



2017 COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2017

About our cover...

Las Colonias Park sits adjacent to downtown Grand Junction along the banks of the Colorado River. The park has a diverse and rich history, as it is situated just upstream from the namesake of the community, the confluence of the Gunnison and Colorado Rivers, and has strong connections to the rest of the community along an existing and expanding riverfront trail system. The park was formerly used as migrant farm housing followed by a uranium mill which produced 2.2 million tons of radioactive tailings. As part of the redevelopment of the area, the Parks Master Plan included an outdoor amphitheater to serve as a community and regional draw. The amphitheater was officially opened on July 6, 2017 after a year and a half of design and less than a year of construction. This \$3.6 million project gained widespread support from the community with 12 funding partners stepping up to make the project possible, including the City of Grand Junction, Colorado Department of Local Affairs, Downtown Development Authority, Grand Junction Lions Club, One Riverfront, Department of Energy, Bacon Family Foundation, Goodwin Foundation, El Pomar Foundation, Gates Family Foundation, Colorado Tree Coalition and Navarro Research and Engineering. The design embraces multi-functional opportunities for small, medium and large crowds surrounded by a picturesque backdrop along the Colorado River and adjacent to the Colorado Riverfront Trail. The design includes a 40-foot by 60-foot stage with ample back of house amenities such as a green room and side wings, as well as parking and gently sloped lawn seating.

Photographs courtesy of:

Devon Balet Photography – Cover, Title Page and page 28

Callie Berkson, City of Grand Junction Parks and Recreation – Table of Contents

Sarah Kennedy, Pinnacle Venue Services – Pages 10 and 163



Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2017

Prepared by:

Finance Department

Jodi Romero, Finance Director

**LAS
COLONIAS
PARK**

AMPHITHEATER

**CITY OF
Grand Junction
COLORADO**

TABLE OF CONTENTS

INTRODUCTORY SECTION	<u>Page</u>
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
<hr/> FINANCIAL SECTION <hr/>	
Independent Auditor’s Report.....	17
Management’s Discussion and Analysis.....	19
Basic Financial Statements.....	29
Government-wide Financial Statements:	
Statement of Net Position.....	30
Statement of Activities.....	31
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	32
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	33
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	34
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	35
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund.....	36
Statement of Net Position – Proprietary Funds.....	37
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	38
Statement of Cash Flows – Proprietary Funds.....	39
Statement of Fiduciary Net Position – Fiduciary Funds.....	40
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	41
Notes to Financial Statements.....	43
Required Supplementary Information.....	73
Schedule of Changes in Net Pension Liability(Asset) and Related Ratios – Police Old Hire Pension Plan.....	74
Schedule of Changes in Net Pension Liability(Asset) and Related Ratios – Fire Old Hire Pension Plan.....	75
Schedule of Contributions Multiyear – Police Old Hire Pension Plan.....	76
Schedule of Contributions Multiyear – Fire Old Hire Pension Plan.....	77
Schedule of Funding Progress – Post Employment Retiree Healthcare Plan.....	78
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds.....	79
Combining Balance Sheet – Nonmajor Governmental Funds.....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds.....	84

TABLE OF CONTENTS

	<u>Page</u>
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual:	
Visit Grand Junction Special Revenue Fund.....	86
Enhanced 911 Special Revenue Fund.....	87
Parkland Expansion Special Revenue Fund.....	88
Conservation Trust Special Revenue Fund.....	89
Community Development Special Revenue Fund.....	90
Ridges Debt Service Fund.....	91
Grand Junction Public Finance Corporation Debt Service Fund.....	92
General Debt Service Fund.....	93
Parkway Debt Retirement Debt Service Fund.....	94
Sales Tax Capital Improvements Capital Projects Fund.....	95
Storm Drainage Development Capital Projects Fund.....	96
Street Assessments Projects Capital Projects Fund.....	97
Cemetery Perpetual Care Permanent Trust Fund.....	98
Nonmajor Proprietary Funds.....	99
Combining Statement of Net Position – Nonmajor Proprietary Funds.....	101
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Proprietary Funds.....	102
Combining Statement of Cash Flows – Nonmajor Proprietary Funds.....	103
Combining Statement of Net Position – Internal Service Funds.....	104
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds.....	105
Combining Statement of Cash Flows – Internal Service Funds.....	106
Fiduciary Funds.....	107
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds.....	108
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds.....	109
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds.....	110
Downtown Development Authority – A Component Unit.....	111
Balance Sheet – Governmental Funds.....	112
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	113
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual:	
DDA Special Revenue Fund.....	114
DDA TIF Debt Service Fund.....	115
DDA Capital Improvements Capital Projects Fund.....	116

STATISTICAL SECTION

Table 1 – Net Position.....	118
Table 2 – Changes in Net Position.....	120
Table 3 – Fund Balances, Governmental Funds.....	124
Table 4 – Change in Fund Balances, Governmental Funds.....	126
Table 5 – Sales Tax Revenue by Type of Industry.....	128
Table 6 – Direct and Overlapping Sales Tax Rates.....	130
Table 7 – Principal Sales Tax Payers.....	132
Table 8 – Sales and Use Tax Collections.....	134

TABLE OF CONTENTS

	<u>Page</u>
Table 9 – Ratio of Outstanding Debt by Type.....	135
Table 10 – Ratio of Net General Bonded Debt to Personal Income and Net Bonded Debt per Capita.....	136
Table 11 – Computation of Legal Debt Margin.....	137
Table 12 – Computation of Direct and Overlapping Debt.....	138
Table 13 – Revenue Bond Coverage.....	139
Table 14 – Demographic and Economic Statistics.....	140
Table 15 – Top 10 Principal Employers.....	142
Table 16 – Miscellaneous Statistics.....	144
Table 17 – Capital Asset Statistics by Function.....	145

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.....	149
Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	151
Schedule of Expenditures of Federal Awards.....	153
Notes to Schedule of Expenditures of Federal Awards.....	154
Schedule of Findings and Questioned Costs.....	155

OTHER SUPPLEMENTAL INFORMATION

Independent Auditor’s Report on Other Supplemental Information.....	159
Schedule of Revenues and Expenditures for Roads, Bridges and Streets.....	161



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INTRODUCTORY SECTION



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June 29, 2018

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 I present the Comprehensive Annual Financial Report (CAFR) for the City of Grand Junction (the City), for the year ended December 31, 2017. 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, 2017 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 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.

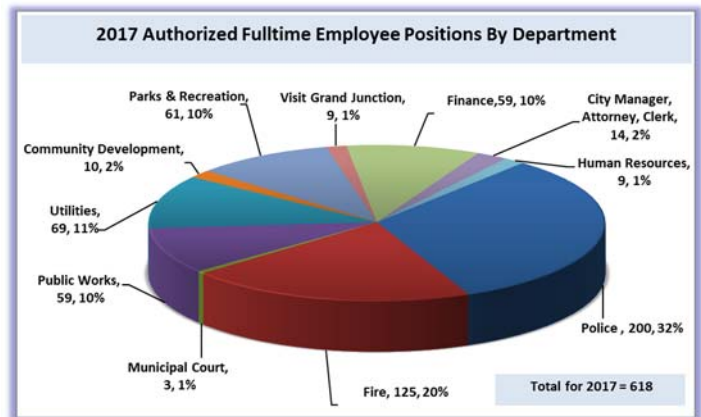
The City’s financial statements have been audited by Haynie & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City, for the fiscal year ended December 31, 2017, are free of material 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, 2017 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 in terms of personnel are depicted in the 2017 Authorized Fulltime Employee Positions by Department chart to the left.



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 39.8 square miles and serves an estimated population of 64,600 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 directors 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.

