445	-	-	-	-	11,736	720,181
Special assessments	-	9,235	-	-	-	-	9,235
Investment earnings	191,282	1,944	-	766	81,263	46,732	321,987
Other income	30,541	-	1,386,343	-	-	2,598	1,419,482
Other contributions	226,682	796,478	-	-	-	694,767	1,717,927
Total revenues	<u>64,859,709</u>	<u>16,225,969</u>	<u>1,386,343</u>	<u>719,320</u>	<u>81,263</u>	<u>6,341,740</u>	<u>89,614,344</u>
EXPENDITURES							
Current:							
General government	10,822,808	-	-	3,000	-	1,950,623	12,776,431
Public safety	38,285,166	-	-	-	-	-	38,285,166
Public works	8,880,062	-	-	-	-	-	8,880,062
Parks and recreation	8,939,889	-	-	-	-	-	8,939,889
Urban development and housing	300,267	-	-	-	-	211,883	512,150
Debt service:							
Principal retirement	-	-	-	3,300,000	-	225,000	3,525,000
Interest and fiscal charges	-	-	-	3,584,697	-	305,400	3,890,097
Capital outlay:							
Construction	-	9,083,932	107,174	-	-	33,065	9,224,171
Total expenditures	<u>67,228,192</u>	<u>9,083,932</u>	<u>107,174</u>	<u>6,887,697</u>	<u>-</u>	<u>2,725,971</u>	<u>86,032,966</u>
Excess (deficiency) of revenues over (under) expenditures	(2,368,483)	7,142,037	1,279,169	(6,168,377)	81,263	3,615,769	3,581,378
OTHER FINANCING SOURCES (USES)							
Transfers in	1,170,919	833,317	-	6,169,143	1,247,915	236,214	9,657,508
Transfers out	(241,053)	(8,125,670)	(100,000)	-	-	(3,489,325)	(11,956,048)
Sale of capital assets	17,649	-	-	-	-	-	17,649
Total other financing sources and uses	<u>947,515</u>	<u>(7,292,353)</u>	<u>(100,000)</u>	<u>6,169,143</u>	<u>1,247,915</u>	<u>(3,253,111)</u>	<u>(2,280,891)</u>
Net change in fund balances	(1,420,968)	(150,316)	1,179,169	766	1,329,178	362,658	1,300,487
Fund balances - beginning	21,779,261	1,109,018	1,198,995	180	9,860,226	4,906,645	38,854,325
Fund balances - ending	<u>\$ 20,358,293</u>	<u>\$ 958,702</u>	<u>\$ 2,378,164</u>	<u>\$ 946</u>	<u>\$ 11,189,404</u>	<u>\$ 5,269,303</u>	<u>\$ 40,154,812</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, 2016

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)		\$ 1,300,487
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 (\$14,005,586) exceeded capital outlays of \$8,720,880 in the current period.		(5,284,706)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trades and disposals) is to decrease net position.		(36,829)
The net effect of the donation of capital assets is to increase net position.		7,104,318
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		8,035
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.		(1,326,489)
Current-year pension income does not provide current financial resources and is not included in revenues in the funds.		37,751
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	\$ 3,525,000	
Bond premium (to be amortized over the life of debt)	610,760	
Certificates of participation discount (to be amortized over the life of debt)	(18,041)	
Deferred charge on refunding (to be amortized over the life of debt)	(304,489)	
Decrease in accrued interest	46,328	
Increase in compensated absences	(124,303)	
Increase in other post employment benefit obligation	(392,728)	
	3,342,527	
Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation and 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	\$ 4,840,222	
Expenses due to external customers	(5,898,500)	
Grants and contributions	225,742	
Gain (loss) on disposition of property	216,580	
Investment income	67,145	
Operating loss from operations	(374,355)	(923,166)
Change in net position of governmental activities (page 33)		\$ 4,528,965

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, 2016

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	\$ 8,349,985	\$ 8,349,985	\$ 8,293,562	\$ -	\$ 8,293,562	\$ (56,423)
Sales and use	39,182,821	37,450,886	37,503,314	112,349	37,615,663	164,777
Franchise	2,860,000	2,720,000	2,467,131	-	2,467,131	(252,869)
Severance	1,264,788	607,236	607,236	-	607,236	-
Other	2,975,903	3,000,545	3,009,123	-	3,009,123	8,578
Licenses and permits	129,450	131,950	160,265	-	160,265	28,315
Intergovernmental revenues	2,947,465	3,223,938	3,321,917	-	3,321,917	97,979
Charges for services	7,116,852	8,143,145	8,340,211	-	8,340,211	197,066
Fines and forfeitures	766,485	627,182	708,445	-	708,445	81,263
Investment earnings	176,439	186,575	191,282	5,327	196,609	10,034
Other income	11,000	14,000	30,541	-	30,541	16,541
Other contributions	21,700	180,450	226,682	-	226,682	46,232
Total revenues	<u>65,802,888</u>	<u>64,635,892</u>	<u>64,859,709</u>	<u>117,676</u>	<u>64,977,385</u>	<u>341,493</u>
EXPENDITURES						
Current:						
General government:						
Administration	8,673,338	10,245,616	9,368,268	-	9,368,268	877,348
Community development	1,552,495	1,467,862	1,454,540	-	1,454,540	13,322
Total general government	<u>10,225,833</u>	<u>11,713,478</u>	<u>10,822,808</u>	<u>-</u>	<u>10,822,808</u>	<u>890,670</u>
Public safety:						
Police protection	21,736,772	21,755,696	21,743,730	-	21,743,730	11,966
Fire protection	16,181,058	16,613,010	16,541,436	-	16,541,436	71,574
Total public safety	<u>37,917,830</u>	<u>38,368,706</u>	<u>38,285,166</u>	<u>-</u>	<u>38,285,166</u>	<u>83,540</u>
Public works	9,181,265	9,095,441	8,880,062	-	8,880,062	215,379
Parks and recreation	9,008,120	8,831,670	8,939,889	-	8,939,889	(108,219)
Urban development and housing	374,297	303,691	300,267	-	300,267	3,424
Total expenditures	<u>66,707,345</u>	<u>68,312,986</u>	<u>67,228,192</u>	<u>-</u>	<u>67,228,192</u>	<u>1,084,794</u>
Excess (deficiency) of revenues over (under) expenditures	(904,457)	(3,677,094)	(2,368,483)	117,676	(2,250,807)	1,426,287
OTHER FINANCING SOURCES (USES)						
Transfers in	1,168,808	1,932,421	1,170,919	-	1,170,919	(761,502)
Transfers out	(182,446)	(330,241)	(241,053)	-	(241,053)	89,188
Sale of capital assets	-	-	17,649	-	17,649	17,649
Total other financing sources and uses	<u>986,362</u>	<u>1,602,180</u>	<u>947,515</u>	<u>-</u>	<u>947,515</u>	<u>(654,665)</u>
Net change in fund balances	81,905	(2,074,914)	(1,420,968)	117,676	(1,303,292)	771,622
Fund balances - beginning	21,688,486	21,688,486	21,779,261	(90,775)	21,688,486	-
Fund balances - ending	<u>\$ 21,770,391</u>	<u>\$ 19,613,572</u>	<u>\$ 20,358,293</u>	<u>\$ 26,901</u>	<u>\$ 20,385,194</u>	<u>\$ 771,622</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, 2016

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	\$ 2,504,752	\$ -	\$ 53,282	\$ 95,597	\$ 1,080,269	\$ 3,733,900	\$ 9,121,115
Cash held by others	857,852	-	-	-	-	857,852	-
Accounts receivable, net of allowance	500,692	166,403	1,253	3,485	497,093	1,168,926	8,965
Intergovernmental receivable	551,331	-	-	-	-	551,331	78,176
Prepaid items	-	-	-	-	-	-	26,115
Inventory	-	-	47,919	-	-	47,919	-
Total current assets	<u>4,414,627</u>	<u>166,403</u>	<u>102,454</u>	<u>99,082</u>	<u>1,577,362</u>	<u>6,359,928</u>	<u>9,234,371</u>
Noncurrent assets:							
Capital assets:							
Land	2,506,211	197,993	891,356	1,598,330	-	5,193,890	-
Buildings, improvements, plant and system	49,637,517	20,242,204	7,346,930	5,058,459	3,685,557	85,970,667	3,682,873
Equipment	1,071,114	1,081,032	218,233	323,882	1,275,450	3,969,711	41,827,659
Construction in progress	790,582	-	-	-	-	790,582	196,355
Intangible assets	190,464	-	-	-	-	190,464	-
Less accumulated depreciation	<u>(20,972,456)</u>	<u>(5,981,442)</u>	<u>(4,150,227)</u>	<u>(1,451,672)</u>	<u>(4,067,990)</u>	<u>(36,623,787)</u>	<u>(26,230,152)</u>
Total capital assets (net of accumulated depreciation)	<u>33,223,432</u>	<u>15,539,787</u>	<u>4,306,292</u>	<u>5,528,999</u>	<u>893,017</u>	<u>59,491,527</u>	<u>19,476,735</u>
Total noncurrent assets	<u>33,223,432</u>	<u>15,539,787</u>	<u>4,306,292</u>	<u>5,528,999</u>	<u>893,017</u>	<u>59,491,527</u>	<u>19,476,735</u>
Total assets	<u>37,638,059</u>	<u>15,706,190</u>	<u>4,408,746</u>	<u>5,628,081</u>	<u>2,470,379</u>	<u>65,851,455</u>	<u>28,711,106</u>
LIABILITIES							
Current liabilities:							
Accounts payable	814,118	160,349	17,010	-	93,106	1,084,583	566,916
Accrued interest payable	33,981	-	-	-	-	33,981	-
Compensated absences payable	14,051	3,918	4,658	569	4,506	27,702	31,325
Claims payable	-	-	-	-	-	-	743,132
Current portion of promissory notes payable	416,344	-	-	-	-	416,344	-
Due to other funds	-	6,055	190,111	203,884	89,541	489,591	-
Total current liabilities	<u>1,278,494</u>	<u>170,322</u>	<u>211,779</u>	<u>204,453</u>	<u>187,153</u>	<u>2,052,201</u>	<u>1,341,373</u>
Noncurrent liabilities:							
Compensated absences payable	225,357	62,842	74,703	9,130	72,261	444,293	502,423
Claims payable	-	-	-	-	-	-	1,213,774
Advances from other funds - general fund	-	-	2,747,179	2,455,008	498,628	5,700,815	-
Promissory notes payable	5,326,225	-	-	-	-	5,326,225	-
Total noncurrent liabilities	<u>5,551,582</u>	<u>62,842</u>	<u>2,821,882</u>	<u>2,464,138</u>	<u>570,889</u>	<u>11,471,333</u>	<u>1,716,197</u>
Total liabilities	<u>6,830,076</u>	<u>233,164</u>	<u>3,033,661</u>	<u>2,668,591</u>	<u>758,042</u>	<u>13,523,534</u>	<u>3,057,570</u>
NET POSITION							
Net investment in capital assets	27,480,863	15,539,787	4,306,292	5,528,999	893,017	53,748,958	19,476,735
Restricted for:							
Public safety	-	-	-	-	-	-	235,548
Capital construction	857,852	-	-	-	-	-	-
Unrestricted	2,469,268	(66,761)	(2,931,207)	(2,569,509)	819,320	(1,421,037)	5,941,253
Total net position	<u>\$ 30,807,983</u>	<u>\$ 15,473,026</u>	<u>\$ 1,375,085</u>	<u>\$ 2,959,490</u>	<u>\$ 1,712,337</u>	<u>52,327,921</u>	<u>\$ 25,653,536</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	(97,689)
Prior years	916,245
Net position - business-type activities (page 31)	<u>\$ 53,146,477</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, 2016

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
Operating revenues:							
Charges for sales and services	\$ 6,774,915	\$ 2,127,845	\$ 1,732,473	\$ 469,545	\$ 4,125,532	\$ 15,230,310	\$ 21,687,588
Other income	-	-	-	-	-	-	206,293
Total operating revenues	<u>6,774,915</u>	<u>2,127,845</u>	<u>1,732,473</u>	<u>469,545</u>	<u>4,125,532</u>	<u>15,230,310</u>	<u>21,893,881</u>
Operating expenses:							
Personnel services	2,569,271	1,399,592	852,794	156,337	1,192,028	6,170,022	8,277,424
Costs of sales and services	2,638,866	1,147,500	785,233	90,392	2,500,700	7,162,691	12,931,692
Depreciation and amortization	1,138,973	590,733	230,813	108,171	146,529	2,215,219	4,098,913
Total operating expenses	<u>6,347,110</u>	<u>3,137,825</u>	<u>1,868,840</u>	<u>354,900</u>	<u>3,839,257</u>	<u>15,547,932</u>	<u>25,308,029</u>
Operating income (loss)	<u>427,805</u>	<u>(1,009,980)</u>	<u>(136,367)</u>	<u>114,645</u>	<u>286,275</u>	<u>(317,622)</u>	<u>(3,414,148)</u>
Nonoperating revenues (expenses):							
Intergovernmental	141,415	-	-	-	-	141,415	355,690
Miscellaneous	90,493	28,205	-	-	-	118,698	-
Investment income	25,697	-	52	1,383	7,659	34,791	67,145
Gain (loss) on disposition of property and equipment	(54,764)	-	410	-	-	(54,354)	216,580
Interest expense	(127,554)	-	(46,869)	(42,896)	-	(217,319)	-
Total nonoperating revenues (expenses)	<u>75,287</u>	<u>28,205</u>	<u>(46,407)</u>	<u>(41,513)</u>	<u>7,659</u>	<u>23,231</u>	<u>639,415</u>
Income (loss) before contributions and transfers:	503,092	(981,775)	(182,774)	73,132	293,934	(294,391)	(2,774,733)
Capital contributions - tap fees	66,000	-	-	-	1,560	67,560	-
Transfers in	-	389,662	155,000	-	-	544,662	1,753,878
Change in net position	<u>569,092</u>	<u>(592,113)</u>	<u>(27,774)</u>	<u>73,132</u>	<u>295,494</u>	<u>317,831</u>	<u>(1,020,855)</u>
Net position - beginning	<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>
Net position - ending	<u>\$ 30,807,983</u>	<u>\$ 15,473,026</u>	<u>\$ 1,375,085</u>	<u>\$ 2,959,490</u>	<u>\$ 1,712,337</u>	<u>\$ 52,327,921</u>	<u>\$ 25,653,536</u>

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

Change in net position-enterprise funds	317,831
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:	(97,689)
Change in net position of business-type activities (page 33)	<u>\$ 220,142</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, 2016