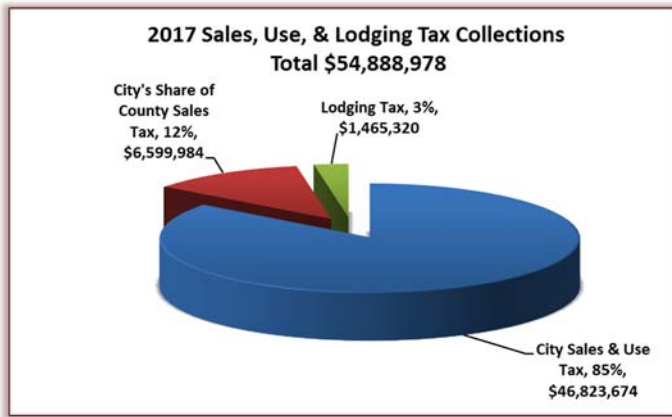
As a supplement to internal controls, the City maintains comprehensive budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Activities of the general fund, special revenue funds, 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 directors 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 cancelled.

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 36 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 79.

FACTORS AFFECTING FINANCIAL CONDITION

The City 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, the desert mountains of the bookcliffs, and the red rocks of the Colorado National Monument. 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, healthcare, 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, outdoor recreational 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 support 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 59% of its revenues and fund general government operations such as police, fire, streets and parks, as well as economic development and community partnerships. The 2017 Sales, Use, & Lodging Tax Collections chart 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 2008. As seen below, tax revenues show growth from 2013 but decrease in 2016, with growth returning in 2017. After falling significantly in 2009, tax revenues are still below 2008 levels.

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 3.3%. 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 tax revenues. Since the sales, use and lodging tax collection low in 2009, revenues have recovered and began 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:

- By leveraging conservation trust and parkland expansion funds, the City continues to invest in improvements to parks, playground systems and pools. In 2017, the City completed the construction of the \$3.5 million 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 amphitheater was funded 76% by a Colorado Department of Local Affairs grant, foundation grants and community contributions.
- In 2017, the City in partnership with the Downtown Development Authority and private entities, began plans for two more significant economic development projects in the downtown area. The first is the development of a Google-like business park at Las Colonias Park, as well as the completion of the recreation park at Las Colonias. The second is the renovation and expansion of the Two Rivers Convention Center in connection with a private \$12 million hotel that will be attached to the convention center. Construction for both projects will begin in 2018 for a total of \$16 million of public investment expected to generate \$30 to \$40 million in private investment.

- In 2017, the City completed a \$1.1 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 federal highway grant through the Colorado Department of Transportation for this project.
- Based on voter authorization for using TABOR excess funds in 2017, an additional \$3.2 million was added to the already budgeted \$3.5 million for street maintenance projects to improve the pavement condition of the City's critical transportation infrastructure.
- In 2017, the City completed the \$2.9 million reconstruction of a portion of 1st Street, which is one of the major north-south streets in the City. The street was reconstructed to add capacity, as well as pedestrian and bicycle friendly improvements including detached sidewalks, bicycle lanes and medians.
- Water and sewer enterprises invested \$7.5 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.

In August of 2017, the City Council adopted the City of Grand Junction Strategic Plan (the Plan). The Plan is used by elected officials to develop and implement high level policies and focus efforts. The purpose of the Plan is to inform and direct decision-making and budget priorities. The guiding principles of the plan are partnership and intergovernmental relationships and fiscal responsibility. The cornerstones for the Plan are four strategic directives: diversification of our economic base; planning and infrastructure; public safety; and communications, outreach and engagement. The City's 2018 budget was developed by allocating resources according to the Plan. Many of the aspects of the Plan have been long practiced through the extensive partnerships and investment in this community over many years as described further in the following.

The City works closely with community partners in economic development, including the Grand Junction Economic Partnership, Grand Junction Area Chamber of Commerce, Business Incubator, the Greater Grand Junction Sports Commission, Colorado Mesa University and the Grand Junction Regional Air Service Alliance. The City has a department dedicated to visitor services, and a 3% lodging tax is utilized by the visitor services department for advertising the community, promoting tourism and attracting conferences and conventions. An additional 3% lodging tax question is being considered and could go to voters in November 2018 to provide additional dedicated funds for promotion and marketing of tourism related activities, sports-related tourism and direct air service in Grand Junction.

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. This 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 and exploration of foreign trade opportunities. 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, eleven businesses have located or expanded in Mesa County under the program. The most recent economic development opportunity involves the launch of the business park on the riverfront at Las Colonias. Also in process is the redevelopment of the riverfront west of Las Colonias at Dos Rios with a mix of recreational, retail and residential uses. For years, the community has called for the revitalization of the riverfront, and through the leadership of the community, City Council, staff and partners, we will begin to take full advantage of the many amenities of the river.

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 \$8 million through 2018, 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 \$500,000 per year for the financing of the classroom building through 2027. In 2018, the City began a

pilot program with CMU for a local scholarship program developed to provide the opportunity for a higher education degree for local high school graduates.

As indicated by surveys and through dialogue with the Grand Junction community, public safety is recognized as one of the foundations of a livable community, primary responsibilities of local government and key to economic health. Since 2016, 25 public safety positions have been added to the City organization, most recently including two School Resource Officers in response to the growing concern for safety in our schools. Part of the 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 coverage, including plans for an ambulance station in 2018 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. Recently City Council authorized a preliminary environmental study as a joint project with Mesa County for the proposed interchange at 29 Road and 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. Additional transportation capacity improvement projects are needed in order to ensure that citizens, businesses, and visitors can move around the community with relative ease. The funding of these critical projects will be discussed in the coming year.

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. In 2018, as part of a "grass-roots" effort, a community/recreation center feasibility study (fully funded through private donations and grant dollars) is being conducted and will be provided to the City Council and the community in order to consider next steps including funding discussions.

As discussed previously, 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.

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 to convert 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 innovation. The system also serves the Grand Valley Transit (GVT) who recently partnered with the City in a significant expansion of 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. This plan is intended to serve as a compass for City Council in decision making and policy planning. As a regional plan, the 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 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 plan will begin being updated in 2019.

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 23 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.

In 2018, City Council committed over \$5.4 million to economic development, partnerships, sponsorships and memberships. Organizations such as Botanical Gardens, Hilltop, Hope West, Museum of Western Colorado, Riverfront Commission, Western Slope Center for Children and Young Entrepreneurs Academy leverage these funds to invest in services and facilities that maintain and enhance the quality of life in our community.

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 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, 2016. This was the 33rd 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.

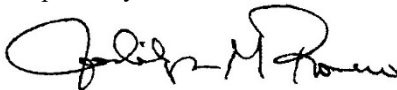
The Certificate of Achievement is valid for a period of one year. The City believes that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and the report will be submitted to the GFOA to determine its eligibility for another certificate.

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 Finance 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, 2017.