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 Funds
Cash flows from operating activities:							
Cash received from interfund	\$ 657,939	\$ -	\$ -	\$ -	\$ -	\$ 657,939	\$ 19,045,024
Cash received from customers and users	6,076,358	2,141,893	1,733,891	472,625	4,093,252	14,518,019	2,673,334
Cash paid to interfund	(1,000,765)	(341,462)	(342,784)	(64,742)	(1,243,511)	(2,993,264)	(1,930,291)
Cash paid to suppliers	(1,655,672)	(735,925)	(449,081)	(25,710)	(1,254,820)	(4,121,208)	(10,095,143)
Cash paid to employees	(2,657,287)	(1,426,886)	(868,374)	(161,600)	(1,250,181)	(6,364,328)	(8,491,900)
Miscellaneous receipts	90,493	28,205	-	-	-	118,698	714,850
Net cash provided (used) by operating activities	<u>1,511,066</u>	<u>(334,175)</u>	<u>73,652</u>	<u>220,573</u>	<u>344,740</u>	<u>1,815,856</u>	<u>1,915,874</u>
Cash flows from noncapital financing activities:							
Transfers from other funds	-	389,662	155,000	-	-	544,662	1,753,878
Increase (decrease) in amount due other funds	-	(63,342)	2,809	3,013	2,352	(55,168)	-
Intergovernmental receipts	37,715	-	-	-	-	37,715	129,948
Net cash provided by noncapital financing activities	<u>37,715</u>	<u>326,320</u>	<u>157,809</u>	<u>3,013</u>	<u>2,352</u>	<u>527,209</u>	<u>1,883,826</u>
Cash flows from capital and related financing activities:							
Tap fees	66,000	-	-	-	1,560	67,560	-
Principal payments:							
Promissory notes	(371,109)	-	-	-	-	(371,109)	-
Repayment of interfund capital loans	-	-	(190,111)	(203,884)	(89,541)	(483,536)	-
Interest paid	(126,587)	-	(46,869)	(42,896)	-	(216,352)	-
Proceeds from disposition of capital assets	-	-	-	-	-	-	122,407
Purchase of capital assets	(1,820,827)	7,855	410	(2,500)	(9,125)	(1,824,187)	(4,807,368)
Intergovernmental receipts	319,833	-	-	-	-	319,833	225,742
Net cash provided (used) by capital and related financing activities	<u>(1,932,690)</u>	<u>7,855</u>	<u>(236,570)</u>	<u>(249,280)</u>	<u>(97,106)</u>	<u>(2,507,791)</u>	<u>(4,459,219)</u>
Cash flows from investing activities:							
Investment income received	25,697	-	52	1,383	7,659	34,791	67,145
Net cash provided by investing activities	<u>25,697</u>	<u>-</u>	<u>52</u>	<u>1,383</u>	<u>7,659</u>	<u>34,791</u>	<u>67,145</u>
Net increase (decrease) in cash and cash equivalents	<u>(358,212)</u>	<u>-</u>	<u>(5,057)</u>	<u>(24,311)</u>	<u>257,645</u>	<u>(129,935)</u>	<u>(592,374)</u>
Cash and cash equivalents, January 1	2,862,964	-	58,339	119,908	822,624	3,863,835	9,713,489
Cash and cash equivalents, December 31	<u>\$ 2,504,752</u>	<u>\$ -</u>	<u>\$ 53,282</u>	<u>\$ 95,597</u>	<u>\$ 1,080,269</u>	<u>\$ 3,733,900</u>	<u>\$ 9,121,115</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	\$ 427,805	\$ (1,009,980)	\$ (136,367)	\$ 114,645	\$ 286,275	\$ (317,622)	\$ (3,414,148)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	1,138,973	590,733	230,813	108,171	146,529	2,215,219	4,098,913
(Increase) decrease in accounts receivable	(40,618)	14,048	1,418	3,080	(32,280)	(54,352)	552,327
Miscellaneous receipts	90,493	28,205	-	-	-	118,698	-
(Increase) decrease in inventory	-	-	(6,311)	-	-	(6,311)	-
(Increase) decrease in prepaid items	12,000	-	-	-	750	12,750	182,145
Increase (decrease) in accounts payable	720,799	77,968	(321)	(60)	1,619	800,005	156,534
Increase (decrease) in claims payable	-	-	-	-	-	-	589,471
Increase (decrease) in accrued liabilities and compensated absences payable	(88,016)	(27,294)	(15,580)	(5,263)	(58,153)	(194,306)	(214,476)
Increase (decrease) in deferred revenues	-	-	-	-	-	-	(13,000)
(Increase) decrease in accounts payable due to the purchase of capital assets on account	(750,370)	(7,855)	-	-	-	(758,225)	(21,892)
Total adjustments	<u>1,083,261</u>	<u>675,805</u>	<u>210,019</u>	<u>105,928</u>	<u>58,465</u>	<u>2,133,478</u>	<u>5,330,022</u>
Net cash provided (used) by operating activities	<u>\$ 1,511,066</u>	<u>\$ (334,175)</u>	<u>\$ 73,652</u>	<u>\$ 220,573</u>	<u>\$ 344,740</u>	<u>\$ 1,815,856</u>	<u>\$ 1,915,874</u>
Noncash Investing, Capital and Financing Activities							
Purchase of capital assets on account	\$ 771,840	\$ 7,855	\$ -	\$ -	\$ -	\$ 779,695	\$ 23,944
Net book value of capital assets traded in on capital assets acquired	-	-	-	-	-	-	54,478
Trade in value of disposed assets	-	-	-	-	-	-	158,809
Intergovernmental receivable from noncapital financing activities	113,914	-	-	-	-	113,914	-
Intergovernmental receipts from noncapital financing activities	10,213	-	-	-	-	10,213	129,948

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, 2016

	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 118,799	\$ 16,730,616	\$ 590,629
Accounts receivable, net of allowance	-	-	2,225
Total assets	<u>118,799</u>	<u>16,730,616</u>	<u>592,854</u>
LIABILITIES			
Accounts payable	-	-	14,717
Due to other governments	-	-	578,137
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 592,854</u>
NET POSITION			
Held in trust for:			
External investment pool participants	-	16,730,616	
Individuals, organizations and others	118,799	-	
Total net position	<u>\$ 118,799</u>	<u>\$ 16,730,616</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, 2016

	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund
ADDITIONS		
Additions by participants	\$ 229,040	\$ 14,757,521
Total contributions	<u>229,040</u>	<u>14,757,521</u>
Investment earnings:		
Interest income (loss)	1,324	119,628
Net investment earnings	<u>1,324</u>	<u>119,628</u>
Total additions	<u>230,364</u>	<u>14,877,149</u>
DEDUCTIONS		
Distributions to participants	201,195	9,180,791
Administrative expenses	6,223	-
Total deductions	<u>207,418</u>	<u>9,180,791</u>
Change in net position	22,946	5,696,358
Net position - beginning	95,853	11,034,258
Net position - ending	<u>\$ 118,799</u>	<u>\$ 16,730,616</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 the provisions 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 a meeting and convention center and it owns and operates 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 required 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 **Street Assessment Improvements Fund** is a capital projects fund used to account for various street improvement projects funded partially or in whole with assessments to property owners.

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, self-insurance activities, communication services and facilities management 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 2016 taxes collectible in 2017 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 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 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 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.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual appropriated expenditure budgets are adopted for all governmental funds on a basis consistent with generally accepted accounting principles with the exception of the General Fund, the 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, 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 2016 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>		
Governmental Activities		
General Fund	\$ 66,889,791	\$ 68,643,227
Special Revenue Funds:		
Enhanced 911	3,122,291	3,317,576
Visitors and Convention Bureau	2,230,592	2,324,901
Parkland Expansion	232,657	619,373
<u>Fund</u>	<u>Original Amount</u>	<u>Amended Amount</u>
Capital Projects Fund:		
Sales Tax Capital	18,428,691	20,170,253

Storm Drainage Development	200,000	300,543
<i>Business-type Activities</i>		
Internal Service Funds:		
Equipment	5,872,844	7,581,611
Self-Insurance	3,004,296	3,787,159
Communication Center	7,037,592	7,232,877
Facilities Management	2,877,979	3,006,611

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. Authority to manage the investment program is granted to the Deputy Finance Director (Investment Officer). The Investment Officer shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with the City’s Investment Policy. The Investment Officer carries out his/her responsibilities through the issuance of procedures and internal controls that are established by the Finance Director. The Finance Director also authorizes and monitors all investment activity.

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 No. 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, 2016, was as follows:

	<u>Bank Balance</u>	<u>Carr ying Balance</u>
Cash on hand	\$ -	\$ 17,191
Insured deposits	250,000	250,000
Deposits collateralized in single institutional pools	5,172,836	2,968,264
	<u>\$ 5,422,836</u>	<u>\$ 3,235,455</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, 2016, the City had the following investments:

Investment Type	S&P Rating	Fair Value	Weighted Average Maturity (Months)
Federal agency securities	AA+	\$ 27,882,380	24.54
Treasury coupon securities	AA+	10,461,470	29.53
Certificates of deposit	NR	2,231,820	22.14
Municipal securities	A	500,725	14.99
Pass through securities (GNMA/CMO)	AA+	228,951	45.44
State investment pools	AAAm	19,363,430	0.00
Total		\$ 60,668,776	17.48

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 City's various funds at December 31, 2016 was as follows:

General Fund	\$ 462,440
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, 2016 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	\$ 303,880,213	\$ 2,231,720	\$ 36,398	\$ 306,075,535
Construction in progress	5,605,167	2,107,199	5,155,237	2,557,129
Intangible assets	1,308,632	39,461	-	1,348,093
Total capital assets, not being depreciated	<u>310,794,012</u>	<u>4,378,380</u>	<u>5,191,635</u>	<u>309,980,757</u>
<i>Capital assets, being depreciated:</i>				
Buildings	95,662,372	4,142,943	-	99,805,315
Improvements other than buildings	33,176,311	443,929	-	33,620,240
Equipment	54,775,048	5,259,025	1,883,214	58,150,859
Infrastructure	395,488,577	11,744,226	-	407,232,803
Total capital assets, being depreciated	<u>579,102,308</u>	<u>21,590,123</u>	<u>1,883,214</u>	<u>598,809,217</u>
<i>Less accumulated depreciation for:</i>				
Buildings	22,243,561	2,680,170	-	24,923,731
Improvements other than buildings	19,312,146	1,322,491	-	20,634,637
Equipment	32,947,127	5,301,603	1,818,148	36,430,582
Infrastructure	134,247,845	8,800,233	-	143,048,078
Total accumulated depreciation	<u>208,750,679</u>	<u>18,104,497</u>	<u>1,818,148</u>	<u>225,037,028</u>
Total capital assets, being depreciated, net	<u>370,351,629</u>	<u>3,485,626</u>	<u>65,066</u>	<u>373,772,189</u>
Governmental activities capital assets, net	<u>\$ 681,145,641</u>	<u>\$ 7,864,006</u>	<u>\$ 5,256,701</u>	<u>\$ 683,752,946</u>
Business-type Activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,193,890	\$ -	\$ -	\$ 5,193,890
Construction in progress	91,694	789,062	90,174	790,582
Intangible assets	190,464	-	-	190,464
Total capital assets, not being depreciated	<u>5,476,048</u>	<u>789,062</u>	<u>90,174</u>	<u>6,174,936</u>
<i>Capital assets, being depreciated:</i>				
Buildings and systems	75,753,767	1,811,790	242,495	77,323,062
Improvements other than buildings	8,647,606	-	-	8,647,606
Equipment	3,903,822	72,145	6,257	3,969,710
Total capital assets, being depreciated	<u>88,305,195</u>	<u>1,883,935</u>	<u>248,752</u>	<u>89,940,378</u>
<i>Less accumulated depreciation for:</i>				
Buildings and systems	28,449,652	1,699,191	187,731	29,961,112
Improvements other than buildings	3,656,183	248,442	-	3,904,625
Equipment	2,500,923	263,384	6,257	2,758,050
Total accumulated depreciation	<u>34,606,758</u>	<u>2,211,017</u>	<u>193,988</u>	<u>36,623,787</u>
Total capital assets, being depreciated, net	<u>53,698,437</u>	<u>(327,082)</u>	<u>54,764</u>	<u>53,316,591</u>
Business-type activities capital assets, net	<u>\$ 59,174,485</u>	<u>\$ 461,980</u>	<u>\$ 144,938</u>	<u>\$ 59,491,527</u>

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

Governmental Activities	
General government	\$ 1,117,827
Public safety	1,914,005
Public works	9,287,985
Parks and recreation	1,685,769
Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets	<u>4,098,911</u>
Total depreciation expense – governmental activities	<u>\$ 18,104,497</u>
Business-Type Activities	
Water	\$ 1,134,771
Solid waste	58,655
Meeting and convention center	590,733
Golf courses	230,813
Parking	108,171
Irrigation	87,874
Total depreciation expense – business-type activities	<u>\$ 2,211,017</u>

Discretely Presented Component Unit

Activity for the ***Downtown Development Authority (DDA)*** for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 848,871	\$ -	\$ -	\$ 848,871
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>848,871</u>	<u>-</u>	<u>-</u>	<u>848,871</u>
<i>Capital assets, being depreciated:</i>				
Buildings and systems	3,334,768	-	-	3,334,768
Improvements other than buildings	1,045,026	-	-	1,045,026
Equipment	1,516,715	70,450	-	1,587,165
Total capital assets, being depreciated	<u>5,896,509</u>	<u>70,450</u>	<u>-</u>	<u>5,966,959</u>
<i>Less accumulated depreciation for:</i>				
Buildings and systems	416,210	84,085	-	500,295
Improvements other than buildings	64,655	53,143	-	117,798
Equipment	1,002,401	124,688	-	1,127,089
Total accumulated depreciation	<u>1,483,266</u>	<u>261,916</u>	<u>-</u>	<u>1,745,182</u>
Total capital assets, being depreciated, net	<u>4,413,243</u>	<u>(191,466)</u>	<u>-</u>	<u>4,221,777</u>
DDA capital assets, net	<u>\$ 5,262,114</u>	<u>\$ (191,466)</u>	<u>\$ -</u>	<u>\$ 5,070,648</u>

Construction Commitments

The City and its component unit have several ongoing construction projects, as of December 31, 2016, composed of the following:

	Spent to 12/31/2016	Projected cost of completion
Primary Government		
Street projects	\$ 1,062,431	\$ 4,757,798
Drainage projects	713,983	2,180,817
Park development	1,298,381	3,990,388
Facilities/equipment/other	202,404	442,753

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 in certificates of participation dated November 15, 2010 to be used to construct and install certain improvements at Suplezio Field, a baseball stadium located in the City's Lincoln Park, to fund a reserve fund and to 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 by 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 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, 2016 follows:

Year ending December 31,	Schedule of Base Rents
2017	\$ 528,650
2018	531,175
2019	528,675
2020	530,406
2021	531,163
2022-2026	2,656,887
2027-2031	2,652,250
2032-2035	2,120,750
Total base rentals	<u>10,079,956</u>
Less amounts representing interest	(3,569,956)
Present value of minimum lease payments\$	<u>6,510,000</u>

The City entered into a ground lease with Zions First National Bank. Zions First National Bank issued \$34,900,000 in certificates of participation dated December 1, 2010 to be used for the construction of a police building, including a 911 emergency dispatch center, the remodeling of existing City facilities for use as fire stations and a fire administration building, to pay capitalized interest and to 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 by 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, 2016 follows:

Year ending December 31,	Schedule of Base Rents
2017	\$ 3,028,510
2018	3,029,535
2019	3,028,985
2020	3,011,547
2021	2,990,247
2022-2026	14,627,188

2027-2031	13,943,050
2032-2036	13,013,293
2037-2040	9,572,867
Total base rentals	<u>66,245,222</u>
Less amounts representing interest	(34,700,222)
Present value of minimum lease payments\$	<u><u>31,545,000</u></u>

The City's certificates of participation do not constitute a general obligation, 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, 2016:

Primary Government - City of Grand Junction:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Revenue bonds:					
<i>Parkway refunding</i>	\$ 28,175,000	\$ -	\$ 2,575,000	\$ 25,600,000	\$ 2,705,000
<i>Parkway refunding premium</i>	3,108,775	-	610,760	2,498,015	547,794
Capital leases:					
<i>Certificates of participation</i>	39,005,000	-	950,000	38,055,000	985,000
<i>Discount on certificates of participation</i>	(345,676)	18,041	-	(327,635)	(19,205)
Net pension liability:					
<i>Fire defined benefit plan</i>	3,041,177	1,695,527	307,037	4,429,667	-
Claims payable	1,367,435	1,640,001	1,050,530	1,956,906	743,132
Compensated absences	3,964,601	4,890,395	4,736,262	4,118,734	241,729
Other post-employment benefits	3,075,194	1,211,815	819,087	3,467,922	-
Governmental activity long-term liabilities	\$ <u>81,391,506</u>	\$ <u>9,455,779</u>	\$ <u>11,048,676</u>	\$ <u>79,798,609</u>	\$ <u>5,203,450</u>
Business-type activities:					
Loans payable					
<i>Water systems</i>	\$ 4,512,931	\$ 1,615,100	\$ 371,109	\$ 5,756,922	\$ 420,274
Less deferred amounts:					
For loan discount	(18,556)	4,202	-	(14,354)	(3,929)
Compensated absences	511,747	560,425	600,176	471,996	27,701
Business-type activity long-term liabilities	\$ <u>5,006,122</u>	\$ <u>2,179,727</u>	\$ <u>971,285</u>	\$ <u>6,214,564</u>	\$ <u>444,046</u>
Component Unit - Downtown Development Authority:					
Tax increment bonds	\$ 5,280,000	\$ -	\$ 660,000	\$ 4,620,000	\$ 685,000
Promissory note	-	500,000	500,000	-	-
Compensated absences	6,170	14,285	11,870	8,585	504
Component unit long-term liabilities	\$ <u>5,286,170</u>	\$ <u>514,285</u>	\$ <u>1,171,870</u>	\$ <u>4,628,585</u>	\$ <u>685,504</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for internal service funds were included as part of the above totals for governmental activities. At year end, \$533,748 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, 2016, 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 \$25,600,000 of unpaid principal at December 31, 2016, payable over the following term:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	3,240,000	613,000	3,853,000
2022-2024	10,740,000	820,750	11,560,750
	<u>\$ 25,600,000</u>	<u>\$ 5,236,750</u>	<u>\$ 30,836,750</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, 2016, 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 original principal amount was \$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 unpaid principal at December 31, 2016 was \$1,352,262, payable over the following term from *Business activities*:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 204,725	\$ 50,131	\$ 254,856
2018	210,112	41,266	251,378
2019	215,500	33,825	249,325
2020	226,275	29,151	255,426
2021	237,050	21,845	258,895
2022	258,600	6,925	265,525
	<u>\$ 1,352,262</u>	<u>\$ 183,143</u>	<u>\$ 1,535,405</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 original principal amount was \$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 unpaid principal at December 31, 2016 was \$2,789,560, payable over the following term from *Business activities*:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	194,492	50,246	244,738
2022-2026	1,048,359	175,331	1,223,690
2027-2030	815,310	41,272	856,582
	<u>\$ 2,789,560</u>	<u>\$ 514,402</u>	<u>\$ 3,303,962</u>

The City of Grand Junction entered into a loan agreement dated November 17, 2016 with the Colorado Water Resources and Power Development Authority (CWRPDA) to finance improvements on the City’s water system. The original principal amount was \$1,615,100, at a net effective interest rate of 2.0%, payable May 1 and November 1 annually through 2036. The water system net revenues are pledged as security for the loan. The loan proceeds are held by CWRPDA with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2016 was \$1,615,100, payable over the following term from *Business activities*:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 39,455	\$ 18,788	\$ 58,243
2018	68,920	31,170	100,090
2019	70,305	29,785	100,090
2020	71,718	28,372	100,090
2021	73,160	26,930	100,090
2022-2026	388,456	111,992	500,448
2027-2031	429,097	71,351	500,448
2032-2036	473,989	26,459	500,448
	<u>\$ 1,615,100</u>	<u>\$ 344,847</u>	<u>\$ 1,959,947</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 2016, total draw amounts were \$500,000. In August 2016, a total of \$500,189 was repaid and there was no amount outstanding as of December 31, 2016.

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 an opportunity to redevelop the property and invest in the downtown area. The principal amount is \$1,000,000 interest free payable in two equal installments on August 15 and June 30. The unpaid principal at December 31, 2016 was \$500,000, payable over the following term:

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

TAX INCREMENT BONDS:

During 2012, the Downtown Development Authority issued \$7,125,000 of 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, 2016 was \$4,620,000, payable over the following term:

Year	Principal	Interest	Total
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	820,000	87,665	907,665
2022	865,000	45,845	910,845
	<u>\$ 4,620,000</u>	<u>\$ 837,585</u>	<u>\$ 5,457,585</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				
<i>Enterprise Funds:</i>						
Water	\$8,585,406	\$8,585,406	\$6,474,664	\$1,029,307	\$7,503,971	\$1,081,435
Solid Waste Removal Two Rivers	3,655,900	3,655,900	3,527,066	55,953	3,583,019	72,881
Convention Center	2,563,951	2,563,951	3,137,825	(592,113)	2,545,712	18,239
Golf Courses	1,950,317	1,950,317	1,915,709	(43,577)	1,872,132	78,185
Parking Authority	510,657	510,657	397,796	96,076	493,872	16,785
Irrigation	258,933	258,933	312,191	(79,964)	232,227	26,706
<i>Internal Service Funds:</i>						
Data Processing	7,570,978	7,570,978	6,724,758	(317,675)	6,407,083	1,163,895
Equipment	5,872,844	7,581,611	5,278,151	1,804,625	7,082,776	498,835
Self-Insurance	3,004,296	3,787,159	3,617,377	(596,330)	3,021,047	766,112
Communications Center	7,037,592	7,232,877	7,105,085	(972,919)	6,132,166	1,100,711
Facilities	2,877,979	3,006,611	2,582,658	151,210	2,733,868	272,743

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2016 was as follows:

Due to/from other funds:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 2,719,983	\$ -
Community Development Special Revenue Fund to cover the cost of operations	-	50,633
Sales Tax Capital Projects Fund to cover the cost of capital	-	2,179,760
Two Rivers Convention Center Fund to cover the cost of operations	-	6,054
Parking Enterprise Fund to pay current portion of advance	-	203,884
Solid Waste Removal Enterprise Fund to pay current portion of advance	-	89,541
Tiara Rado Golf Course Enterprise Fund to pay current portion of advance	-	190,111
Total	<u>\$ 2,719,983</u>	<u>\$ 2,719,983</u>

Advances to/from other funds:

	Advance to Other Funds	Advance from Other Funds
General Fund	\$ 5,700,815	\$ -
Solid Waste Removal Enterprise Fund to cover the cost of operations	-	498,628
Tiara Rado Golf Enterprise Fund to cover the cost of new irrigation system	-	2,747,179
Parking Enterprise Fund to cover partial cost of new parking garage	-	2,455,008
Total	<u>\$ 5,700,815</u>	<u>\$ 5,700,815</u>

Interfund transfers:

Transfers in:	General Fund	Sales Tax CIP Fund	Nonmajor Government Funds	Street Assessment CIP Fund	Total
General Fund	\$ -	\$ 1,122,000	\$ 48,919	\$ -	\$ 1,170,919
Sales Tax CIP	121,423	-	611,894	100,000	833,317
General Debt Service Fund	-	5,669,143	500,000	-	6,169,143
Parkway Debt Retirement	-	1,247,915	-	-	1,247,915
Two Rivers Convention Center	119,630	82,298	187,734	-	389,662
Golf Courses	-	-	155,000	-	155,000
Nonmajor Governmental	-	4,314	231,900	-	236,214
Internal Service	-	-	1,753,878	-	1,753,878
Total Transfers Out	<u>\$ 241,053</u>	<u>\$ 8,125,670</u>	<u>\$ 3,489,325</u>	<u>\$ 100,000</u>	<u>\$ 11,956,047</u>

Transfers into the General Fund were to assist with cemetery operations (\$8,808), to reimburse administrative costs of the Community Development Block Grant (\$40,111), for capital equipment (\$28,350) and for economic development contributions (\$1,093,650). 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 (\$3,855,875), to make the lease payment on the Public Safety Certificates of Participation (\$1,813,268), to set aside dollars to repay the parkway debt (\$1,247,915) and for capital and economic development purchases.

Transfers into the Two Rivers Convention Center Fund were to subsidize operations (\$307,364) and for capital equipment purchases (\$82,298).

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 \$1,753,878 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 firefighters 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, 2016 was \$47,067,126. Covered wages and contributions in 2016 were as follows:

<u>General Employee Plan</u>	
Covered wages	\$ 24,821,646
City contribution	1,527,033
Employee contribution	1,527,033

Effective January 1, 1980, under state statutes, all firefighters and police officers hired after April 8, 1978 are covered under fire and police defined contribution pension plans (new hire plans). Firefighters 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 2016 were as follows:

<u>New Hire - Police & Fire</u>	<u>Police Officers</u>	<u>Firefighters</u>
Covered wages	\$ 8,186,379	\$ 8,134,543
City contribution	871,847	868,638
Employee contribution	872,215	868,638

In 1988, the City established supplemental defined contribution plans (new supplemental plans) for firefighters 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 2016, there were no police officers or firefighters participating in the defined benefit plans.

In addition to the above retirement plans, all firefighters 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, notedisclosures related to the plan investments andpolicies, 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 20 years of service and age 55 or after 25 years of service. Firefighters’ benefits become vested after 20 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 2016, 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, 2016 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, 2016, the City reported a liability of \$4,429,667 for its net pension liability related to the old hire fire pension plan. The net pension liability was measured as of December 31, 2015, and the total liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. 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, 2016, the City reported an asset of \$417,121 for its net pension asset related to the old hire police pension plan. The net pension asset was measured as of December 31, 2015, and the total liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2016. 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, 2016, the City recognized pension expense of \$1,326,489 for the Fire Old Hire plan and pension income of \$37,751 for the Police Old Hire plan. As a result of the Fire Old Hire plan not having any active

employees, there were no forfeitures as part of the pension expense for the year ended December 31, 2016. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police Old Hire Plan		Fire Old Hire Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	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	201,805	-	433,369	-	635,174	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-	-	-	-	-
City contributions subsequent to the measurement date	-	-	307,037	-	307,037	-
Total	\$ 201,805	\$ -	\$ 740,406	\$ -	\$ 942,211	\$ -

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, 2017. 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,	Police Old Hire Plan Net Deferred Outflows/ (Inflows) of Resources	Fire Old Hire Plan Net Deferred Outflows/ (Inflows) of Resources
2017	\$ 51,892	\$ 111,293
2018	51,892	111,293
2019	51,890	111,294
2020	46,131	99,489
2021	-	-
Thereafter	-	-
Total	\$ 201,805	\$ 433,369

The changes in net pension asset for the Police Old Hire Plan and net pension liability for the Fire Old Hire plan are presented below:

	Police Old Hire Plan			Fire Old Hire Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of January 1, 2016	\$ 3,776,154	\$ 4,334,291	\$ (558,137)	\$ 12,325,591	\$ 9,284,414	\$ 3,041,177
Changes for the year:						
Service cost	-	-	-	-	-	-
Interest	267,434	-	267,434	882,137	-	882,137
Difference between expected and actual experience	(346,587)	-	(346,587)	97,834	-	97,834
Changes of assumptions	292,298	-	292,298	880,892	-	880,892
Contributions – employer	-	-	-	-	317,653	(317,653)
Contributions – employee	-	-	-	-	-	-
Net investment income	-	78,404	(78,404)	-	167,814	(167,814)
Benefit payments	(428,478)	(428,478)	-	(1,148,291)	(1,148,291)	-
Administrative expense	-	(6,275)	6,275	-	(13,094)	13,094

Other changes	-	-	-	-	-	-
Total net changes	\$ (215,333)	\$ (356,349)	\$ 141,016	\$ 712,572	\$ (675,918)	\$ 1,388,490
Balances as of December 31, 2016	\$ 3,560,821	\$ 3,977,942	\$ (417,121)	\$ 13,038,163	\$ 8,608,496	\$ 4,429,667

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation, determined using the following assumptions, was 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	13 years	18 years
Asset valuation method	5-Year smoothed, FMV	5-Year smoothed, 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 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 one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate.

Police Old Hire Plan			
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability/(Asset)	(172,276)	(417,121)	(633,919)

Fire Old Hire Plan			
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability/(Asset)	5,583,979	4,429,667	3,433,711

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 also 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. Retirees receiving benefits contributed \$122,736, or approximately 24.37% of the total premiums, through their required contribution of \$62.78 per month for single coverage, \$672.52 per month for spouse coverage and \$1,068.85 for family coverage. Only the retiree's premium is paid partially by the City. During 2016, there were 53 retirees and 14 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 (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 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)	\$ 1,202,434
Interest on net OPEB obligation	123,008
Adjustment to ARC	<u>(113,627)</u>
Annual OPEB cost (expense)	1,211,815
Contributions made	<u>(819,087)</u>
Increase in net OPEB obligation	392,728
Net OPEB obligation - January 1, 2016	<u>3,075,194</u>
Net OPEB obligation - December 31, 2016	<u>\$ 3,467,922</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2016 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 1,231,440	45.01%	\$ 2,346,495
2015	1,234,342	40.96%	3,075,194
2016	1,211,815	67.59%	3,467,922

Funded Status and Funding Progress. As of December 31, 2016, the most recent actuarial valuation date, the plan was unfunded. The unfunded actuarial accrued liability (UAAL) for benefits was \$10.58 million. The covered payroll (annual payroll of active employees covered by the plan) was \$36,600,923, and the ratio of the UAAL to the covered payroll was 28.9%.

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.

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

In the December 31, 2016 actuarial valuation, the entry age normal method was used. The actuarial assumptions included a 4.1% 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 5.0% after five years. Both rates included a 3.0% inflation assumption. The UAAL is being amortized on a level percent of pay, closed basis. The remaining amortization period at December 31, 2016 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 preexisting 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 preexisting 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, 2016 and for the year then ended are as follows:

<u>Statement of Net Position</u>	
Assets:	
Current assets	\$ 18,248,882
Noncurrent assets	48,512
Net property, plant and equipment	<u>88,376,275</u>
Total assets	\$ <u>106,673,669</u>
 Liabilities:	
Current liabilities	\$ 1,104,900
Long-term debt	<u>5,404,911</u>
Total liabilities	<u>6,509,811</u>
 Net Position:	
Net investment in capital assets	82,279,035
Unrestricted	<u>17,884,823</u>
Total net position	\$ <u>100,163,858</u>

Statement of Revenue and Expenses

Operating revenues	\$ 12,633,463
Operating expenses	<u>9,969,286</u>
Operating income/(loss)	2,664,177
Net nonoperating revenue/(expenses)	50,431
Capital contributions	<u>3,125,734</u>
Change in net position	5,840,342
Net position - beginning	<u>94,323,516</u>
Net position - ending	\$ <u>100,163,858</u>

Since the City operates the Joint Sewer System, all cash balances are included in the City sponsored Cash Pool. The Joint Sewer System is an external participant in that pool. The Joint Sewer System's share of the pool is \$16,730,616 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 \$3,445,642 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 for 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, 2016 was \$3,940,000, payable over the following term from *Business activities*:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	480,000	117,802	597,802
2022-2024	<u>1,690,000</u>	<u>152,266</u>	<u>1,842,266</u>
	<u>\$ 3,940,000</u>	<u>\$ 878,971</u>	<u>\$ 4,818,971</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, 2016 was \$2,035,000, payable over the following term from *Business activities*:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 490,000	\$ 93,275	\$ 583,275
2018	505,000	71,750	576,750
2019	1,040,000	48,807	1,088,807

\$ 2,035,000	\$ 213,832	\$ 2,248,832
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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, 2016 was \$332,148. 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 \$1,956,906 in the Self-Insurance Internal Service Fund at December 31, 2016 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 2015 and 2016 were:

		January 1		Claims and		December 31
	\$	Claims		Changes in		Claims
		Payable	\$	Estimates	\$	Payable
2015	\$	2,073,879	\$	1,211	\$	(707,655)
2016	\$	1,367,435	\$	1,640,001	\$	(1,050,530)
						\$ 1,367,435
						\$ 1,956,906

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 Deputy Finance Director 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.

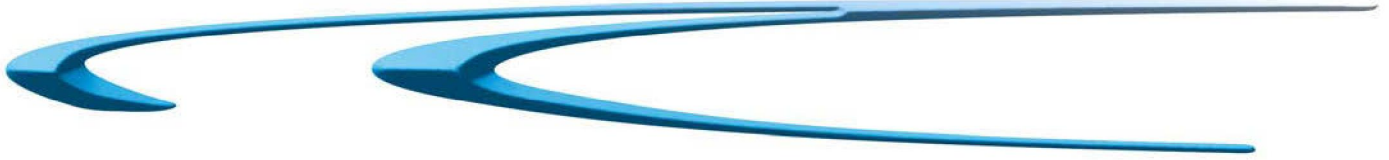
NOTE 16. TAX, SPENDING AND DEBT LIMITATIONS

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, \$23,488,928 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, 2016, 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.



**REQUIRED
SUPPLEMENTARY INFORMATION**

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	267,434					
Benefit changes	-	-					
Difference between expected and actual experience	-	(346,587)					
Assumption changes	-	292,298					
Benefit payments	<u>(456,535)</u>	<u>(428,478)</u>					
Total change in total pension liability	<u>(176,869)</u>	<u>(215,333)</u>					
Total pension liability-beginning 1/1/2015	<u>3,953,023</u>	<u>3,776,154</u>					
Total pension liability-ending 12/31/15 (a)	<u>\$ 3,776,154</u>	<u>\$ 3,560,821</u>					
 Plan Fiduciary Net Position							
Employer contributions	\$ -	\$ -					
Employee contributions	-	-					
Pension plan net investment income	292,173	78,404					
Benefit payments	(456,535)	(428,478)					
Pension plan administrative expense	<u>(10,032)</u>	<u>(6,275)</u>					
Net change in plan fiduciary net position	<u>(174,394)</u>	<u>(356,349)</u>					
Plan fiduciary net position beginning 1/1/15	<u>4,508,685</u>	<u>4,334,291</u>					
Plan fiduciary net position ending 12/31/15 (b)	<u>\$ 4,334,291</u>	<u>\$ 3,977,942</u>					
Net pension liability/(asset) ending (a)- (b)	<u>(558,137)</u>	<u>(417,121)</u>					
Plan fiduciary net position as a percentage of total pension liability	114.78%	111.71%					
Covered employee payroll	N/A	N/A					
Net pension liability as a percentage of covered employee payroll	N/A	N/A					

Required Supplementary Information

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	882,137					
Benefit changes	-	-					
Difference between expected and actual experience	-	97,834					
Assumption changes	-	880,892					
Benefit payments	<u>(1,126,445)</u>	<u>(1,148,291)</u>					
Total change in total pension liability	<u>(226,515)</u>	<u>712,572</u>					
Total pension liability-beginning 1/1/2015	<u>12,552,106</u>	<u>12,325,591</u>					
Total pension liability-ending 12/31/15 (a)	<u>\$ 12,325,591</u>	<u>13,038,163</u>					
 Plan Fiduciary Net Position							
Employer contributions	\$ 271,552	317,653					
Employee contributions	-	-					
Net pension plan net investment income	623,843	167,814					
Benefit payments	<u>(1,126,445)</u>	<u>(1,148,291)</u>					
Pension plan administrative expense	<u>(17,764)</u>	<u>(13,094)</u>					
Net change in plan fiduciary net position	<u>(248,814)</u>	<u>(675,918)</u>					
Plan fiduciary net position beginning 1/1/15	<u>9,533,228</u>	<u>9,284,414</u>					
Plan fiduciary net position ending 12/31/15 (b)	<u>\$ 9,284,414</u>	<u>8,608,496</u>					
Net pension liability/(asset) ending (a)- (b)	3,041,177	4,429,667					
Plan fiduciary net position as a percentage of total pension liability	75.33%	66.03%					
Covered employee payroll	N/A	N/A					
Net pension liability as a percentage of covered employee payroll	N/A	N/A					

Required Supplementary Information

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]
2007	\$ 715,531	\$ 823,459	\$ (107,928)	N/A	N/A
2008	\$ 715,629	\$ 842,645	\$ (127,016)	N/A	N/A
2009	\$ 715,629	\$ 443,213	\$ 272,416	N/A	N/A
2010	\$ 312,934	\$ 410,383	\$ (97,449)	N/A	N/A
2011	\$ 271,787	\$ 426,798	\$ (155,011)	N/A	N/A
2012	\$ 271,787	\$ 514,379	\$ (242,592)	N/A	N/A
2013	\$ 116,037	\$ 1,148,079	\$ (1,032,042)	N/A	N/A
2014	\$ 116,037	\$ -	\$ 116,037	N/A	N/A
2015	\$ -	\$ -	\$ -	N/A	N/A
2016	\$ -	\$ -	\$ -	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.