Respectfully submitted,



Jodi Romero
Finance Director





Government Finance Officers Association

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

Presented to

**City of Grand Junction
Colorado**

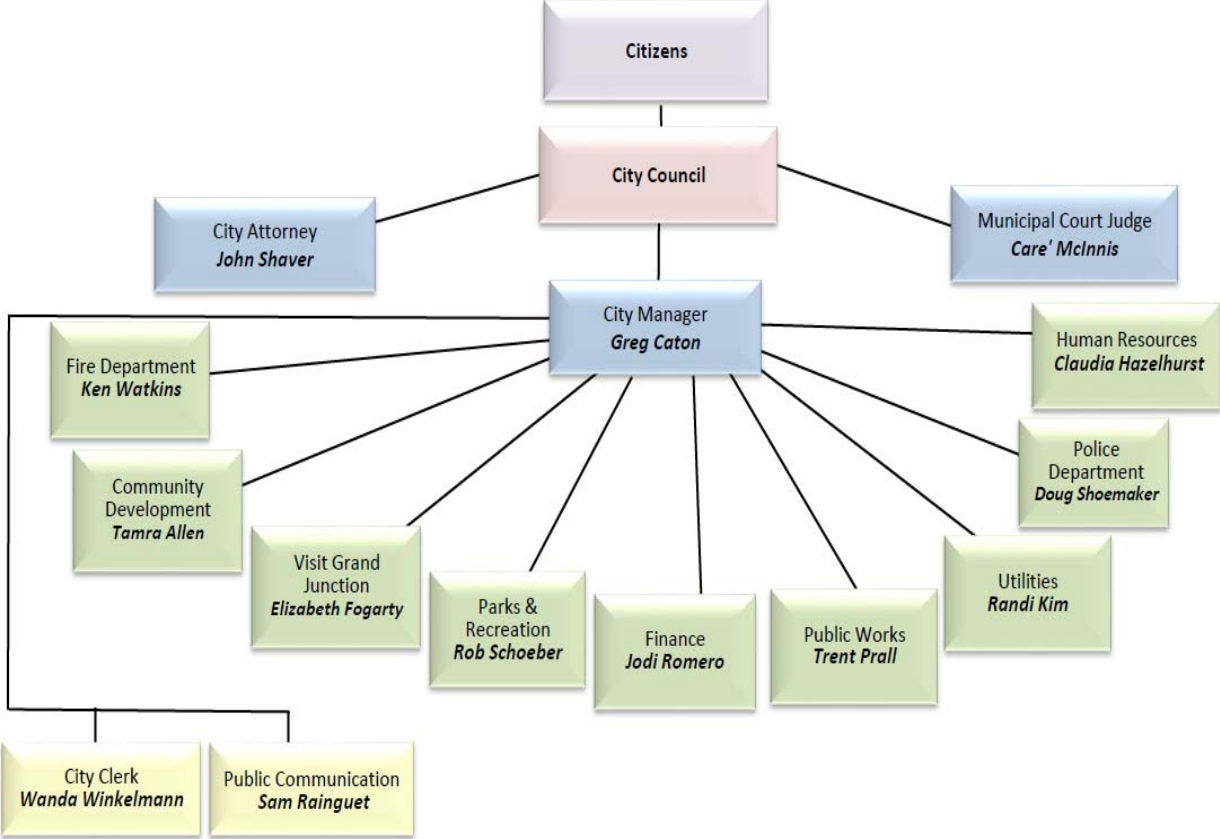
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

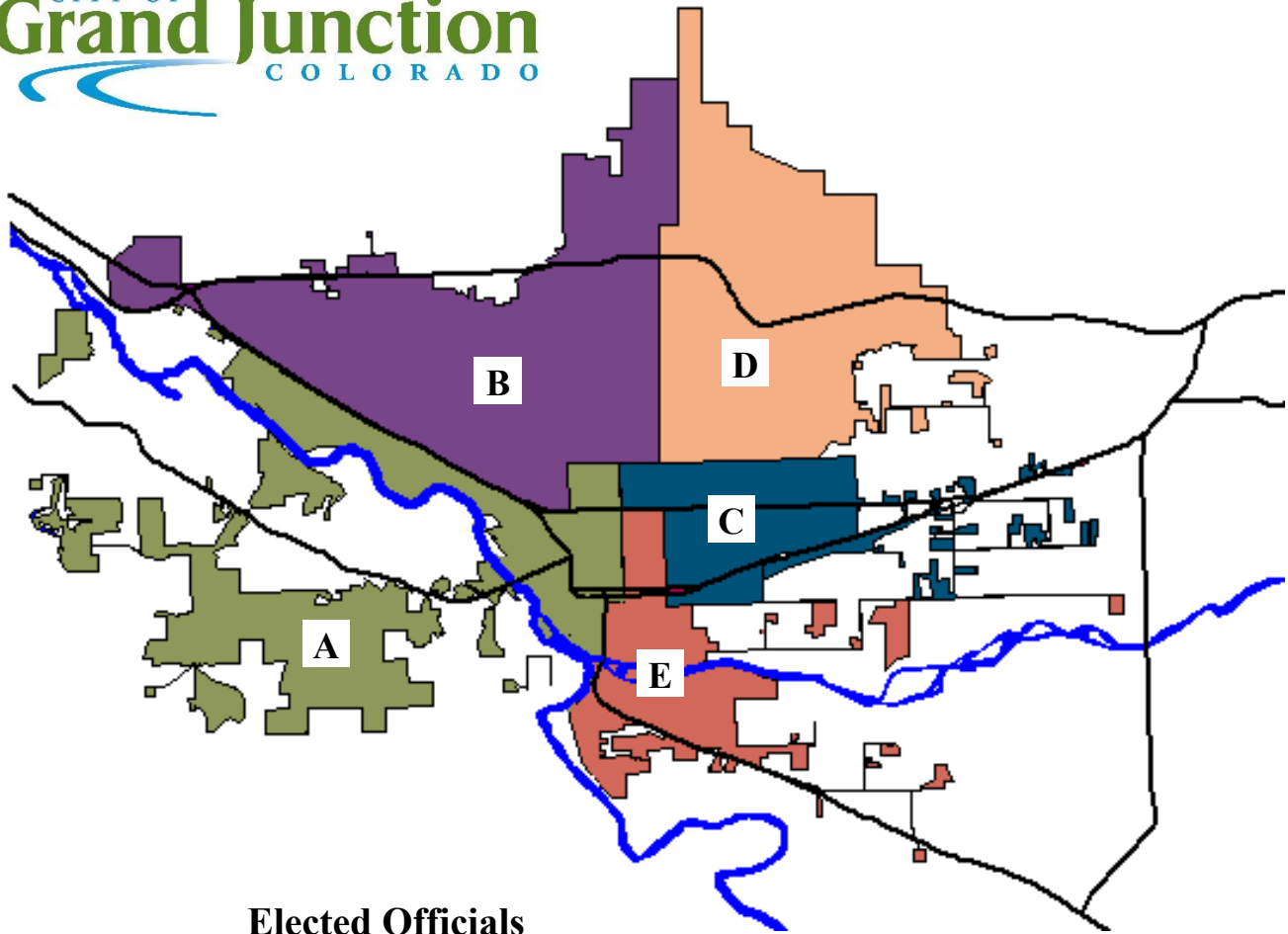
December 31, 2016

Christopher P. Morill

Executive Director/CEO

Organizational Chart





Elected Officials

City Council

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

**Election District
 Boundaries**

Appointed Officials

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

Department Directors

Jodi Romero – Finance
 Claudia Hazelhurst – Human Resources
 Elizabeth Fogarty – Visit Grand Junction
 Ken Watkins – Fire Chief
 Rob Schoeber – Parks & Recreation
 Doug Shoemaker – Police Chief
 Trent Prall – Public Works
 Randi Kim – Utilities
 Tamra Allen – Community Development



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FINANCIAL SECTION



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**Haynie &
Company**

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

To the City Council
City of Grand Junction, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado (the "City"), as of and for the year ended December 31, 2017, 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, 2017, 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.



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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

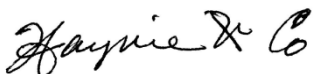
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, component 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 29, 2018, 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 29, 2018

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, 2017. Please read it in conjunction with the transmittal letter on page 3 and the City's financial statements, which begin on page 30.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of 2017 by \$723.3 million (*net position*) primarily due to annexations and better than expected revenues which increased cash and investments. Of this amount, \$18.2 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's General Fund revenues, on a budgetary basis, increased by 3.7% in 2017 after increases in some revenues (property taxes, sales, use and lodging taxes, franchise taxes, other taxes, and investment income) and decreases in others (severance taxes, licenses and permits, intergovernmental revenues, charges for services and fines and forfeitures). Sales, use and lodging taxes are the single largest revenue source for the General Fund, comprising 59.0% of the \$67.4 million in total revenues.
- At the end of 2017, unrestricted fund balance (the total of the *committed, assigned* and *unassigned* components of *fund balance*) for the General Fund was \$14.5 million, or 22.4% of the total General Fund expenditures. This is up from 2016 which was 16.0% of General Fund expenditures. The overall General Fund balance increased due to better than expected sales, use and lodging tax revenues as well as a reduction in spending primarily due to labor reductions.
- The City invested over \$17.6 million in capital projects in 2017. These projects included street construction, machinery, buildings, parks development and water line and system replacements.
- In April of 2017, the voters authorized the City to use funds previously authorized to be accumulated for the early retirement of the Riverside Parkway Revenue Bonds, towards street maintenance and neighborhood pavement preservation. At the close of 2017, the City had \$9.2 million remaining in these funds with another \$3.7 million budgeted to be used in 2018.