Required Supplementary Information

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

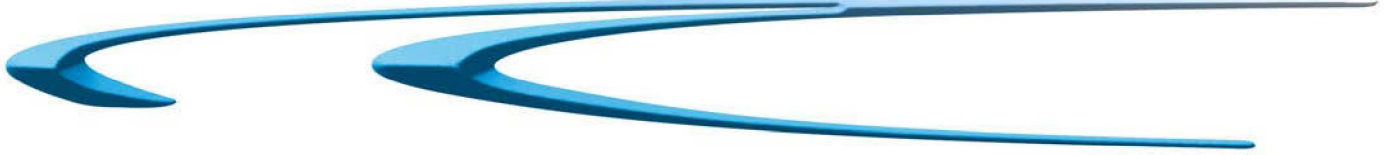
FY Ending December 31,	Actuarially Determined Contribution*	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
[a]	[b]	[c]	[d] = [b] - [c]	[e]	[f]
2007	\$ 308,815	\$ 279,705	\$ 29,110	N/A	N/A
2008	\$ 303,815	\$ 313,763	\$ (9,948)	N/A	N/A
2009	\$ 192,143	\$ 205,493	\$ (13,350)	N/A	N/A
2010	\$ 192,143	\$ 184,753	\$ 7,390	N/A	N/A
2011	\$ 247,566	\$ 245,434	\$ 2,132	N/A	N/A
2012	\$ 247,566	\$ 247,566	\$ -	N/A	N/A
2013	\$ 276,015	\$ 279,384	\$ (3,369)	N/A	N/A
2014	\$ 276,015	\$ 271,552	\$ 4,463	N/A	N/A
2015	\$ 307,037	\$ 317,653	\$ (10,616)	N/A	N/A
2016	\$ 307,037	\$ 307,037	\$ -	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.

Required Supplementary Information

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

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>Total Unfunded Actuarial Accrued Liability (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
2014	6/30/2014	-	12,390,944	12,390,944	0.0%	36,628,908	33.8%
2015	6/30/2014	-	12,390,944	12,390,944	0.0%	36,628,908	33.8%
2016	12/31/2016	1,696,982	10,580,387	8,883,405	16.0%	36,600,923	24.3%



NONMAJOR 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 the expenditures 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 and 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 and 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 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 ~ 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, 2016

	Special Revenue					Total
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Conservation Trust	Community Development	
ASSETS						
Cash and investments	\$ 72,713	\$ 2,248,440	\$ 585,765	\$ 465,491	\$ -	\$ 3,372,409
Accounts receivable	94	358,370	1,875	-	-	360,339
Taxes receivable	136,335	-	-	-	-	136,335
Intergovernmental receivable	-	8,862	-	-	108,541	117,403
Prepays	13,703	-	-	-	-	13,703
Total assets	\$ 222,845	\$ 2,615,672	\$ 587,640	\$ 465,491	\$ 108,541	\$ 4,000,189
LIABILITIES						
Accounts payable	34,625	-	-	-	108,541	143,166
Accrued liabilities	4,274	-	-	-	-	4,274
Total liabilities	\$ 38,899	\$ -	\$ -	\$ -	\$ 108,541	\$ 147,440
FUND BALANCES						
Nonspendable:						
Inventories and prepaids	\$ 13,703	\$ -	\$ -	\$ -	\$ -	\$ 13,703
Permanent fund principal	-	-	-	-	-	-
Restricted for:						
Debt service	-	-	-	-	-	-
Parks and recreation	-	-	-	465,491	-	465,491
Public safety	-	2,615,672	-	-	-	2,615,672
Capital projects	-	-	-	-	-	-
Committed to:						
Open space	-	-	587,640	-	-	587,640
Tourism and convention	170,243	-	-	-	-	170,243
Total fund balances	\$ 183,946	\$ 2,615,672	\$ 587,640	\$ 465,491	\$ -	\$ 3,852,749
Total liabilities and fund balances	\$ 222,845	\$ 2,615,672	\$ 587,640	\$ 465,491	\$ 108,541	\$ 4,000,189

Debt Service			Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJ Public Finance	Total	Storm Drainage Development	Cemetery Perpetual Care	
\$ 16,961	\$ 3,840	\$ 20,801	\$ 3,323	\$ 1,391,805	\$ 4,788,338
-	-	-	-	625	360,964
-	-	-	-	-	136,335
-	-	-	-	-	117,403
-	-	-	-	-	13,703
<u>\$ 16,961</u>	<u>\$ 3,840</u>	<u>\$ 20,801</u>	<u>\$ 3,323</u>	<u>\$ 1,392,430</u>	<u>\$ 5,416,743</u>
-	-	-	-	-	143,166
-	-	-	-	-	4,274
-	-	-	-	-	147,440
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,703
-	-	-	-	1,392,430	1,392,430
16,961	3,840	20,801	-	-	20,801
-	-	-	-	-	465,491
-	-	-	-	-	2,615,672
-	-	-	3,323	-	3,323
-	-	-	-	-	587,640
-	-	-	-	-	170,243
<u>16,961</u>	<u>3,840</u>	<u>20,801</u>	<u>3,323</u>	<u>1,392,430</u>	<u>5,269,303</u>
<u>\$ 16,961</u>	<u>\$ 3,840</u>	<u>\$ 20,801</u>	<u>\$ 3,323</u>	<u>\$ 1,392,430</u>	<u>\$ 5,416,743</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, 2016

Special Revenue						
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Conservation Trust	Community Development	Total
REVENUES						
Taxes	\$ 2,088,278	\$ -	\$ -	\$ -	\$ -	\$ 2,088,278
Intergovernmental	7,000	-	-	689,329	365,827	1,062,156
Charges for services	10,493	2,376,919	-	-	-	2,387,412
Miscellaneous	236	-	401,978	-	-	402,214
Investment income	344	21,194	6,128	4,420	-	32,086
Total revenues	<u>2,106,351</u>	<u>2,398,113</u>	<u>408,106</u>	<u>693,749</u>	<u>365,827</u>	<u>5,972,146</u>
EXPENDITURES						
Current:						
General government	1,943,690	-	-	-	-	1,943,690
Urban development and housing	-	-	-	-	211,883	211,883
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>1,943,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,883</u>	<u>2,155,573</u>
over (under) expenditures	162,661	2,398,113	408,106	693,749	153,944	3,816,573
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	<u>(187,734)</u>	<u>(2,253,878)</u>	<u>(418,781)</u>	<u>(466,180)</u>	<u>(153,944)</u>	<u>(3,480,517)</u>
Total other financing sources (uses)	<u>(187,734)</u>	<u>(2,253,878)</u>	<u>(418,781)</u>	<u>(466,180)</u>	<u>(153,944)</u>	<u>(3,480,517)</u>
Net change in fund balance	(25,073)	144,235	(10,675)	227,569	-	336,056
Fund balances - beginning	209,019	2,471,437	598,315	237,922	-	3,516,693
Fund balances - ending	<u>\$ 183,946</u>	<u>\$ 2,615,672</u>	<u>\$ 587,640</u>	<u>\$ 465,491</u>	<u>\$ -</u>	<u>\$ 3,852,749</u>

Debt Service			Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJ Public Finance	Total	Storm Drainage Development	Cemetery Perpetual Care	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,088,278
-	-	-	30,620	-	1,092,776
-	-	-	-	17,441	2,404,853
-	300,000	300,000	6,887	-	709,101
141	2,929	3,070	-	11,576	46,732
141	302,929	303,070	37,507	29,017	6,341,740
-	1,500	1,500	5,433	-	1,950,623
-	-	-	-	-	211,883
-	225,000	225,000	-	-	225,000
-	305,400	305,400	-	-	305,400
-	-	-	33,065	-	33,065
-	531,900	531,900	38,498	-	2,725,971
141	(228,971)	(228,830)	(991)	29,017	3,615,769
-	231,900	231,900	4,314	-	236,214
-	-	-	-	(8,808)	(3,489,325)
-	231,900	231,900	4,314	(8,808)	(3,253,111)
141	2,929	3,070	3,323	20,209	362,658
16,820	911	17,731	-	1,372,221	4,906,645
\$ 16,961	\$ 3,840	\$ 20,801	\$ 3,323	\$ 1,392,430	\$ 5,269,303

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,093,907	\$ 2,110,193	\$ 2,088,278	\$ (21,915)
Intergovernmental	-	7,000	7,000	-
Charges for services	11,000	9,500	10,493	993
Miscellaneous	-	-	236	236
Investment income	640	-	344	344
Total revenues	<u>2,105,547</u>	<u>2,126,693</u>	<u>2,106,351</u>	<u>(20,342)</u>
EXPENDITURES				
Current:				
General government	2,028,146	1,939,645	1,943,690	(4,045)
Capital outlay	20,000	107,331	-	107,331
Total expenditures	<u>2,048,146</u>	<u>2,046,976</u>	<u>1,943,690</u>	<u>103,286</u>
Excess of revenues over expenditures	57,401	79,717	162,661	82,944
OTHER FINANCING SOURCES (USES)				
Transfers out	(182,446)	(277,925)	(187,734)	90,191
Total other financing sources (uses)	<u>(182,446)</u>	<u>(277,925)</u>	<u>(187,734)</u>	<u>90,191</u>
Net change in fund balance	(125,045)	(198,208)	(25,073)	173,135
Fund balances - beginning	209,019	209,019	209,019	-
Fund balances - ending	<u>\$ 83,974</u>	<u>\$ 10,811</u>	<u>\$ 183,946</u>	<u>\$ 173,135</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,420,600	\$ 2,420,600	\$ 2,376,919	\$ (43,681)
Investment income	10,473	27,000	21,194	(5,806)
Total revenues	<u>2,431,073</u>	<u>2,447,600</u>	<u>2,398,113</u>	<u>(49,487)</u>
EXPENDITURES				
Excess of revenues over expenditures	2,431,073	2,447,600	2,398,113	(49,487)
OTHER FINANCING USES				
Transfers out	<u>(3,122,291)</u>	<u>(3,317,576)</u>	<u>(2,253,878)</u>	<u>1,063,698</u>
Net change in fund balance	(691,218)	(869,976)	144,235	1,014,211
Fund balances - beginning	2,471,437	2,471,437	2,471,437	-
Fund balances - ending	<u>\$ 1,780,219</u>	<u>\$ 1,601,461</u>	<u>\$ 2,615,672</u>	<u>\$ 1,014,211</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 60,000	\$ 290,000	\$ 401,978	\$ 111,978
Investment income	1,825	8,300	6,128	(2,172)
Total revenues	<u>61,825</u>	<u>298,300</u>	<u>408,106</u>	<u>109,806</u>
EXPENDITURES				
	-	-	-	-
Excess of revenues over expenditures	61,825	298,300	408,106	109,806
OTHER FINANCING USES				
Transfers out	<u>(232,657)</u>	<u>(619,373)</u>	<u>(418,781)</u>	<u>200,592</u>
Net change in fund balance	(170,832)	(321,073)	(10,675)	310,398
Fund balances - beginning	598,315	598,315	598,315	-
Fund balances - ending	<u>\$ 427,483</u>	<u>\$ 277,242</u>	<u>\$ 587,640</u>	<u>\$ 310,398</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 600,000	\$ 667,000	\$ 689,329	\$ 22,329
Investment income	1,043	5,000	4,420	(580)
Total revenues	<u>601,043</u>	<u>672,000</u>	<u>693,749</u>	<u>21,749</u>
EXPENDITURES	-	-	-	-
Excess of revenues over expenditures	601,043	672,000	693,749	21,749
OTHER FINANCING USES				
Transfers out	(514,405)	(514,405)	(466,180)	48,225
Net change in fund balance	86,638	157,595	227,569	69,974
Fund balances - beginning	237,922	237,922	237,922	-
Fund balances - ending	<u>\$ 324,560</u>	<u>\$ 395,517</u>	<u>\$ 465,491</u>	<u>\$ 69,974</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 378,250	\$ 324,785	\$ 365,827	\$ 41,042
EXPENDITURES				
Current:				
Urban development and housing	236,472	224,350	211,883	12,467
Excess of revenues over expenditures	141,778	100,435	153,944	53,509
OTHER FINANCING USES				
Transfers out	(141,778)	(153,900)	(153,944)	(44)
Net change in fund balance	-	(53,465)	-	53,465
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ (53,465)	\$ -	\$ 53,465

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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment income	\$ -	\$ 141	\$ 141
Total revenues	<u>-</u>	<u>141</u>	<u>141</u>
EXPENDITURES			
Current:			
General government	<u>16,747</u>	<u>-</u>	<u>16,747</u>
Excess (deficiency) of revenues over (under) expenditures	(16,747)	141	16,888
Fund balances - beginning	<u>16,820</u>	<u>16,820</u>	<u>-</u>
Fund balances - ending	<u><u>73</u></u>	<u><u>16,961</u></u>	<u><u>16,888</u></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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Miscellaneous	\$ 300,000	\$ 300,000	\$ -
Investment income	-	2,929	2,929
Total revenues	<u>300,000</u>	<u>302,929</u>	<u>2,929</u>
EXPENDITURES			
Current:			
General government	1,505	1,500	5
Debt service:			
Principal retirement	225,000	225,000	-
Interest and fiscal charges	305,400	305,400	-
Total expenditures	<u>531,905</u>	<u>531,900</u>	<u>5</u>
Deficiency of revenues under expenditures	(231,905)	(228,971)	2,934
OTHER FINANCING SOURCES			
Transfers in	<u>231,905</u>	<u>231,900</u>	<u>(5)</u>
Net change in fund balance	-	2,929	2,929
Fund balances - beginning	911	911	-
Fund balances - ending	<u>\$ 911</u>	<u>\$ 3,840</u>	<u>\$ 2,929</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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 718,940	\$ 718,554	\$ (386)
Investment income	-	766	766
Total revenues	<u>718,940</u>	<u>719,320</u>	<u>380</u>
EXPENDITURES			
Current:			
General government	3,005	3,000	5
Debt service:			
Principal retirement	3,300,000	3,300,000	-
Interest and fiscal charges	3,584,698	3,584,697	1
Total expenditures	<u>6,887,703</u>	<u>6,887,697</u>	<u>6</u>
Deficiency of revenues under expenditures	(6,168,763)	(6,168,377)	386
OTHER FINANCING SOURCES			
Transfers in	<u>6,168,763</u>	<u>6,169,143</u>	<u>380</u>
Net change in fund balance	-	766	766
Fund balances - beginning	180	180	-
Fund balances - ending	<u>\$ 180</u>	<u>\$ 946</u>	<u>\$ 766</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, 2016

	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	\$ 63,183	\$ 85,000	\$ 81,263	\$ 4,143	\$ 85,406	\$ 406
EXPENDITURES						
Excess of revenues over expenditures	63,183	85,000	81,263	4,143	85,406	406
OTHER FINANCING SOURCES						
Transfers in	1,143,635	1,247,915	1,247,915	-	1,247,915	-
Net change in fund balance	1,206,818	1,332,915	1,329,178	4,143	1,333,321	406
Fund balances - beginning	9,871,691	9,871,691	9,860,226	11,465	9,871,691	-
Fund balances - ending	\$ <u>11,078,509</u>	\$ <u>11,204,606</u>	\$ <u>11,189,404</u>	\$ <u>15,608</u>	\$ <u>11,205,012</u>	\$ <u>406</u>