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 30 through 31 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 (GAAP), 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 32 through 36 of this report. All other required budgetary comparisons, including the Sales Tax Capital Improvement Fund, Street Assessment Improvements Fund, General Debt Service Fund and Parkway Debt Retirement Fund, can be found on pages 86 through 98 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 GAAP, 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 37 through 39.

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 40 through 41.

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 43 through 72 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 73 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 161 through 162 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 supplementary information. Combining and individual fund statements and schedules can be found beginning on page 82 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 \$723.3 million at the close of the 2017 fiscal year.

By far, the largest portion (95.0%) 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 63,733	\$ 60,646	\$ 3,733	\$ 988	\$ 67,466	\$ 61,634
Capital assets	692,826	683,753	58,853	59,492	751,679	743,245
Total assets	<u>756,559</u>	<u>744,399</u>	<u>62,586</u>	<u>60,480</u>	<u>819,145</u>	<u>804,879</u>
Total deferred outflows of resources	<u>1,977</u>	<u>2,187</u>	<u>-</u>	<u>-</u>	<u>1,977</u>	<u>2,187</u>
Long-term debt outstanding	78,232	79,799	6,347	6,215	84,579	86,014
Other liabilities	5,010	5,051	625	1,118	5,635	6,169
Total liabilities	<u>83,242</u>	<u>84,850</u>	<u>6,972</u>	<u>7,333</u>	<u>90,214</u>	<u>92,183</u>
Total deferred inflows of resources	<u>7,591</u>	<u>7,528</u>	<u>-</u>	<u>-</u>	<u>7,591</u>	<u>7,528</u>
Net position:						
Net investment in capital assets	633,904	619,706	52,901	53,749	686,805	673,455
Restricted	18,335	20,012	-	858	18,335	20,870
Unrestricted	15,464	14,490	2,713	(1,460)	18,177	13,030
Total net position	<u>\$ 667,703</u>	<u>\$ 654,208</u>	<u>\$ 55,614</u>	<u>\$ 53,147</u>	<u>\$ 723,317</u>	<u>\$ 707,355</u>

An additional portion of the City’s net position (2.5%) represents resources that are subject to external restrictions on how they may be used.

Changes in Net Position

The City’s total revenues of \$122.8 million exceeded program expenses of \$106.8 million for an increase in net position of \$16.0 million.

CHANGES IN NET POSITION

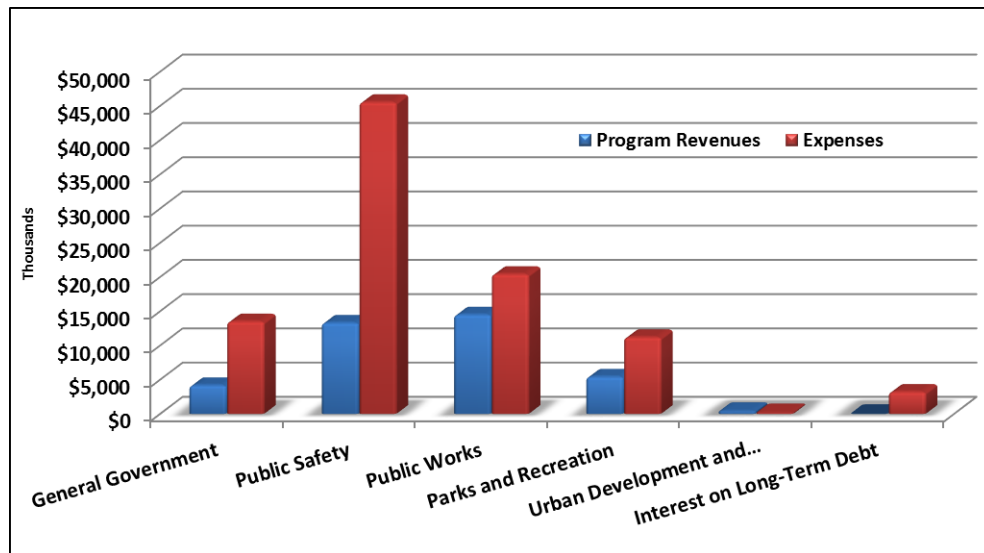
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program revenues:						
Charges for services	\$ 20,775	\$ 20,806	\$ 14,446	\$ 15,230	\$ 35,221	\$ 36,036
Operating grants	2,991	3,141	137	119	3,128	3,260
Capital grants	14,064	11,638	137	209	14,201	11,847
General revenue:						
Property taxes	8,463	8,294	-	-	8,463	8,294
Sales, use and lodging taxes	54,889	51,504	-	-	54,889	51,504
Other taxes	6,464	6,083	-	-	6,464	6,083
Other general revenues	406	377	33	35	439	412
Total revenues	<u>108,052</u>	<u>101,843</u>	<u>14,753</u>	<u>15,593</u>	<u>122,805</u>	<u>117,436</u>
Expenses						
General government	13,491	14,101	-	-	13,491	14,101
Public safety	45,544	47,901	-	-	45,544	47,901
Public works	20,417	19,565	-	-	20,417	19,565
Parks and recreation	11,190	11,136	-	-	11,190	11,136
Urban development and housing	186	512	-	-	186	512
Interest on long-term debt	3,213	3,555	-	-	3,213	3,555
Water	-	-	5,137	6,562	5,137	6,562
Convention center	-	-	1,088	3,149	1,088	3,149
Solid waste removal	-	-	3,893	3,564	3,893	3,564
Golf	-	-	1,882	1,926	1,882	1,926
Parking	-	-	455	400	455	400
Irrigation systems	-	-	347	316	347	316
Total expenses	<u>94,041</u>	<u>96,770</u>	<u>12,802</u>	<u>15,917</u>	<u>106,843</u>	<u>112,687</u>
Increase (decrease) in net position before transfers	14,011	5,073	1,951	(324)	15,962	4,749
Transfers	(516)	(545)	516	545	-	-
Increase (decrease) in net position	<u>13,495</u>	<u>4,528</u>	<u>2,467</u>	<u>221</u>	<u>15,962</u>	<u>4,749</u>
Net position 1/1/17	654,208	649,680	53,147	52,926	707,355	702,606
Net position 12/31/17	<u>\$ 667,703</u>	<u>\$ 654,208</u>	<u>\$ 55,614</u>	<u>\$ 53,147</u>	<u>\$ 723,317</u>	<u>\$ 707,355</u>

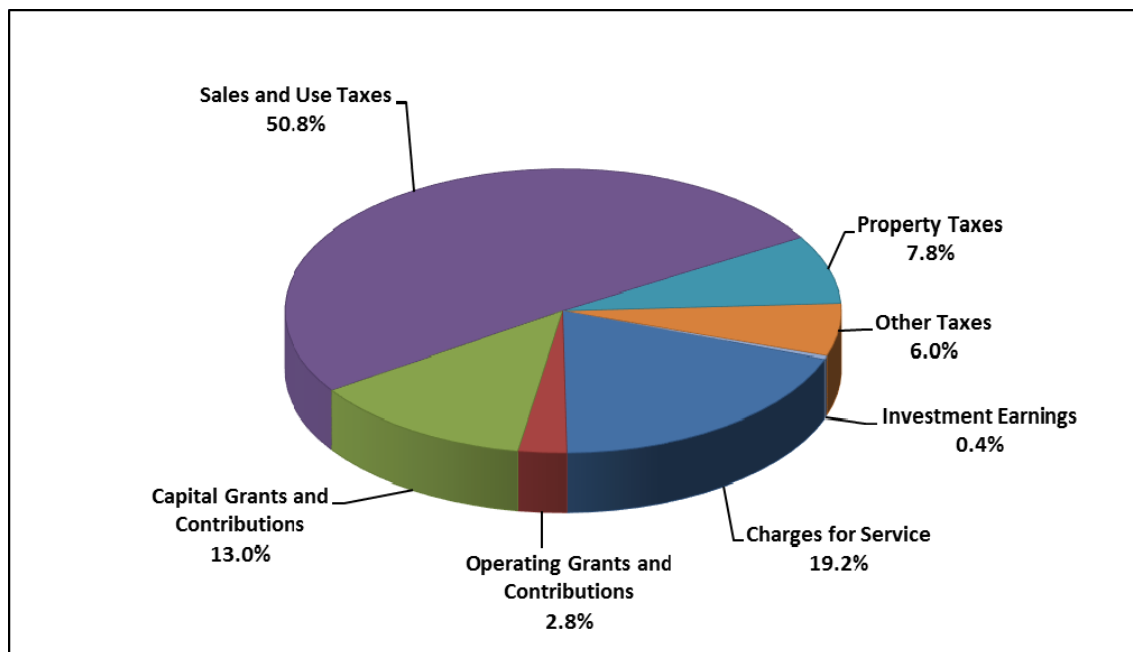
Governmental Activities

Governmental activities increased the City's net position by \$13.5 million. Following are illustrative charts of governmental activities summarizing expenses and program revenues (general revenues not included):

EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Sales, use and lodging tax revenues increased \$3.2 million, \$169 thousand and \$50 thousand, respectively, as compared to 2016. Property tax revenue increased by \$170 thousand, or 2.0%, 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 franchise fees and highway users tax, have increased by \$380 thousand, or 6.3%, compared to 2016.

Charges for services revenue decreased by \$31 thousand compared to 2016.

Capital grants and contributions increased by \$2.4 million, or 20.8%, compared to 2016 primarily resulting from donated capital assets from annexations.

Business-type Activities

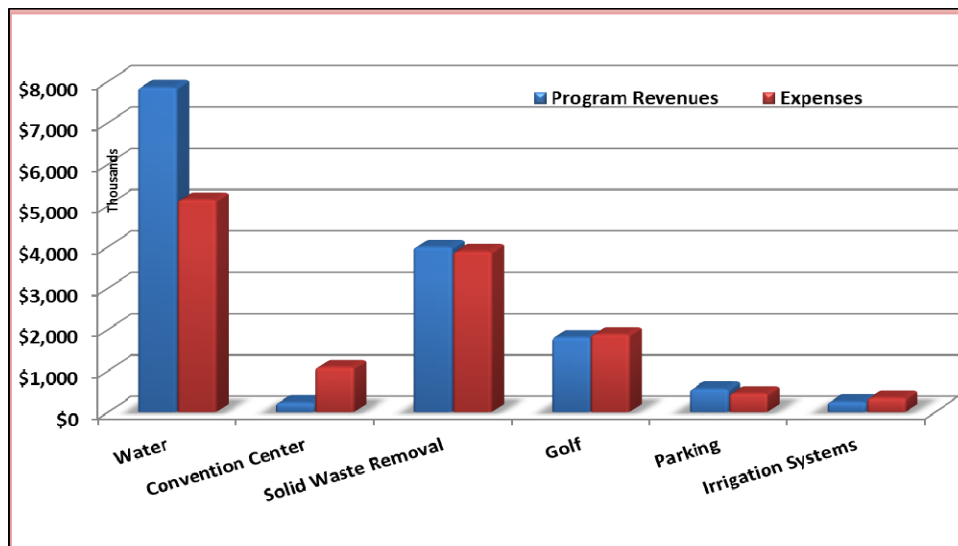
Net position of business-type activities increased by \$2.5 million. Business-type activities include water utility, convention center, solid waste, golf courses, parking and irrigation.

The Two Rivers Convention Center and Golf Fund received transfers from the Visit Grand Junction Fund (f.k.a. Visitors and Convention Bureau Fund), Conservation Trust Fund and General Fund to subsidize operations and help fund debt service.

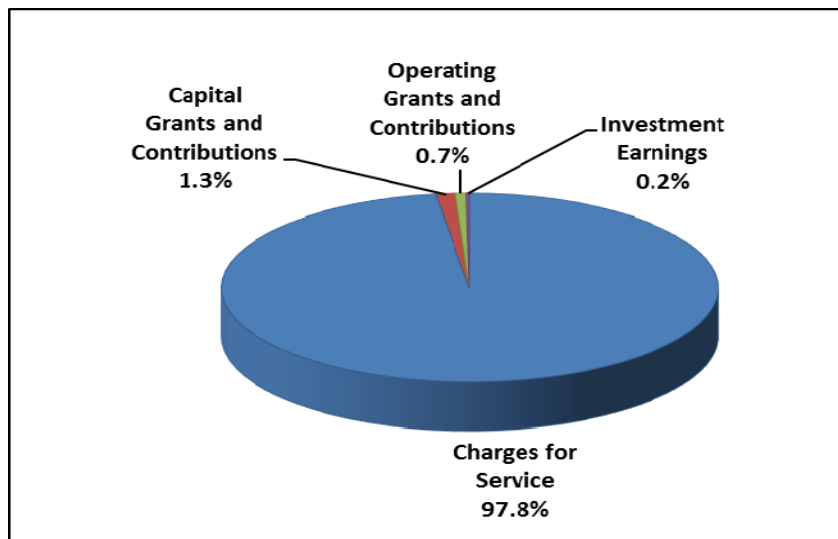
Unrestricted net position at the end of the year for business-type activities amounted to \$2.7 million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City business-type activities.

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, 2017, the City's governmental funds (general, special revenue, debt service, capital projects and permanent) reported combined fund balances of \$40.0 million. This represents a decrease of \$0.2 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 increased 3.7% over 2016 while expenditures decreased 3.7%. The majority of these revenue increases were from sales, use, lodging, and franchise taxes, while expenditure decreases were mostly due to labor reductions. The General Fund's total fund balance, on a budgetary basis, increased \$2.8 million from last year. The City has continued to manage its expenditures to operate within its current financial resources and add funds to the General Fund balance each year.

The fund balance in the Street Assessment Improvements Capital Projects Fund decreased by nearly \$1.5 million during the year ended December 31, 2017. This decrease in the fund balance was a result of completing planned capital projects.

The fund balance in the Parkway Debt Retirement Fund decreased by \$2.0 million because the City used \$3.2 million for contract street maintenance. In April 2017, voters approved ballot question 2B which made it possible for the City to use the excess TABOR funds to augment what was currently being invested in street maintenance projects and neighborhood pavement preservation. The General Fund 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, partially offset this reduction to the fund balance.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the General Fund budget was amended from an original appropriation total of \$65.9 million to a final budget of \$66.9 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 36.

In the General Fund, the original budget for revenues was \$65.2 million while the final budgeted amount was \$67.4 million, reflecting the increase in the projection for tax revenues. Actual revenues, on a budgetary basis, for 2017 came in \$1.2 million higher than the final budget at \$68.6 million. This was primarily due to sales tax revenues performing better than expected, increased ambulance transport collections and an increase in wildland fire mitigation revenues.

Actual General Fund expenditures, including transfers, totaled \$65.8 million. General Fund expenditures, including transfers, were approximately \$1.0 million (1.6%) 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 2018 budget. The year-end budgetary basis fund balance of \$23.2 million was \$2.2 million above the final budgeted amount.

The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds, either by state or local ordinance or by a desire to maintain a matching of revenues and expenses, are accounted for in this fund. Revenues exceeded expenditures in the General Fund by \$2.7 million during the year. The General Fund's total fund balance increased \$2.8 million from last year. An analysis for this fund balance shows that it represents over 32.3% of projected revenues for the new fiscal year which ends December 31, 2018.