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, 2016

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes	\$ 12,219,072	\$ 11,695,558	\$ 11,911,969	\$ (37,499)	\$ 11,874,470	\$ 178,912
Intergovernmental	4,457,303	4,134,971	3,416,667	-	3,416,667	(718,304)
Special assessments	9,700	9,700	9,235	-	9,235	(465)
Investment income	3,050	3,050	1,944	-	1,944	(1,106)
Charges for services	30,000	69,600	89,676	-	89,676	20,076
Other contributions	736,527	896,608	796,478	-	796,478	(100,130)
Total revenues	<u>17,455,652</u>	<u>16,809,487</u>	<u>16,225,969</u>	<u>(37,499)</u>	<u>16,188,470</u>	<u>(621,017)</u>
EXPENDITURES						
Capital outlay:						
Construction	<u>10,294,293</u>	<u>11,823,145</u>	<u>9,083,932</u>	<u>-</u>	<u>9,083,932</u>	<u>2,739,213</u>
Excess of revenues over expenditures	7,161,359	4,986,342	7,142,037	(37,499)	7,104,538	2,118,196
OTHER FINANCING SOURCES (USES)						
Transfers in	563,935	861,361	833,317	-	833,317	(28,044)
Transfers out	<u>(8,134,398)</u>	<u>(8,347,108)</u>	<u>(8,125,670)</u>	<u>-</u>	<u>(8,125,670)</u>	<u>221,438</u>
Total other financing sources (uses)	<u>(7,570,463)</u>	<u>(7,485,747)</u>	<u>(7,292,353)</u>	<u>-</u>	<u>(7,292,353)</u>	<u>193,394</u>
Net change in fund balance	(409,104)	(2,499,405)	(150,316)	(37,499)	(187,815)	2,311,590
Fund balances - beginning	<u>1,144,111</u>	<u>1,144,111</u>	<u>1,109,018</u>	<u>35,093</u>	<u>1,144,111</u>	<u>-</u>
Fund balances - ending	<u>\$ 735,007</u>	<u>\$ (1,355,294)</u>	<u>\$ 958,702</u>	<u>\$ (2,406)</u>	<u>\$ 956,296</u>	<u>\$ 2,311,590</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, 2016

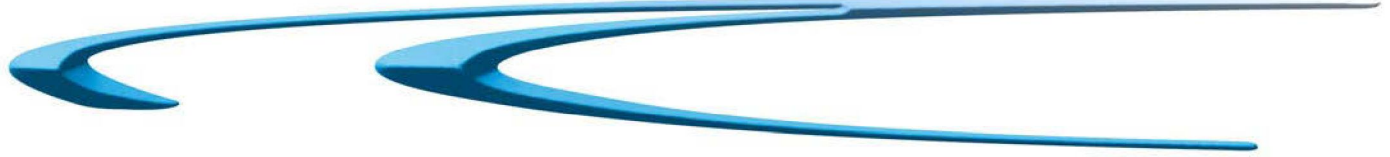
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 27,297	\$ 30,620	\$ 3,323
Miscellaneous:				
Development fees	-	-	6,887	6,887
Total revenues	<u>-</u>	<u>27,297</u>	<u>37,507</u>	<u>10,210</u>
EXPENDITURES				
Current:				
General government	-	-	5,433	(5,433)
Capital outlay:				
Construction	200,000	300,543	33,065	267,478
Total expenditures	<u>200,000</u>	<u>300,543</u>	<u>38,498</u>	<u>262,045</u>
Deficiency of revenues under expenditures	(200,000)	(273,246)	(991)	272,255
OTHER FINANCING SOURCES				
Transfers in	<u>200,000</u>	<u>130,400</u>	<u>4,314</u>	<u>(126,086)</u>
Net change in fund balance	-	(142,846)	3,323	146,169
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ (142,846)</u>	<u>\$ 3,323</u>	<u>\$ 146,169</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Development fees	\$ 1,000,000	\$ 1,200,000	\$ 1,386,343	\$ 186,343
EXPENDITURES				
Capital outlay:				
Construction	1,938,100	1,938,100	107,174	1,830,926
Excess (deficiency) of revenues over (under) expenditures	(938,100)	(738,100)	1,279,169	2,017,269
OTHER FINANCING SOURCES				
Transfers out	(100,000)	(100,000)	(100,000)	-
Net change in fund balance	(1,038,100)	(838,100)	1,179,169	2,017,269
Fund balances - beginning	1,198,995	1,198,995	1,198,995	-
Fund balances - ending	\$ 160,895	\$ 360,895	\$ 2,378,164	\$ 2,017,269

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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Perpetual care revenue	\$ 20,000	\$ 17,441	\$ (2,559)
Investment income	8,810	11,576	2,766
Total revenues	<u>28,810</u>	<u>29,017</u>	<u>207</u>
EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	28,810	29,017	207
OTHER FINANCING USES			
Transfers out	<u>(8,808)</u>	<u>(8,808)</u>	<u>-</u>
Net change in fund balance	20,002	20,209	207
Fund balances - beginning	1,376,252	1,372,221	-
Fund balances - ending	<u>\$ 1,396,254</u>	<u>\$ 1,392,430</u>	<u>\$ 207</u>



NONMAJOR PROPRIETARY FUNDS

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the expense, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Additionally, enterprise funds are used 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 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 departments 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.

City of Grand Junction, Colorado
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
December 31, 2016

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
ASSETS			
Current assets:			
Cash and investments	\$ 972,522	\$ 107,747	\$ 1,080,269
Accounts receivable, net of allowance	467,107	29,986	497,093
Prepaid Items	-	-	-
Total current assets	<u>1,439,629</u>	<u>137,733</u>	<u>1,577,362</u>
Noncurrent assets:			
Capital assets:			
Buildings, improvements, plant and system	249,750	3,435,807	3,685,557
Equipment	1,255,139	20,311	1,275,450
Less accumulated depreciation	<u>(1,189,684)</u>	<u>(2,878,306)</u>	<u>(4,067,990)</u>
Total capital assets (net of accumulated depreciation)	<u>315,205</u>	<u>577,812</u>	<u>893,017</u>
Total noncurrent assets	<u>315,205</u>	<u>577,812</u>	<u>893,017</u>
Total assets	<u>1,754,834</u>	<u>715,545</u>	<u>2,470,379</u>
LIABILITIES			
Current liabilities:			
Accounts payable	92,623	483	93,106
Accrued liabilities	-	-	-
Compensated absences payable	3,698	808	4,506
Due to other funds	<u>89,541</u>	<u>-</u>	<u>89,541</u>
Total current liabilities	<u>185,862</u>	<u>1,291</u>	<u>187,153</u>
Noncurrent liabilities:			
Compensated absences payable	59,313	12,948	72,261
Advances from other funds - general fund	<u>498,628</u>	<u>-</u>	<u>498,628</u>
Total noncurrent liabilities	<u>557,941</u>	<u>12,948</u>	<u>570,889</u>
Total liabilities	<u>743,803</u>	<u>14,239</u>	<u>758,042</u>
NET POSITION			
Net investment in capital assets	315,205	577,812	893,017
Unrestricted	<u>695,826</u>	<u>123,494</u>	<u>819,320</u>
Total net position	<u>\$ 1,011,031</u>	<u>\$ 701,306</u>	<u>\$ 1,712,337</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, 2016

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
Operating revenues:			
Charges for sales and services, net of allowances	\$ 3,879,469	\$ 246,063	\$ 4,125,532
Operating expenses:			
Personal services	1,094,159	97,869	1,192,028
Costs of sales and services	2,374,252	126,448	2,500,700
Depreciation and amortization	58,655	87,874	146,529
Total operating expenses	<u>3,527,066</u>	<u>312,191</u>	<u>3,839,257</u>
Operating income (loss)	<u>352,403</u>	<u>(66,128)</u>	<u>286,275</u>
Nonoperating revenues:			
Investment income	6,797	862	7,659
Total nonoperating revenues	<u>6,797</u>	<u>862</u>	<u>7,659</u>
Income (loss) before contributions and transfers	<u>359,200</u>	<u>(65,266)</u>	<u>293,934</u>
Capital contributions - tap fees	-	1,560	1,560
Transfers in	-	-	-
Change in net position	<u>359,200</u>	<u>(63,706)</u>	<u>295,494</u>
Net position - beginning	651,831	765,012	1,416,843
Net position - ending	<u>\$ 1,011,031</u>	<u>\$ 701,306</u>	<u>\$ 1,712,337</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the year ended December 31, 2016

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
Cash flows from operating activities:			
Cash received from customers and users	\$ 3,848,750	\$ 244,502	\$ 4,093,252
Cash paid to interfund	(1,128,301)	(115,210)	(1,243,511)
Cash paid to suppliers	(1,244,065)	(10,755)	(1,254,820)
Cash paid to employees	(1,150,981)	(99,200)	(1,250,181)
Net cash provided by operating activities	<u>325,403</u>	<u>19,337</u>	<u>344,740</u>
Cash flows from noncapital financing activities:			
Increase in amount due other funds	2,352	-	2,352
Net cash provided by noncapital financing activities	<u>2,352</u>	<u>-</u>	<u>2,352</u>
Cash flows from capital and related financing activities:			
Tap fees	-	1,560	1,560
Repayment of interfund capital loans	(89,541)	-	(89,541)
Purchase of capital assets	-	(9,125)	(9,125)
Net cash (used) in capital and related financing activities	<u>(89,541)</u>	<u>(7,565)</u>	<u>(97,106)</u>
Cash flows from investing activities:			
Investment income received	6,797	862	7,659
Net cash provided by investing activities	<u>6,797</u>	<u>862</u>	<u>7,659</u>
Net increase in cash and cash equivalents	245,011	12,634	257,645
Cash and cash equivalents, January 1	727,511	95,113	822,624
Cash and cash equivalents, December 31	<u>\$ 972,522</u>	<u>\$ 107,747</u>	<u>\$ 1,080,269</u>
Reconciliation of Operating Income (loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 352,403	\$ (66,128)	\$ 286,275
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	58,655	87,874	146,529
(Increase) decrease in accounts receivable	(30,719)	(1,561)	(32,280)
(Increase) decrease in prepaids	750	-	750
Increase (decrease) in accounts payable	1,136	483	1,619
Increase (decrease) in accrued liabilities and compensated absences payable	(56,822)	(1,331)	(58,153)
Total adjustments	<u>(27,000)</u>	<u>85,465</u>	<u>58,465</u>
Net cash provided by operating activities	<u>\$ 325,403</u>	<u>\$ 19,337</u>	<u>\$ 344,740</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2016

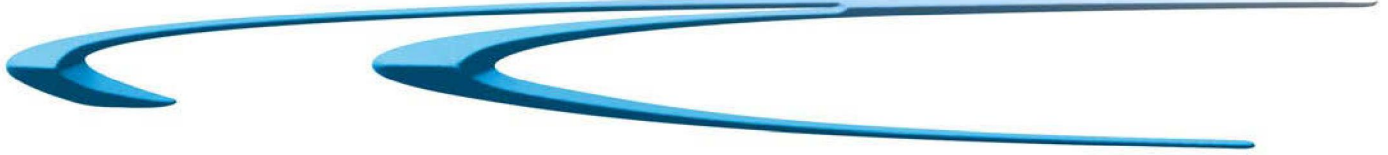
	Data Processing	Equipment	Self- Insurance	Communications Center	Facilities Management	Total
ASSETS						
Current assets:						
Cash and investments	\$ 2,443,739	\$ 790,573	\$ 5,273,049	\$ 131,275	\$ 482,479	\$ 9,121,115
Accounts receivable, net of allowance	-	2,898	5,147	-	920	8,965
Intergovernmental receivable	-	73,032	-	4,949	195	78,176
Prepaid items	15,941	1,041	4,954	4,179	-	26,115
Total current assets	<u>2,459,680</u>	<u>867,544</u>	<u>5,283,150</u>	<u>140,403</u>	<u>483,594</u>	<u>9,234,371</u>
Noncurrent assets:						
Capital assets:						
Buildings and improvements	321,639	3,319,363	-	13,700	28,171	3,682,873
Equipment	5,428,971	25,975,177	-	10,248,983	174,528	41,827,659
Construction in progress	-	-	-	196,355	-	196,355
Less accumulated depreciation	(3,718,877)	(15,902,541)	-	(6,590,443)	(18,291)	(26,230,152)
Total capital assets (net of accumulated depreciation)	<u>2,031,733</u>	<u>13,391,999</u>	<u>-</u>	<u>3,868,595</u>	<u>184,408</u>	<u>19,476,735</u>
Total assets	<u>4,491,413</u>	<u>14,259,543</u>	<u>5,283,150</u>	<u>4,008,998</u>	<u>668,002</u>	<u>28,711,106</u>
LIABILITIES						
Current liabilities:						
Accounts payable	71,605	129,835	199,838	39,070	126,568	566,916
Compensated absences payable	9,451	3,981	1,369	14,900	1,624	31,325
Claims payable	-	-	743,132	-	-	743,132
Total current liabilities	<u>81,056</u>	<u>133,816</u>	<u>944,339</u>	<u>53,970</u>	<u>128,192</u>	<u>1,341,373</u>
Noncurrent liabilities:						
Compensated absences payable	151,590	63,844	21,963	238,984	26,042	502,423
Claims payable	-	-	1,213,774	-	-	1,213,774
Total noncurrent liabilities	<u>151,590</u>	<u>63,844</u>	<u>1,235,737</u>	<u>238,984</u>	<u>26,042</u>	<u>1,716,197</u>
Total liabilities	<u>232,646</u>	<u>197,660</u>	<u>2,180,076</u>	<u>292,954</u>	<u>154,234</u>	<u>3,057,570</u>
NET POSITION						
Net investment in capital assets	2,031,733	13,391,999	-	3,868,595	184,408	19,476,735
Restricted for:						
Public safety	235,548	-	-	-	-	235,548
Unrestricted	1,991,486	669,884	3,103,074	(152,551)	329,360	5,941,253
Total net position	<u>\$ 4,258,767</u>	<u>\$ 14,061,883</u>	<u>\$ 3,103,074</u>	<u>\$ 3,716,044</u>	<u>\$ 513,768</u>	<u>\$ 25,653,536</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the year ended December 31, 2016

	Data Processing	Equipment	Self- Insurance	Communications Center	Facilities Management	Total
Operating revenues:						
Charges for sales and services	\$ 6,772,339	\$ 5,403,428	\$ 2,511,031	\$ 4,398,173	\$ 2,602,617	\$ 21,687,588
Miscellaneous	150,351	-	19,535	2,799	33,608	206,293
Total operating revenues	<u>6,922,690</u>	<u>5,403,428</u>	<u>2,530,566</u>	<u>4,400,972</u>	<u>2,636,225</u>	<u>21,893,881</u>
Operating expenses:						
Personal services	2,178,171	1,127,422	262,060	4,195,077	514,694	8,277,424
Costs of sales and services	3,724,666	2,133,631	3,355,317	1,664,136	2,053,942	12,931,692
Depreciation and amortization	821,921	2,017,098	-	1,245,872	14,022	4,098,913
Total operating expenses	<u>6,724,758</u>	<u>5,278,151</u>	<u>3,617,377</u>	<u>7,105,085</u>	<u>2,582,658</u>	<u>25,308,029</u>
Operating income (loss)	<u>197,932</u>	<u>125,277</u>	<u>(1,086,811)</u>	<u>(2,704,113)</u>	<u>53,567</u>	<u>(3,414,148)</u>
Nonoperating revenues (expenses):						
Intergovernmental	129,175	225,663	-	852	-	355,690
Investment income	13,120	10,717	43,308	-	-	67,145
Gain (loss) on disposition of property and equipment	(10,158)	226,738	-	-	-	216,580
Total nonoperating revenues (expenses)	<u>132,137</u>	<u>463,118</u>	<u>43,308</u>	<u>852</u>	<u>-</u>	<u>639,415</u>
Income (loss) before contributions and transfers						
	330,069	588,395	(1,043,503)	(2,703,261)	53,567	(2,774,733)
Transfers in	-	-	-	1,753,878	-	1,753,878
Transfers out	-	-	-	-	-	-
Change in net position	<u>330,069</u>	<u>588,395</u>	<u>(1,043,503)</u>	<u>(949,383)</u>	<u>53,567</u>	<u>(1,020,855)</u>
Net position - beginning	3,928,698	13,473,488	4,146,577	4,665,427	460,201	26,674,391
Net position - ending	<u>\$ 4,258,767</u>	<u>\$ 14,061,883</u>	<u>\$ 3,103,074</u>	<u>\$ 3,716,044</u>	<u>\$ 513,768</u>	<u>\$ 25,653,536</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended December 31, 2016