Taxes continue to be the largest source of revenue in the General Fund and represent 81.2% of total General Fund revenues. The largest element of taxes is sales, use and lodging taxes, as it has been for many years. Sales, use and lodging tax represents 72.7% of total tax revenues and 59.0% of total general fund revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, 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, 2017:

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 311,567	\$ 306,075	\$ 5,141	\$ 5,194	\$ 316,708	\$ 311,269
Buildings and systems	77,296	74,882	46,141	47,362	123,437	122,244
Improvements other than buildings	12,286	12,986	4,499	4,743	16,785	17,729
Vehicles, machinery & equipment	19,366	21,720	959	1,211	20,325	22,931
Infrastructure	270,728	264,185	-	-	270,728	264,185
Construction in progress	235	2,557	1,923	791	2,158	3,348
Intangible assets	1,348	1,348	190	191	1,538	1,539
Total	<u>\$ 692,826</u>	<u>\$ 683,753</u>	<u>\$ 58,853</u>	<u>\$ 59,492</u>	<u>\$ 751,679</u>	<u>\$ 743,245</u>

Major capital additions during 2017 include:

Street overlays	\$ 5,543,472
Sewer interceptor repair and replacement	3,536,830
Las Colonias Park Amphitheater	2,647,742
1st Street improvement project - North to Ouray	2,315,660
Sewer line replacement	1,393,715
Equipment replacement program	914,485
Information technology server	813,440
Water treatment plant filter upgrade	811,415
225 S. 2nd Street land and building	776,925
Stocker stadium synthetic turf replacement	529,981

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 55 through 56.

Debt Administration

The City has traditionally adhered to a conservative debt management policy that carefully controls the amount of outstanding debt. Because of our strong capital improvement budgeting process, 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, 2017, the City had \$68.5 million in outstanding debt. Of this amount, \$62.6 million represents General Government debt. The largest portion, \$36.8 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 \$24.8 million. The remaining \$6.9 million of outstanding debt consists of capital leases and loans to be repaid by fee revenue and appropriated funds. Total debt service payments of approximately \$5.0 million in 2018 represent 4.8% of total budgeted operating expenditures. Additional information on the City's long-term debt can be found in *Note 7* on pages 58 through 61.

The table below provides a summary of total debt at December 31, 2017:

OUTSTANDING DEBT, AT YEAR-END						
(in Thousands)						
	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue bonds and notes (backed by tax and fee revenue)	\$ 24,845	\$ 28,098	\$ -	\$ -	\$ 24,845	\$ 28,098
Certificates of participation (backed by the constructed assets)	36,762	37,727	-	-	36,762	37,727
Capital leases (backed by tax and fee revenue)	982	-	-	-	982	-
Loans (backed by fee revenue)	-	-	5,952	5,743	5,952	5,743
Total	<u>\$ 62,589</u>	<u>\$ 65,825</u>	<u>\$ 5,952</u>	<u>\$ 5,743</u>	<u>\$ 68,541</u>	<u>\$ 71,568</u>

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 2017 were originally budgeted flat with ending 2016 sales tax revenues, but were amended up because of better than expected local economy and consumer spending. For the 2018 budget, sales tax revenues have been budgeted at a conservative 1% increase compared to 2017. City-wide reserves are above 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 and as a result of significant economic development investment is growing as a business location for the outdoor recreation industry. Those factors, coupled with tourism, the abundance of outdoor recreational opportunities, the continued expansion of Colorado Mesa University and the ability to attract new businesses and retirees, all contribute to the 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, 19.8%, of the budget.

Rates in the Utility Funds will be set to cover operating and future capital investment. In 2018, utility revenues will be increased by an average of 5% in residential and commercial water fees, a 0% increase in sewer fees and a 6.8% 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

City of Grand Junction
STATEMENT OF NET POSITION
December 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and investments	\$ 41,268,604	\$ 6,965,130	\$ 48,233,734	\$ 7,689,174
Other receivables, net of allowance for uncollectibles	16,389,101	1,621,690	18,010,791	1,491,731
Internal balances	4,950,765	(4,950,765)	-	-
Prepays	38,193	38,350	76,543	-
Inventories	189,861	58,692	248,553	-
Restricted cash and investments	540,101	-	540,101	-
Net pension asset	356,046	-	356,046	-
Capital assets (net of accumulated depreciation):				
Land	311,566,882	5,141,513	316,708,395	848,871
Buildings and systems	77,296,350	46,140,773	123,437,123	2,776,004
Improvements other than buildings	12,286,046	4,498,971	16,785,017	874,085
Equipment	19,365,670	958,776	20,324,446	356,868
Infrastructure	270,727,892	-	270,727,892	-
Construction in progress	235,256	1,922,784	2,158,040	-
Intangible assets	1,348,093	190,464	1,538,557	-
Total assets	<u>756,558,860</u>	<u>62,586,378</u>	<u>819,145,238</u>	<u>14,036,733</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	972,266	-	972,266	-
Deferred outflows related to pensions	1,004,236	-	1,004,236	-
Total deferred outflows of resources	<u>1,976,502</u>	<u>-</u>	<u>1,976,502</u>	<u>-</u>
LIABILITIES				
Accounts payable and other current liabilities	4,328,737	584,610	4,913,347	12,185
Accrued interest payable	583,275	40,454	623,729	12,342
Unearned revenue	98,248	-	98,248	-
Noncurrent liabilities:				
Due within one year	7,037,910	502,740	7,540,650	795,770
Due in more than one year	66,553,084	5,844,341	72,397,425	8,337,034
Net pension liability	4,640,436	-	4,640,436	-
Total liabilities	<u>83,241,690</u>	<u>6,972,145</u>	<u>90,213,835</u>	<u>9,157,331</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	7,582,579	-	7,582,579	1,491,291
Special assessments	8,495	-	8,495	-
Total deferred inflows of resources	<u>7,591,074</u>	<u>-</u>	<u>7,591,074</u>	<u>1,491,291</u>
NET POSITION				
Net investment in capital assets	633,903,756	52,901,140	686,804,896	4,767,167
Restricted for:				
Perpetual care:				
Nonexpendable	1,414,304	-	1,414,304	-
Debt service	10,051,400	-	10,051,400	2,188,141
Emergency reserves	2,000,000	-	2,000,000	-
General capital improvements	1,705,983	-	1,705,983	-
Legends historical sculptures project	-	-	-	5,719
Parks and recreation	125,886	-	125,886	-
Public safety	3,008,429	-	3,008,429	-
Capital projects	28,953	-	28,953	-
Urban development and housing	-	-	-	5,482,799
Unrestricted	15,463,887	2,713,093	18,176,980	(9,055,715)
Total net position	<u>\$ 667,702,598</u>	<u>\$ 55,614,233</u>	<u>\$ 723,316,831</u>	<u>\$ 3,388,111</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, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Downtown Development Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary Government:								
Governmental Activities:								
General government	\$ 13,491,151	\$ 3,005,786	\$ 1,161,154	\$ 7,431	\$ (9,316,780)	\$ -	\$ (9,316,780)	\$ -
Public safety	45,544,297	12,650,507	448,603	208,169	(32,237,018)	-	(32,237,018)	-
Public works	20,417,563	2,699,712	-	11,791,393	(5,926,458)	-	(5,926,458)	-
Parks and recreation	11,190,650	2,419,289	946,614	2,057,293	(5,767,454)	-	(5,767,454)	-
Urban development and housing	186,241	-	434,351	-	248,110	-	248,110	-
Interest on long-term debt	3,212,835	-	-	-	(3,212,835)	-	(3,212,835)	-
Total Governmental Activities	<u>94,042,737</u>	<u>20,775,294</u>	<u>2,990,722</u>	<u>14,064,286</u>	<u>(56,212,435)</u>	<u>-</u>	<u>(56,212,435)</u>	<u>-</u>
Business-type Activities:								
Water	5,136,974	7,589,393	136,345	135,167	-	2,723,931	2,723,931	-
Convention center	1,087,573	234,209	1,214	-	-	(852,150)	(852,150)	-
Solid waste removal	3,892,737	3,993,456	-	-	-	100,719	100,719	-
Golf	1,881,958	1,808,937	-	-	-	(73,021)	(73,021)	-
Parking	455,275	565,732	-	-	-	110,457	110,457	-
Irrigation systems	347,644	254,711	-	1,560	-	(91,373)	(91,373)	-
Total Business-type Activities	<u>12,802,161</u>	<u>14,446,438</u>	<u>137,559</u>	<u>136,727</u>	<u>-</u>	<u>1,918,563</u>	<u>1,918,563</u>	<u>-</u>
Total Primary Government	<u>\$ 106,844,898</u>	<u>\$ 35,221,732</u>	<u>\$ 3,128,281</u>	<u>\$ 14,201,013</u>	<u>\$ (56,212,435)</u>	<u>\$ 1,918,563</u>	<u>\$ (54,293,872)</u>	<u>\$ -</u>
Component Units:								
Downtown Development Authority	11,636,264	48,182	-	10,303,250				(1,284,832)
Total Component Units	<u>\$ 11,636,264</u>	<u>\$ 48,182</u>	<u>\$ -</u>	<u>\$ 10,303,250</u>				<u>(1,284,832)</u>
General revenues:								
Sales, use & lodging taxes					54,888,978	-	54,888,978	-
Property taxes					8,463,085	-	8,463,085	1,561,422
Franchise taxes					2,887,755	-	2,887,755	-
Highway users tax					2,299,573	-	2,299,573	-
Other shared taxes					1,276,461	-	1,276,461	-
Investment earnings					406,054	33,527	439,581	28,400
Gain on sale of capital assets					-	-	-	120,219
Transfers					(515,666)	515,666	-	-
Total general revenues and transfers					<u>69,706,240</u>	<u>549,193</u>	<u>70,255,433</u>	<u>1,710,041</u>
Change in net position					13,493,805	2,467,756	15,961,561	425,209
Net position - January 1					654,208,793	53,146,477	707,355,270	2,962,902
Net position - December 31					<u>\$ 667,702,598</u>	<u>\$ 55,614,233</u>	<u>\$ 723,316,831</u>	<u>\$ 3,388,111</u>

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

City of Grand Junction
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	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	\$ 12,857,707	\$ 414,881	\$ 2,076,024	\$ -	\$ 9,170,370	\$ 4,372,597	\$ 28,891,579
Interest receivable	241,977	-	-	-	-	-	241,977
Accounts receivable, net of allowances for uncollectibles	1,574,361	-	-	-	-	382,752	1,957,113
Taxes receivable	11,880,443	1,429,838	-	-	-	136,811	13,447,092
Special assessments receivable	-	8,494	-	-	-	-	8,494
Intergovernmental receivable	302,937	178,629	-	-	-	69,965	551,531
Due from other funds	491,863	-	-	-	-	-	491,863
Prepaid items	12,556	-	-	-	-	18,109	30,665
Inventories	189,861	-	-	-	-	-	189,861
Restricted cash and investments	533,500	-	-	1,024	-	5,577	540,101
Advances to other funds	5,208,952	-	-	-	-	-	5,208,952
Total assets	<u>\$ 33,294,157</u>	<u>\$ 2,031,842</u>	<u>\$ 2,076,024</u>	<u>\$ 1,024</u>	<u>\$ 9,170,370</u>	<u>\$ 4,985,811</u>	<u>\$ 51,559,228</u>
LIABILITIES							
Accounts payable	2,076,151	317,364	1,168,136	-	-	97,347	3,658,998
Accrued liabilities	212,294	-	-	-	-	4,390	216,684
Due to other funds	-	-	-	596	-	-	596
Unearned revenue	73,248	-	-	-	-	25,000	98,248
Total liabilities	<u>2,361,693</u>	<u>317,364</u>	<u>1,168,136</u>	<u>596</u>	<u>-</u>	<u>126,737</u>	<u>3,974,526</u>
DEFERRED INFLOWS OF RESOURCES							
Property taxes	7,582,579	-	-	-	-	-	7,582,579
Unavailable revenue-special assessments	-	8,495	-	-	-	-	8,495
Total deferred inflows of resources	<u>7,582,579</u>	<u>8,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,591,074</u>
FUND BALANCES							
Nonspendable:							
Advances	\$ 5,208,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,208,952
Inventories and prepaids	202,417	-	-	-	-	18,109	220,526
Permanent fund principal	-	-	-	-	-	1,414,304	1,414,304
Restricted for:							
Debt service	1,387,553	-	-	428	9,170,370	26,549	10,584,900
Emergency reserves	2,000,000	-	-	-	-	-	2,000,000
General capital improvements	-	1,705,983	-	-	-	-	1,705,983
Parks and recreation	25,000	-	-	-	-	100,886	125,886
Public safety	-	-	-	-	-	2,822,831	2,822,831
Capital projects	-	-	-	-	-	28,953	28,953
Street improvements	-	-	907,888	-	-	-	907,888
Committed to:							
Open space	-	-	-	-	-	241,513	241,513
Tourism and convention	-	-	-	-	-	205,929	205,929
Assigned to:							
Cultural arts	3,856	-	-	-	-	-	3,856
Unassigned:	14,522,107	-	-	-	-	-	14,522,107
Total fund balances	<u>23,349,885</u>	<u>1,705,983</u>	<u>907,888</u>	<u>428</u>	<u>9,170,370</u>	<u>4,859,074</u>	<u>39,993,628</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,294,157</u>	<u>\$ 2,031,842</u>	<u>\$ 2,076,024</u>	<u>\$ 1,024</u>	<u>\$ 9,170,370</u>	<u>\$ 4,985,811</u>	<u>\$ 51,559,228</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, 2017

Amounts reported for governmental activities on the statement of net position (page 30) are different because:

Total fund balance - governmental funds (page 32)	\$	39,993,628
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		675,453,882
The net pension asset is not an available resource and therefore, is not reported in the funds.		356,046
Deferred outflows related to pension are not current assets or financial resources.		1,004,236
Other long-term assets are not available to pay current expenditures and therefore, are reported as unavailable revenue in the funds.		59,554
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 \$ 29,880,796 and liabilities \$(4,507,132) of the internal service funds are included in governmental activities on the statement of net position.		25,373,664
Interfund for internal service fund allocated to business-type activities.		(750,050)
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	\$	(22,895,000)
Bond premium (to be amortized over life of debt)		(1,950,222)
Deferred charge on refunding (to be amortized over life of debt)		972,266
Certificates of participation		(37,070,000)
Discount on certificates of participation (to be amortized over life of lease)		308,430
Capital leases		(982,237)
Net pension liability		(4,640,436)
Accrued interest payable		(583,275)
Compensated absences		(3,387,520)
Other post-employment benefit obligation		(3,560,368)
		(73,788,362)
Total net position - governmental activities (page 30)	\$	667,702,598