	Data Processing	Equipment	Self - Insurance	Communications Center	Facilities Management	Total
Cash flows from operating activities:						
Cash received from interfund	\$ 6,691,613	\$ 4,711,391	\$ 2,511,031	\$ 2,528,372	\$ 2,602,617	\$ 19,045,024
Cash received from customers and users	80,726	716,577	-	1,876,031	-	2,673,334
Cash paid to interfund	(244,115)	(249,949)	(3,360)	(1,277,652)	(155,215)	(1,930,291)
Cash paid to suppliers	(3,474,300)	(1,688,806)	(2,647,514)	(393,488)	(1,891,035)	(10,095,143)
Cash paid to employees	(2,239,869)	(1,153,524)	(262,359)	(4,308,202)	(527,946)	(8,491,900)
Miscellaneous receipts	150,351	-	516,921	2,799	44,779	714,850
Net cash provided (used) by operating activities	964,406	2,335,689	114,719	(1,572,140)	73,200	1,915,874
Cash flows from noncapital financing activities:						
Transfers from other funds	-	-	-	1,753,878	-	1,753,878
Transfers to other funds	-	-	-	-	-	-
Intergovernmental receipts	129,175	-	-	773	-	129,948
Net cash provided (used) by noncapital financing activities	129,175	-	-	1,754,651	-	1,883,826
Cash flows from capital and related financing activities:						
Intergovernmental receipts	-	225,663	-	79	-	225,742
Proceeds from disposition of capital assets	-	122,407	-	-	-	122,407
Purchase of capital assets	(508,405)	(3,872,236)	-	(260,596)	(166,131)	(4,807,368)
Net cash used in capital and related financing activities	(508,405)	(3,524,166)	-	(260,517)	(166,131)	(4,459,219)
Cash flows from investing activities:						
Investment income received	13,120	10,717	43,308	-	-	67,145
Net cash provided by investing activities	13,120	10,717	43,308	-	-	67,145
Net increase in cash and cash equivalents	598,296	(1,177,760)	158,027	(78,006)	(92,931)	(592,374)
Cash and cash equivalents, January 1	1,845,443	1,968,333	5,115,022	209,281	575,410	9,713,489
Cash and cash equivalents, December 31	\$ 2,443,739	\$ 790,573	\$ 5,273,049	\$ 131,275	\$ 482,479	\$ 9,121,115
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 197,932	\$ 125,277	\$ (1,086,811)	\$ (2,704,113)	\$ 53,567	\$ (3,414,148)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	821,921	2,017,098	-	1,245,872	14,022	4,098,913
(Increase) decrease in accounts receivable	-	24,540	497,386	19,230	11,171	552,327
(Increase) decrease in prepaid items	1,077	186,052	(4,954)	(30)	-	182,145
Increase (decrease) in accounts payable	5,221	11,045	119,926	12,650	7,692	156,534
Increase (decrease) in claims payable	-	-	589,471	-	-	589,471
Increase (decrease) in accrued wages and compensated absences payable	(61,698)	(26,102)	(299)	(113,125)	(13,252)	(214,476)
Increase (decrease) in deferred revenues	-	-	-	(13,000)	-	(13,000)
(Increase) decrease in accounts payable due to purchase of capital assets on account	(47)	(2,221)	-	(19,624)	-	(21,892)
Total adjustments	766,474	2,210,412	1,201,530	1,131,973	19,633	5,330,022
Net cash provided (used) by operating activities	\$ 964,406	\$ 2,335,689	\$ 114,719	\$ (1,572,140)	\$ 73,200	\$ 1,915,874
Noncash Investing, Capital and Financing Activities						
Purchase of capital assets on account	\$ 1,320	\$ 3,000	\$ -	\$ 19,624	\$ -	\$ 23,944
Net book value of capital assets traded in on capital assets acquired	-	54,478	-	-	-	54,478
Trade in value of disposed assets	-	158,809	-	-	-	158,809
Intergovernmental receipts from noncapital financing activities	129,175	-	-	773	-	129,948



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 Statements 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, 2016

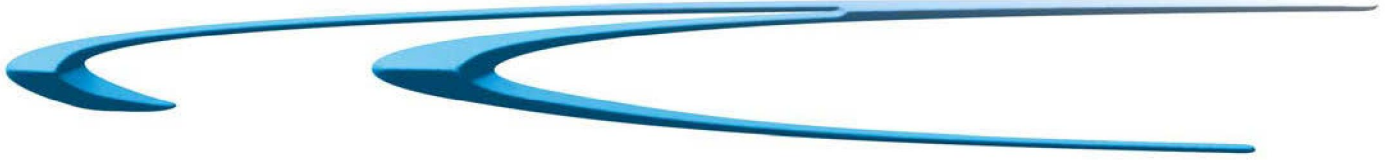
	Mesa County Valley School District 51 SLD Fee	General Trust	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 118,331	\$ 468	\$ 118,799
LIABILITIES	<u> </u>	<u> </u>	<u> </u>
	-	-	-
NET POSITION HELD IN TRUST FOR			
Individuals, organizations and others	\$ 118,331	\$ 468	\$ 118,799
	<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, 2016

	Mesa County Valley School District 51 SLD Fee	General Trust	Total
ADDITIONS			
Additions by participants	\$ 229,040	\$ -	\$ 229,040
Investment income	1,324	-	1,324
Total additions	<u>230,364</u>	<u>-</u>	<u>230,364</u>
DEDUCTIONS			
Distributions to participants	201,195	-	201,195
Administrative expense	6,223	-	6,223
Total deductions	<u>207,418</u>	<u>-</u>	<u>207,418</u>
Change in net position	22,946	-	22,946
Net position - beginning	95,385	468	95,853
Net position - ending	<u>\$ 118,331</u>	<u>\$ 468</u>	<u>\$ 118,799</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the year ended December 31, 2016

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
<u>PARK IMPROVEMENT ADVISORY BOARD</u>				
ASSETS				
Cash and investments	\$ 182,530	\$ 235,750	\$ 178,019	\$ 240,261
LIABILITIES				
Accounts payable	\$ -	\$ 40,556	\$ 40,556	\$ -
Due to other governments	182,530	195,194	137,463	240,261
Total liabilities	<u>\$ 182,530</u>	<u>\$ 235,750</u>	<u>\$ 178,019</u>	<u>\$ 240,261</u>
<u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ 528,413	\$ 144,452	\$ 347,699	\$ 325,166
LIABILITIES				
Due to other governments	\$ 528,413	\$ 144,452	\$ 347,699	\$ 325,166
<u>DOWNTOWN BUSINESS IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ 28,568	\$ 395,307	\$ 398,673	\$ 25,202
Accounts receivable, net of allowance	1,141	4,451	3,367	2,225
Total assets	<u>\$ 29,709</u>	<u>\$ 399,758</u>	<u>\$ 402,040</u>	<u>\$ 27,427</u>
LIABILITIES				
Accounts payable	\$ 19,359	\$ 235,839	\$ 240,481	\$ 14,717
Due to other governments	10,350	163,919	161,559	12,710
Total liabilities	<u>\$ 29,709</u>	<u>\$ 399,758</u>	<u>\$ 402,040</u>	<u>\$ 27,427</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 739,511	\$ 775,509	\$ 924,391	\$ 590,629
Accounts receivable, net of allowance	1,141	4,451	3,367	2,225
Total assets	<u>\$ 740,652</u>	<u>\$ 779,960</u>	<u>\$ 927,758</u>	<u>\$ 592,854</u>
LIABILITIES				
Accounts payable	\$ 19,359	\$ 276,395	\$ 281,037	\$ 14,717
Due to other governments	721,293	503,565	646,721	578,137
Total liabilities	<u>\$ 740,652</u>	<u>\$ 779,960</u>	<u>\$ 927,758</u>	<u>\$ 592,854</u>



DOWNTOWN DEVELOPMENT AUTHORITY

A Component Unit of the City of Grand Junction, Colorado

The Downtown Development Authority (DDA) was formed to improve the downtown area of the City of Grand Junction. Since this is the only component unit of the City, it is reported on the Government-wide Financial Statements. 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 DDA.

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 DDA 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 DDA.

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	DDA Operations Special Revenue Fund	DDA TIF Debt Service Fund	Capital Improvements Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 659,705	\$ 1,934,860	\$ 427,211	\$ 3,021,776
Property taxes receivable	252,716	1,110,737	-	1,363,453
Accounts receivable	240	-	-	240
Prepaid items	-	-	-	-
Total assets	912,661	3,045,597	427,211	4,385,469
LIABILITIES				
Accounts payable	4,387	-	502,365	506,752
Accrued liabilities	-	-	-	-
Compensated absences payable	500	-	4	504
Total liabilities	4,887	-	502,369	507,256
DEFERRED INFLOWS OF RESOURCES				
Property taxes	249,586	1,098,811	-	1,348,397
Total deferred inflows of resources	249,586	1,098,811	-	1,348,397
FUND BALANCES				
Nonspendable:				
Inventories and prepaids	-	-	-	-
Restricted for:				
Debt service	-	1,946,786	-	1,946,786
Legends historical sculptures project	24,054	-	-	24,054
Urban development and housing	634,134	-	(75,158)	558,976
Total fund balances	658,188	1,946,786	(75,158)	2,529,816
Total liabilities, deferred inflows of resources, and fund balances	\$ 912,661	\$ 3,045,597	\$ 427,211	

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. 5,070,648

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	\$ (4,620,000)	
Accrued interest payable	(9,481)	
Compensated absences	(8,081)	(4,637,562)

Net position - Component Unit - Downtown Development Authority (page 31) \$ 2,962,902

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, 2016

	DDA Operations Special Revenue Fund	DDA TIF Debt Service Fund	Capital Improvements Capital Project Fund	Total Governmental Funds
REVENUES				
Taxes	\$ 286,236	\$ 1,278,991	\$ -	\$ 1,565,227
Intergovernmental	-	412,867	-	412,867
Charges for services	6,736	-	-	6,736
Miscellaneous	33,900	-	-	33,900
Investment income	5,871	17,731	4,062	27,664
Total revenues	<u>332,743</u>	<u>1,709,589</u>	<u>4,062</u>	<u>2,046,394</u>
EXPENDITURES				
Current:				
Urban development and housing	340,184	523,338	-	863,522
Debt service:				
Principal retirement	-	660,000	-	660,000
Interest and fiscal charges	-	250,070	-	250,070
Capital outlay	-	-	1,044,918	1,044,918
Total expenditures	<u>340,184</u>	<u>1,433,408</u>	<u>1,044,918</u>	<u>2,818,510</u>
Excess (deficiency) of revenues over (under) expenditures	(7,441)	276,181	(1,040,856)	(772,116)
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Note proceeds	-	-	500,000	500,000
Sale of capital assets	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>
Net change in fund balances	(7,441)	276,181	(540,856)	(272,116)
Fund balances - beginning	665,629	1,670,605	465,698	2,801,932
Fund balances - ending	<u>\$ 658,188</u>	<u>\$ 1,946,786</u>	<u>\$ (75,158)</u>	<u>\$ 2,529,816</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) \$ (272,116)

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 (\$261,916) exceeded capital outlays of \$70,450 in the current period. (191,466)

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 paid	\$	1,000,000	
Debt principal payments	\$	660,000	
Decrease in accrued interest		1,162	
			1,661,162

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. (2,277)

Change in net position of the Component Unit - Downtown Development Authority (page 33) \$ 1,195,303

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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	\$ 292,863	\$ 286,236	\$ (6,627)
Intergovernmental	-	-	-
Charges for services	5,000	6,736	1,736
Miscellaneous	29,300	33,900	4,600
Investment income	2,560	5,871	3,311
Total revenues	<u>329,723</u>	<u>332,743</u>	<u>3,020</u>
EXPENDITURES			
Current:			
Urban development and housing	<u>399,554</u>	<u>340,184</u>	<u>59,370</u>
Net change in fund balance	(69,831)	(7,441)	62,390
Fund balances - beginning	665,629	665,629	-
Fund balances - ending	<u>\$ 595,798</u>	<u>\$ 658,188</u>	<u>\$ 62,390</u>

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado

DDA TIF DEBT SERVICE FUND

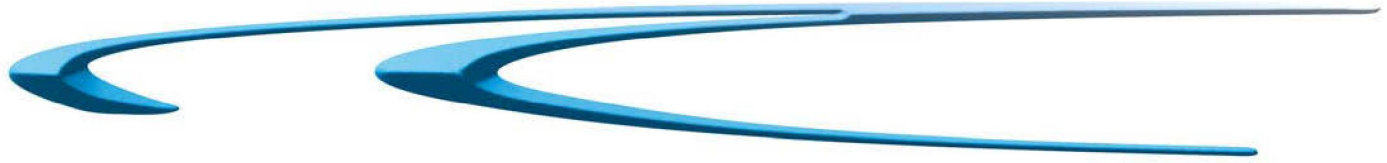
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

For the year ended December 31, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	\$ 1,306,290	\$ 1,278,991	\$ (27,299)
Intergovernmental	417,575	412,867	(4,708)
Investment income	7,000	17,731	10,731
Total revenues	<u>1,730,865</u>	<u>1,709,589</u>	<u>(21,276)</u>
EXPENDITURES			
Current:			
Urban development and housing	1,025,765	523,338	502,427
Debt service:			
Principal retirement	660,000	660,000	-
Interest and fiscal charges	250,070	250,070	-
Total expenditures	<u>1,935,835</u>	<u>1,433,408</u>	<u>502,427</u>
Net change in fund balance	(204,970)	276,181	481,151
Fund balances - beginning	1,670,605	1,670,605	-
Fund balances - ending	<u>\$ 1,465,635</u>	<u>\$ 1,946,786</u>	<u>\$ 481,151</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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment income	\$ -	\$ 4,062	\$ 4,062
Total revenues	<u>-</u>	<u>4,062</u>	<u>4,062</u>
EXPENDITURES			
Capital projects	<u>1,085,804</u>	<u>1,044,918</u>	<u>40,886</u>
Deficiency of revenues under expenditures	(1,085,804)	(1,040,856)	44,948
OTHER FINANCING SOURCES			
Note proceeds	<u>1,000,000</u>	<u>500,000</u>	<u>(500,000)</u>
Total other financing sources	<u>1,000,000</u>	<u>500,000</u>	<u>(500,000)</u>
Net change in fund balance	(85,804)	(540,856)	(455,052)
Fund balances - beginning	465,698	465,698	-
Fund balances - ending	<u>\$ 379,894</u>	<u>\$ (75,158)</u>	<u>\$ (455,052)</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.	121-125
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the City's largest revenue source, sales tax.	126-129
<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.	130-134
<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.	135-136
<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.	137-138



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TABLE 1

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 619,706,429
Restricted	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	20,012,395
Unrestricted	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	14,489,969
Total governmental activities net position	\$ 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	\$ 654,208,793
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 53,748,958
Restricted	-	-	-	-	-	-	-	-	-	857,852
Unrestricted	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)	(1,460,333)
Total business-type activities net position	\$ 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	\$ 53,146,477
Primary government:										
Net investment in capital assets	\$ 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	\$ 673,455,387
Restricted	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	20,870,247
Unrestricted	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	13,029,636
Total primary governmental net position	\$ 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	\$ 707,355,270
Component unit:										
Net investment in capital assets	\$ 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	\$ 5,026,241
Restricted	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	2,529,816
Unrestricted	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)	(4,593,155)
Total component unit net position	\$ 2,838,433	\$ 3,620,926	\$ 3,884,444	\$ 1,692,107	\$ 4,276	\$ 1,062,184	\$ (204,368)	\$ 446,364	\$ 1,767,599	\$ 2,962,902

Source: Current and prior year's financial statements

TABLE 2

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 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	\$ 14,100,775
Public safety	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	47,901,187
Public works	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	19,564,851
Parks and recreation	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	11,135,606
Urban development and housing	565,373	545,715	572,726	561,457	645,572	477,886	591,545	634,827	511,257	512,150
Interest of long-term debt	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	3,555,539
Total governmental activities expense	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	96,770,108
Business-type activities:										
Water	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	6,562,089
Convention center	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	3,148,969
Solid waste removal	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	3,563,890
Swimming pools	991,685	1,014,976	1,025,401	1,038,563	983,212	-	-	-	-	-
Golf	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	1,926,486
Parking	402,916	1,829,547	531,711	480,383	415,355	405,744	405,157	421,526	408,248	399,909
Irrigation systems	289,528	318,708	300,130	306,572	298,694	302,106	315,178	325,255	307,312	315,951
Ambulance transport	2,252,275	2,350,943	2,308,421	2,173,362	1,961,509	-	-	-	-	-
Total business-type activities expense	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	15,917,294
Total primary government expenses	\$ 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	\$ 112,687,402
Total component unit expenses	\$ 4,633,804	\$ 2,117,208	\$ 2,636,069	\$ 4,826,697	\$ 4,622,211	\$ 1,511,186	\$ 3,753,663	\$ 1,565,280	\$ 1,877,644	\$ 1,351,091
Program revenues										
Governmental activities:										
Charge for service:										
General government	\$ 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	\$ 3,121,643
Public safety	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	12,562,322
Public works	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	2,537,724
Parks and recreation	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	2,584,704
Operating grants and contributions	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	3,140,810
Capital grants and contributions	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	11,638,363
Total governmental activities program revenues	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	35,585,566
Business-type activities:										
Water	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	6,774,915
Convention center	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	2,127,845
Solid waste removal	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	3,879,469
Swimming pools	697,770	680,496	760,756	590,332	532,456	-	-	-	-	-
Golf	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	1,732,473
Parking	343,471	504,766	540,054	412,578	487,517	491,203	454,184	475,368	499,357	469,545
Irrigation systems	191,854	204,956	212,043	219,820	219,367	216,915	229,676	241,265	244,199	246,063
Ambulance transport	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	118,698
Capital grants and contributions	1,998,637	523,422	406,834	496,259	211,850	221,151	339,734	10,729,437	91,175	208,975
Total business-type activities program revenues	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	15,557,983
Total primary government program revenues	\$ 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	\$ 51,143,549
Total component unit program revenues	\$ 411,870	\$ 712,232	\$ 601,094	\$ 439,960	\$ 752,974	\$ 563,206	\$ 742,790	\$ 551,632	\$ 1,591,559	\$ 953,503

TABLE 2 (Continued)

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (expense)/revenue										
Governmental activities	\$ 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)	\$ (61,184,542)
Business-type activities	1,504,757	(1,506,994)	(1,971,491)	(956,328)	(251,529)	(283,861)	(435,419)	10,410,726	(162,050)	(359,311)
Total primary government net expense	\$ 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)	\$ (61,543,853)
Total component unit net expense	\$ (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)	\$ (397,588)
Governmental activities:										
Taxes										
Sales & use taxes	\$ 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	\$ 51,503,561
Property taxes	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	8,293,562
Franchise taxes	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	2,467,131
Highway users tax	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	2,106,327
Other taxes	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	1,510,032
Investment income	4,185,692	2,789,072	1,299,123	635,807	435,929	329,469	77,084	320,989	250,356	377,556
Gain on sale of capital assets	88,000	85,329	75,592	-	-	-	-	-	-	-
Transfers	(875,719)	(1,695,599)	(824,955)	(532,813)	1,323,064	(334,688)	(679,822)	(477,014)	(595,383)	(544,662)
Total governmental activities	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	65,713,507
Business-type activities:										
Investment income (loss)	225,584	229,740	84,165	38,206	18,158	20,129	(7,749)	19,127	14,398	34,791
Transfers	875,719	1,695,599	824,955	532,813	(1,323,064)	334,688	679,822	477,014	595,383	544,662
Total business-type activities	1,101,303	1,925,339	909,120	571,019	(1,304,906)	354,817	672,073	496,141	609,781	579,453
Total primary government activities	\$ 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	\$ 66,292,960
Component unit activities:										
Property taxes	1,498,752	2,081,840	2,179,436	2,192,121	2,203,253	1,984,461	1,576,439	1,651,056	1,593,828	1,565,227
Investment income (loss)	198,530	105,629	119,057	57,279	(21,847)	21,427	(9,795)	13,324	13,492	27,664
Gain (loss) on sale of capital assets	(49,744)	-	-	-	-	-	177,677	-	-	-
Total component unit activities	\$ 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	\$ 1,592,891
Change in net position										
Governmental activities	\$ 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	\$ 4,528,965
Business-type activities	2,606,060	418,345	(1,062,371)	(385,309)	(1,556,435)	70,956	236,654	10,906,867	447,731	220,142
Total primary government	\$ 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	\$ 4,749,107
Total component unit: Downtown Development Authority	\$ (2,574,396)	\$ 782,493	\$ 263,518	\$ (2,137,337)	\$ (1,687,831)	\$ 1,057,908	\$ (1,266,552)	\$ 650,732	\$ 1,321,235	\$ 1,195,303

Source: Current and prior year's financial statements

TABLE 3

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 8,329,598	\$ 7,498,417	\$ 7,474,266	\$ 6,852,617	\$ 6,386,895	\$ 5,924,766
Restricted	-	-	-	-	6,825,911	4,945,478	4,651,828	3,937,335	3,806,415	3,648,777
Assigned	-	-	-	-	1,802,875	7,362,016	2,258,043	2,348,435	1,084,580	1,578,434
Unassigned	-	-	-	-	13,193,886	10,535,731	10,198,700	9,116,534	10,501,371	9,206,316
Reserved	7,958,173	9,135,472	9,589,625	11,740,961	-	-	-	-	-	-
Unreserved	26,430,185	18,320,471	9,573,798	14,916,902	-	-	-	-	-	-
Total general fund	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	20,358,293
All other governmental funds										
Nonspendable, reported in:										
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ 13,605	\$ 9,276	\$ 9,189	\$ 9,120	\$ 13,396	\$ 13,703
Permanent funds	-	-	-	-	1,289,972	1,309,993	1,329,102	1,352,852	1,372,221	1,392,430
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	3,084,486
Debt service funds	-	-	-	-	19,245,569	4,238,829	6,483,403	8,621,972	9,878,137	11,211,151
Capital projects funds	-	-	-	-	23,437,299	3,598,365	78,328	1,040,494	1,109,018	3,336,866
Committed, reported in:										
Special revenue funds	-	-	-	-	1,353,572	1,299,165	1,235,568	1,274,569	793,938	757,883
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	1,517,413	10,916,914	14,581,790	18,168,718	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	4,716,567	5,378,544	4,569,216	4,086,536	-	-	-	-	-	-
Debt service funds	150	(3,420)	-	-	-	-	-	-	-	-
Capital projects funds	11,513,358	2,482,529	1,532,966	41,078,067	-	-	-	-	-	-
Total all other governmental funds	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	19,796,519
Total governmental funds	\$ 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	\$ 40,154,812

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 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	\$ 65,880,613
Licenses, fees and permits	113,224	129,993	121,783	118,128	116,930	110,618	108,206	118,991	116,091	160,265
Intergovernmental	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	8,549,914
Charges for services	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	10,834,740
Fines and forfeitures	1,152,790	1,094,388	945,666	1,234,810	1,296,959	1,533,575	896,190	869,216	885,305	720,181
Special assessments	146,610	24,493	92,198	49,372	32,868	15,814	14,708	16,050	13,771	9,235
Investment earnings	3,270,125	1,968,465	984,031	553,700	423,863	289,435	96,784	280,162	221,580	321,987
Other income	902,798	283,116	136,935	130,638	47,399	45,683	50,755	27,560	1,277,516	1,419,482
Other contributions	1,063,174	873,869	196,833	176,607	456,452	1,273,521	779,898	1,652,899	530,015	1,717,927
Total revenues	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	89,614,344
Expenditures										
General government	\$ 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	\$ 12,776,431
Public safety	25,791,977	29,657,426	29,092,018	27,193,471	28,691,081	33,791,689	35,406,743	35,610,598	37,871,800	38,285,166
Public works	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	8,880,062
Parks and recreation	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	8,939,889
Urban development and housing	565,373	545,715	572,726	561,457	645,572	477,886	591,545	634,827	511,257	512,150
Debt service										
Advance refunding escrow	-	-	-	-	-	17,812,681	-	-	-	-
Principal retirement	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	3,525,000
Interest and fiscal charges	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	3,890,097
Bond issuance costs	163,569	-	-	364,048	-	146,923	-	-	-	-
Capital outlay: construction	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	9,224,171
Total expenditures	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	86,032,966
Other financing sources (uses)										
Transfers in	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	9,657,508
Transfers out	(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)	(11,956,048)
Bonds issued	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	17,649
Total other financing sources (uses)	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)	(2,280,891)
Net change in fund balances	\$ (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	\$ 1,300,487
Debt service as a percentage of noncapital expenditures	9.7%	10.8%	10.9%	11.9%	18.7%	11.3%	12.9%	11.7%	9.7%	9.6%

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
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%
2016	7,986,706	6,486,529	6,572,938	5,986,737	5,551,750	2,477,021	2,060,505	450,873	1,147,881	1,394,716	2,127,606	42,243,262	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 2007-2013 to more accurately reflect sales tax collection by industry.

Source: City Finance Department: Sales Tax Reports

2016 Sales Tax Revenue by Type of Industry

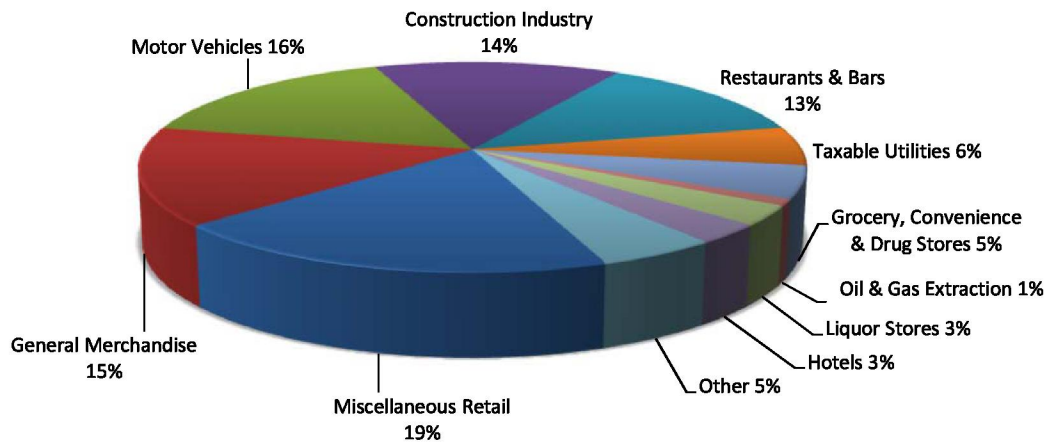


TABLE 6

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	
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%
2016	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 Finance Department: Sales Tax Reports

TABLE 7

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Aggregate top ten filers ^{1,2}	\$ 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	\$ 9,859,761
Aggregate all other filers ²	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	32,383,501
Total sales tax	\$ 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	\$ 42,243,262
Top ten filers as a percentage of total sales tax	23.84%	23.85%	25.87%	25.68%	24.59%	24.17%	24.09%	23.50%	24.05%	23.34%

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, Public Service Company, Sam's Club, Target Stores, Walmart-North Avenue, and Walmart-Rimrock.

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 Finance Department: Sales Tax Reports

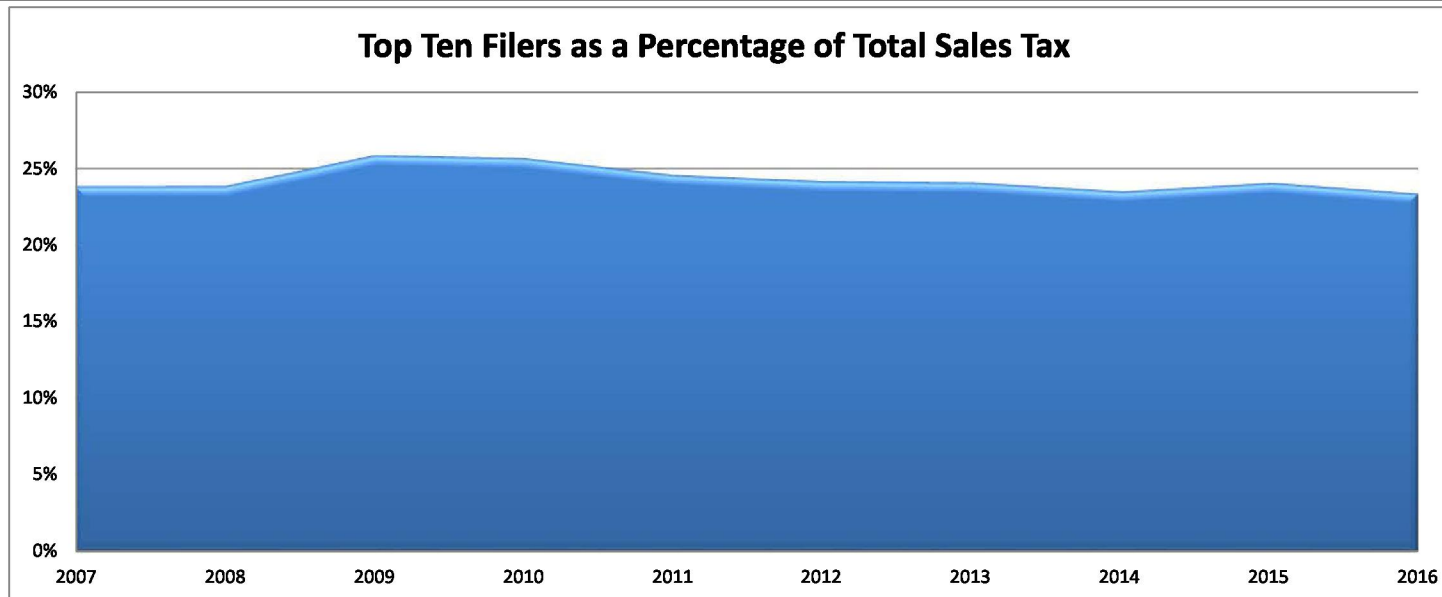


TABLE 8

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
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
2016	42,243,262	1,651,052	6,194,296	1,414,951	51,503,561

Source: City Finance Department: Sales Tax Reports

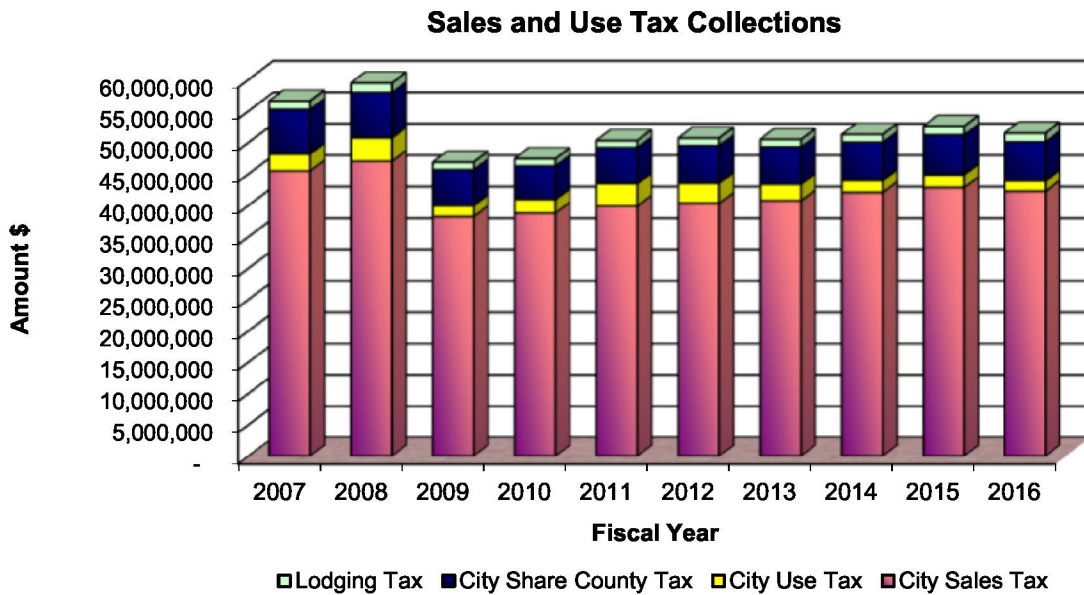


TABLE 9

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	Loan Payable			
2007	53,662	1,874,682	1,090,000	79,664,693	38,181	-	80,441	2,900,164	83,773,479	4.41%	1,541
2008	55,189	2,060,868	935,000	75,815,801	-	-	70,561	2,747,362	79,568,724	3.82%	1,425
2009	56,446	1,963,813	770,000	71,838,039	-	-	-	2,589,193	75,197,232	3.79%	1,319
2010	58,566	2,084,423	595,000	67,723,497	-	42,286,843	-	6,201,050	116,806,390	5.58%	1,984
2011	58,702	2,038,310	410,000	63,459,413	-	42,097,628	-	5,864,020	111,831,061	5.47%	1,898
2012	60,170	2,169,008	210,000	43,920,951	-	41,266,270	-	5,534,201	90,931,422	4.18%	1,508
2013	60,317	2,193,669	-	38,850,946	-	40,426,335	-	5,198,101	84,475,382	3.85%	1,401
2014	61,212	2,367,313	-	34,412,916	-	39,557,327	-	4,851,055	78,821,298	3.33%	1,288
2015	61,847 ^B	2,463,057 ^D	-	31,283,775	-	38,659,324	-	4,494,375	74,437,474	3.02%	1,204
2016	63,775	2,505,720	-	28,098,015	-	37,727,365	-	5,742,568	71,567,948	2.86%	1,122

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	Population ^A	Personal Income in Thousands ^C	Revenue Bonded Debt	Debt Service Monies Available	Debt Payable From Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Personal Income	Net Bonded Debt Per Capita
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	2,463,057	31,283,775	9,860,226	-	21,423,549	0.87%	346
2016	63,775 ^B	2,505,720 ^D	28,098,015	11,189,404	-	16,908,611	0.67%	265

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 levies 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, 2016

Estimated actual value as determined by Assessor ^A	\$ <u>6,494,071,550</u>
Debt limit - 3% of actual value	\$ 194,822,147
Legal debt margin	\$ <u>194,822,147</u>

Source:

^A Mesa County Assessor

TABLE 12

City of Grand Junction, Colorado
COMPUTATION OF DIRECT AND OVERLAPPING DEBT ¹
 December 31, 2016

<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	\$ 65,825,380	100.00%	\$ 65,825,380
Overlapping:			
Mesa County Valley School District No. 51 ^B	80,350,000	50.00%	40,175,000
Mesa County ^C	14,890,000	50.00%	7,445,000
			<u>47,620,000</u>
Total			<u>\$ 113,445,380</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, other indebtedness or multiple fiscal year financial obligations within the meaning of any constitutional or statutory debt limitation.

Source:

- ^A City Finance 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
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	-	-	-	-
2016	7,043,756	5,208,137	1,835,619	-	-	-	-

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
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	148,348	2,463,057	39,825	21,742	5.4%	3.3%
2016	63,775 ^F	149,249 ^F	2,505,720	39,290 ^G	21,827	4.4%	2.7%

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

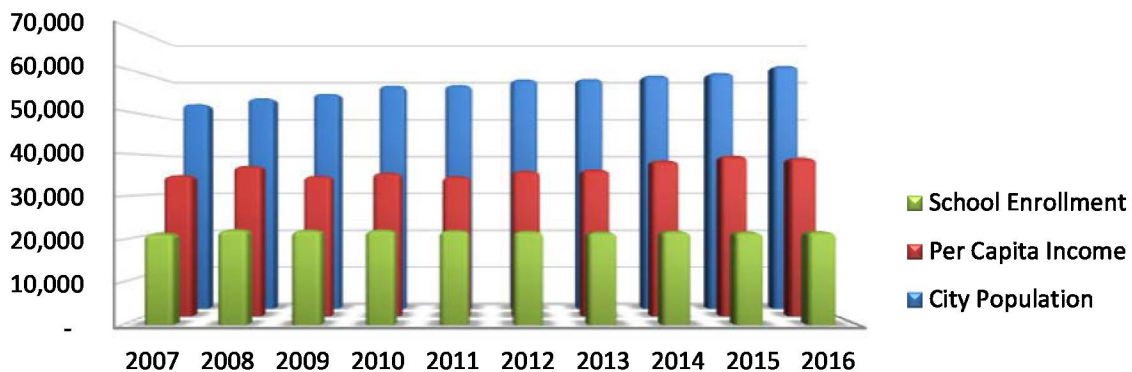


TABLE 15

City of Grand Junction, Colorado
TOP 10 PRINCIPAL EMPLOYERS
 December 31, 2016
 Last Ten Fiscal Years

Employer	Type of Business	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	Number of Employees 2016 ^B	Percentage of Total 2016
School District #51	Schools	3,133	4.26%	3,200	4.58%	3,000	4.15%	3,000	4.05%	2,554	3.59%	2,348	3.25%	2,401	3.54%	2,675	3.94%	2,502	3.69%	2,500	3.69%
St. Mary's Hospital	Medical	2,235	3.04%	2,235	3.20%	2,191	3.03%	2,068	2.79%	1,494	2.10%	1,548	2.14%	1,500	2.21%	1,500	2.21%	1,655	2.44%	2,326	3.43%
Colorado Mesa University	Schools	1,440	1.96%	1,259	1.80%	718	0.99%	699	0.94%	576	0.80%	604	0.89%	622	0.92%	622	0.92%	622	0.92%	1,037	1.53%
Mesa County	Government	977	1.33%	982	1.40%	978	1.35%	980	1.32%	962	1.35%	987	1.36%	987	1.46%	978	1.44%	998	1.47%	1,012	1.49%
State of Colorado	Government	982	1.34%	1,197	1.71%	1,212	1.68%	995	1.34%	973	1.37%	902	1.25%	623	0.92%	1,004	1.48%	1,004	1.48%	1,004	1.48%
City Markets, Inc.	Retail	590	0.80%	650	0.93%	677	0.94%	565	0.76%	1,656	2.33%	583	0.82%	637	0.94%	648	0.96%	648	0.96%	800	1.18%
Community Hospital	Medical			574	0.82%	588	0.81%			600	0.84%	648	0.90%	589	0.84%	593	0.87%	650	0.96%	720	1.06%
Star Tek USA	Services	625	0.85%			595	0.82%	600	0.81%	860	1.19%	593	0.82%	625	0.92%	641	0.94%	641	0.94%	640	0.93%
City of Grand Junction	Government	968	1.32%	1,202	1.72%	1,219	1.69%	672	0.91%	625	0.88%	636	0.88%	642	0.95%	641	0.94%	641	0.94%	640	0.94%
Hilltop Community Resources	Services							700	0.94%	855	1.20%	593	0.82%					680	1.00%		
Halliburton Energy	Services	800	1.09%	977	1.40%			700	0.94%	855	1.20%			625	0.92%			680	1.00%		
Walmart	Retail	865	1.18%	860	1.23%	980	1.35%	859	1.16%	775	1.09%										
Other		63,729	82.83%	65,767	81.21%	61,306	83.19%	58,786	84.97%	61,255	84.43%	64,572	86.85%	62,270	86.00%	62,451	85.44%	57,488	84.85%	56,308	83.00%
Total of All Employees ^C		76,344		78,903		73,464		69,924		72,332		74,086		71,133		72,325		67,765		67,836	

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)

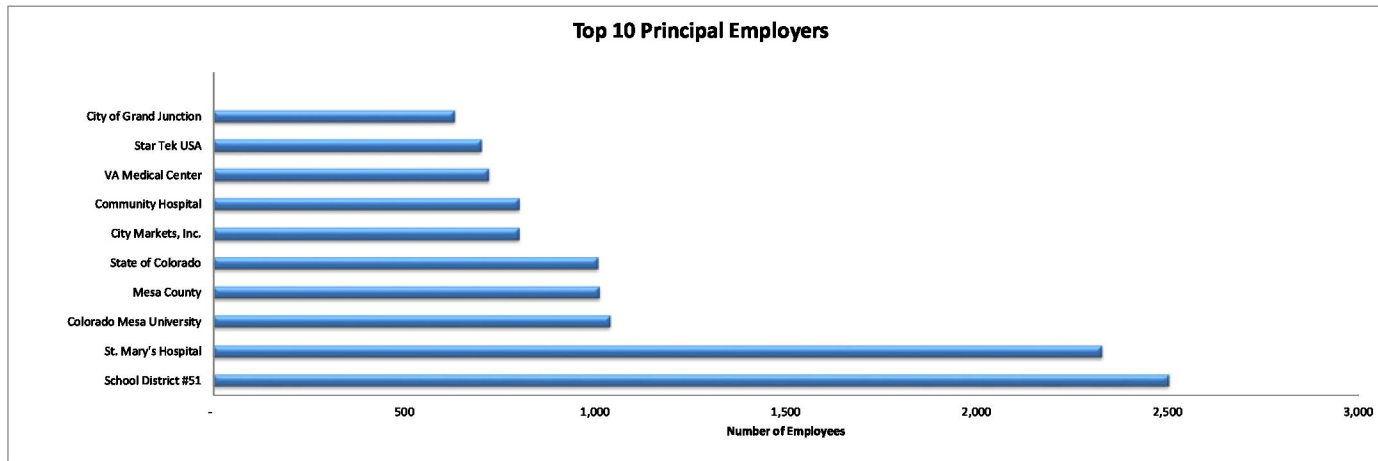


TABLE 16

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	113	116	122	115	114	115	131	127	132	117
Fire protection	98	99	99	95	96	103	112	111	108	109
Parks and recreation	74	87	73	67	68	67	67	66	63	61
Police Protection										
Sworn	100	102	107	90	102	103	105	109	114	110
Non-sworn	65	78	80	82	72	80	86	84	80	83
Public works	187	197	187	160	153	156	136	135	131	127
Total	637	679	668	609	605	624	637	632	628	607

Building permits: ^B	Year	# Issued	Value	Elections: ^A	Year	Number of	Number of	Percentage
						Registered Voters	Votes in last General Election	
	2007	2,183	323,358,687		2007	21,677	8,756	40.39%
	2008	1,762	254,912,474		2008	34,774	27,508	79.11%
	2009	984	89,935,667		2009	27,977	8,579	30.68%
	2010	929	128,551,321		2010	24,558	21,463	87.40%
	2011	881	96,498,756		2011	23,928	13,786	57.61%
	2012	899	90,830,317		2012	29,989	29,039	96.83%
	2013	988	124,166,999		2013	29,989	11,665	38.90%
	2014	1,075	168,028,225		2014	32,367	22,540	69.64%
	2015	1,024	158,448,472		2015	31,482	11,262	35.77%
	2016	1,828	161,204,970		2016	36,787	31,803	86.45%

Education:

Type	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Mesa County Valley School District No. 51 enrollment: ^C										
Elementary	10,147	10,783	10,710	10,753	10,107	10,034	10,224	9,898	9,945	10,455
Middle	4,729	4,882	4,868	4,860	5,366	5,319	5,307	5,515	5,670	5,323
High	6,520	6,607	6,569	6,590	6,441	6,361	6,363	6,329	6,289	6,049
Colorado Mesa University enrollment: ^D	6,127	6,205	6,665	7,746	8,826	9,010	9,325	8,853	9,065	9,223

Source:

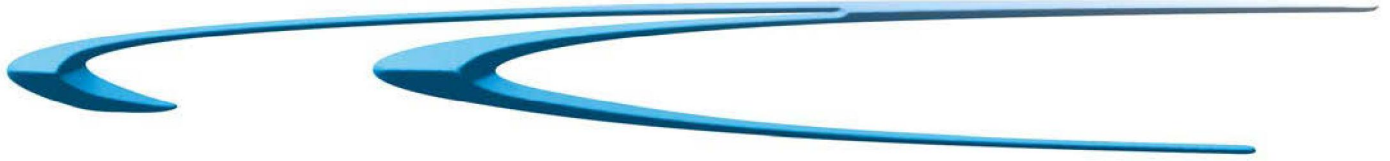
- ^A City Clerk
- ^B City Planning Division/Mesa County Building Department
- ^C Estimate, based on Mesa County Valley School District No. 51 - Enrollment Data
- ^D Colorado Mesa University
- ^E City Personnel Department

TABLE 17

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police ^B										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicular patrol units	33	35	38	39	39	40	41	40	41	36
Canine units	3	3	3	3	3	3	2	2	2	2
Motorcycles units	6	6	8	8	8	8	8	8	8	8
Bicycles (attached to patrol units)	23	26	20	17	22	22	20	20	20	27
Fire stations ^C	5	5	5	5	5	5	5	5	5	5
Public works ^A										
Area (sq. miles)	36.90	37.46	37.84	38.05	39.10	39.18	39.35	39.37	39.62	39.59
Paved streets (centerline miles)	342.60	353.70	357.10	360.60	361.80	362.54	368.54	370.03	370.68	372.14
Unpaved streets (centerline miles)	3.50	4.20	4.20	4.20	5.40	5.44	5.52	3.43	3.62	3.59
Total streets (centerline miles)	346.10	357.90	361.30	364.80	367.20	367.98	374.06	373.46	374.30	375.73
Parks and recreation ^D										
Developed parks (acres)	365.22	365.22	365.22	365.22	365.22	365.22	365.22	365.22	367.23	699.44
Undeveloped parks (acres)	389.00	389.00	389.00	389.00	389.00	396.50	396.50	396.50	394.49	397.23
Total parks (acres)	754.22	754.22	754.22	754.22	754.22	761.72	761.72	761.72	761.72	1,096.67
Swimming pools	2	2	2	2	2	2	2	2	2	2
Waterslides	1	2	2	2	2	2	2	2	2	2
Pickleball courts	-	-	-	-	-	-	-	4	4	4
Tennis courts	16	22	22	22	22	22	24	22	22	22
Shelters	18	18	18	18	18	19	19	19	21	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	2	2	2	2
Outdoor basketball courts (unlighted)	7	10	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	18.70	18.70	19.07	19.07	21.47	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)	216.07	138.57	161.37	185.03	186.63	192.17	205.76	251.00	160.99	197.00
Sanitary sewer (miles)	537.64	589.70	597.81	595.27	594.68	596.35	600.57	601.00	538.73	558.00

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



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

INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

City Council
City of Grand Junction, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the City of Grand Junction, Colorado (the "City"), which comprise the statement of financial position as of December 31, 2016, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report June 28, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Littleton, Colorado

June 28, 2017



**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

INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE

City Council
City of Grand Junction, Colorado

Report on Compliance for Each Major Program

We have audited the City of Grand Junction's (the "City") compliance with the types of compliance requirements described in the OMB Compliance Supplement, that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2016. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the major federal programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with each major program. However, our audit does not provide a legal determination of City's compliance.

Opinion on Each Major Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs identified above for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirements of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Littleton, Colorado

June 28, 2017

City of Grand Junction, Colorado
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2016

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Award Amount	2016 Amount of Award Expended
U.S. DEPARTMENT OF ENERGY			
Long-Term Surveillance and Maintenance	81.136	\$ 120,000	\$ 100,000
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Mesa County Health Department Public Health Emergency Preparedness	93.069	20,500	17,402
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grants/ Entitlement Grants	14.218	1,520,291	359,183
U.S. DEPARTMENT OF JUSTICE			
Bulletproof Vest Partnership Program	16.607	6,096	6,096
Edward Byrne Memorial Justice Assistance Grant Program	16.738	28,487	<u>27,898</u>
Total U.S. Department of Justice			<u>33,994</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Colorado Department of Transportation Federal Highway Administration (FHWA) Highway Planning and Construction	20.205	3,278,400	2,081,348
National Priority Safety Programs	20.616	129,175	<u>129,175</u>
Total U.S. Department of Transportation			<u>2,210,523</u>
EXECUTIVE OFFICE OF THE PRESIDENT			
Passed Through Mesa County, Colorado High Intensity Drug Trafficking Areas Program	95.001	53,585	53,585
Total Federal Award Expenditures			<u>\$ 2,774,687</u>

The accompanying notes are an integral part of this schedule.

City of Grand Junction, Colorado
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2016

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Grand Junction, Colorado and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE B – SUB-RECIPIENTS

Of the federal expenditures presented in the schedule, the City of Grand Junction, Colorado provided federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>CFDA #</u>	<u>Amount Provided to Sub-recipient</u>
Community Development Block Grants/ Entitlement Grants	14.218	\$ 185,537

City of Grand Junction, Colorado

Schedule of Findings and Questioned Costs for the Year Ended December 31, 2016

1. Summary of Auditor's Results

Type of report issued on the financial statements: **Unmodified**

Material weaknesses in financial reporting internal control noted: **None**

Significant deficiency(s) identified that are not considered to be material weaknesses in financial reporting: **None**

Material noncompliance noted: **None**

Federal Awards:

Material weaknesses in internal control over major programs: **None**

Significant deficiency(s) identified that are not considered to be material weaknesses over major programs: **None**

Type of report issued on compliance for major programs: **Unmodified**

Audit findings required to be reported in accordance with the Uniform Guidance: **None**

The following programs are considered to be major:

CFDA Number	Name of Federal Program or Cluster
20.205	U.S. Department of Transportation – Highway Planning and Construction

Dollar threshold used to distinguish Type A and Type B programs: **\$750,000**

Qualifies as low-risk auditee: **No**

2. Findings relating to the financial statements which are required to be reported in accordance with Government Auditing Standards.

None

3. Findings and questioned costs for Federal Awards

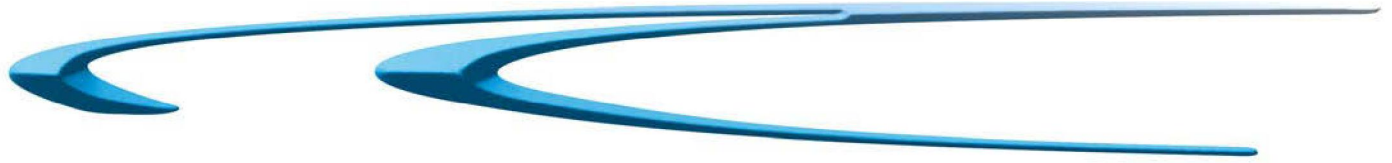
None

4. Summary Schedule of Prior Audit Findings

None



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OTHER SUPPLEMENTAL INFORMATION



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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, 2016, and our report thereon dated June 28, 2017, 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 28, 2017



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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 2016

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)	5,477,719
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,003,377
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	297,771
2. General fund appropriations	4,837,046	b. Snow and ice removal	136,365
3. Other local imposts (from page 2)	1,349,854	c. Other	
4. Miscellaneous local receipts (from page 2)	1,538,573	d. Total (a. through c.)	434,136
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	8,915,232
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	1,280,375
7. Total (1 through 6)	7,725,473	b. Redemption	2,575,000
B. Private Contributions		c. Total (a. + b.)	3,855,375
C. Receipts from State government (from page 2)	3,848,378	2. Notes:	
D. Receipts from Federal Government (from page 2)	1,196,756	a. Interest	
E. Total receipts (A.7 + B + C + D)	12,770,607	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	3,855,375
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	12,770,607

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

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	28,175,000	0	2,575,000	25,600,000
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	12,770,607	12,770,607	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2016	
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	9,011	a. Interest on investments	1,944
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	50,076
5. Specific Ownership &/or Other	1,340,843	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,340,843	h. Other	1,486,553
c. Total (a. + b.)	1,349,854	i. Total (a. through h.)	1,538,573
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,106,327	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	257,458	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	600,000	e. U.S. Corps of Engineers	
e. Other (Specify)	884,593	f. Other Federal	1,196,756
f. Total (a. through e.)	1,742,051	g. Total (a. through f.)	1,196,756
4. Total (1. + 2. + 3.f)	3,848,378	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		83,063	83,063
b. Engineering Costs	116,516	1,065,532	1,182,048
c. Construction:			
(1). New Facilities		1,142,633	1,142,633
(2). Capacity Improvements			0
(3). System Preservation		2,028,182	2,028,182
(4). System Enhancement & Operation	851,620	190,173	1,041,793
(5). Total Construction (1) + (2) + (3) + (4)	851,620	3,360,988	4,212,608
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	968,136	4,509,583	5,477,719
			(Carry forward to page 1)
Notes and Comments:			





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