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, 2017

	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	\$ 8,463,085	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,463,085
Sales, use and lodging taxes	40,050,640	12,662,684	-	-	-	2,175,654	54,888,978
Franchise	2,887,755	-	-	-	-	-	2,887,755
Severance	535,565	-	-	-	-	-	535,565
Other	3,040,469	-	-	-	-	-	3,040,469
Licenses and permits	142,595	-	-	-	-	-	142,595
Intergovernmental	3,252,139	1,762,073	-	719,326	-	1,066,147	6,799,685
Charges for services	8,224,430	84,689	-	-	-	2,389,634	10,698,753
Fines and forfeitures	597,482	-	-	-	-	-	597,482
Special assessments	-	8,216	-	-	-	-	8,216
Investment earnings	188,590	1,381	-	1,982	95,855	53,865	341,673
Other income	158,535	-	1,614,878	-	-	572,910	2,346,323
Other contributions	61,087	646,430	-	-	-	-	707,517
Total revenues	<u>67,602,372</u>	<u>15,165,473</u>	<u>1,614,878</u>	<u>721,308</u>	<u>95,855</u>	<u>6,258,210</u>	<u>91,458,096</u>
EXPENDITURES							
Current:							
General government	10,202,735	-	13,160	3,000	-	1,926,560	12,145,455
Public safety	37,963,223	-	-	-	-	-	37,963,223
Public works	8,078,591	-	-	-	-	-	8,078,591
Parks and recreation	8,462,734	-	-	-	-	-	8,462,734
Urban development and housing	-	-	-	-	-	186,241	186,241
Debt service:							
Principal retirement	32,000	-	-	3,460,000	-	230,000	3,722,000
Interest and fiscal charges	-	-	-	3,421,885	-	298,650	3,720,535
Capital outlay:							
Construction	-	10,912,253	3,071,994	-	-	120,853	14,105,100
Total expenditures	<u>64,739,283</u>	<u>10,912,253</u>	<u>3,085,154</u>	<u>6,884,885</u>	<u>-</u>	<u>2,762,304</u>	<u>88,383,879</u>
Excess (deficiency) of revenues over (under) expenditures	2,863,089	4,253,220	(1,470,276)	(6,163,577)	95,855	3,495,906	3,074,217
OTHER FINANCING SOURCES (USES)							
Transfers in	1,195,254	4,551,717	-	6,163,059	1,090,277	354,470	13,354,777
Transfers out	(1,075,845)	(8,057,656)	-	-	(3,205,166)	(4,260,605)	(16,599,272)
Sale of capital assets	9,094	-	-	-	-	-	9,094
Total other financing sources and (uses)	<u>128,503</u>	<u>(3,505,939)</u>	<u>-</u>	<u>6,163,059</u>	<u>(2,114,889)</u>	<u>(3,906,135)</u>	<u>(3,235,401)</u>
Net change in fund balances	2,991,592	747,281	(1,470,276)	(518)	(2,019,034)	(410,229)	(161,184)
Fund balances - beginning	20,358,293	958,702	2,378,164	946	11,189,404	5,269,303	40,154,812
Fund balances - ending	<u>\$ 23,349,885</u>	<u>\$ 1,705,983</u>	<u>\$ 907,888</u>	<u>\$ 428</u>	<u>\$ 9,170,370</u>	<u>\$ 4,859,074</u>	<u>\$ 39,993,628</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, 2017

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

Net change in fund balances - total governmental funds (page 34) \$ (161,184)

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 (\$14,382,628) exceeded capital outlays of \$13,902,427, in the current period. (480,201)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trades and disposals) is to decrease net position. (1,157,108)

The net effect of the donation of capital assets is to increase net position. 11,630,571

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 874

Current-year pension contributions are included in deferred outflows of resources for governmental activities. 320,273

Current-year pension expense does not use current financial resources and is not included in expenses in the funds. (524,693)

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	\$ 3,925,360	
Bond premium (to be amortized over the life of debt)	547,794	
Certificates of participation discount (to be amortized over the life of debt)	(19,205)	
Deferred charge on refunding (to be amortized over the life of debt)	(273,098)	
Decrease in accrued interest	48,849	4,229,700

In the statement of activities, certain expenses - compensated absences, other post-employment benefits and pension expense - are measured by the amounts incurred during the year. In the governmental funds, however, expenditure for these items are measured by the amount of financial resources used or due (essentially, the amounts actually paid). These amounts represent the net effect of compensated absences, other post-employment benefits and pension-related amounts on the statement of activities.

Increase in compensated absences	\$ (12,936)	
Increase in other post-employment benefit obligation	(92,446)	(105,382)

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	\$ 4,829,903	
Expenses due to external customers	(5,644,440)	
Grants and contributions	57,911	
Gain (loss) on disposition of property	242,670	
Investment income	76,601	
Operating loss from operations	178,310	(259,045)

Change in net position of governmental activities (page 31) \$ 13,493,805

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 8,346,567	\$ 8,346,567	\$ 8,463,085	\$ 116,518
Sales, use and lodging taxes	37,450,886	39,571,912	39,798,929	227,017
Franchise	2,720,000	2,720,000	2,887,755	167,755
Severance	676,086	676,086	535,565	(140,521)
Other	3,104,000	3,177,628	3,040,469	(137,159)
Licenses and permits	112,300	109,300	142,595	33,295
Intergovernmental	3,043,186	3,107,774	3,252,139	144,365
Charges for services	7,738,642	7,597,345	8,224,430	627,085
Fines and forfeitures	586,500	637,303	597,482	(39,821)
Investment earnings	183,000	233,000	236,734	3,734
Other income	6,000	6,000	158,535	152,535
Other contributions	14,450	15,450	61,087	45,637
Total revenues	<u>63,981,617</u>	<u>66,198,365</u>	<u>67,398,805</u>	<u>1,200,440</u>
EXPENDITURES				
Current:				
General government:				
Administration	9,502,422	9,661,561	8,989,550	672,011
Community development	1,245,141	1,255,107	1,213,185	41,922
Total general government	<u>10,747,563</u>	<u>10,916,668</u>	<u>10,202,735</u>	<u>713,933</u>
Public safety:				
Police protection	21,929,682	21,963,813	21,879,150	84,663
Fire protection	16,086,522	15,981,795	16,116,073	(134,278)
Total public safety	<u>38,016,204</u>	<u>37,945,608</u>	<u>37,995,223</u>	<u>(49,615)</u>
Public works:				
Parks and recreation	8,483,706	8,496,272	8,078,591	417,681
Urban development and housing	8,318,782	8,354,228	8,462,734	(108,506)
Total expenditures	<u>65,643,464</u>	<u>65,789,985</u>	<u>64,739,283</u>	<u>1,050,702</u>
Excess (deficiency) of revenues over (under) expenditures	(1,661,847)	408,380	2,659,522	2,251,142
OTHER FINANCING SOURCES (USES)				
Transfers in	1,237,900	1,237,900	1,195,254	(42,646)
Transfers out	(222,468)	(1,064,648)	(1,075,845)	(11,197)
Sale of capital assets	8,000	8,000	9,094	1,094
Total other financing sources and (uses)	<u>1,023,432</u>	<u>181,252</u>	<u>128,503</u>	<u>(52,749)</u>
Net change in fund balances	(638,415)	589,632	2,788,025	2,198,393
Fund balances - beginning	<u>20,385,194</u>	<u>20,385,194</u>	<u>20,385,194</u>	<u>-</u>
Fund balances - ending	<u>\$ 19,746,779</u>	<u>\$ 20,974,826</u>	<u>\$ 23,173,219</u>	<u>\$ 2,198,393</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, 2017

	Business-Type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	
ASSETS							
Current assets:							
Cash and investments	\$ 5,440,991	\$ 72	\$ 170,834	\$ 178,731	\$ 1,174,502	\$ 6,965,130	\$ 12,377,025
Accounts receivable, net of allowance	995,784	30,732	3,087	10,420	533,486	1,573,509	67,864
Intergovernmental receivable	48,181	-	-	-	-	48,181	56,073
Prepaid items	38,350	-	-	-	-	38,350	7,528
Inventory	-	-	58,692	-	-	58,692	-
Total current assets	<u>6,523,306</u>	<u>30,804</u>	<u>232,613</u>	<u>189,151</u>	<u>1,707,988</u>	<u>8,683,862</u>	<u>12,508,490</u>
Noncurrent assets:							
Capital assets:							
Land	2,506,211	197,993	891,356	1,545,953	-	5,141,513	-
Buildings, improvements, plant and system	50,116,204	20,242,204	7,346,930	5,058,459	3,685,557	86,449,354	3,838,912
Equipment	1,071,114	1,075,979	218,233	323,882	1,076,326	3,765,534	40,832,733
Construction in progress	1,922,784	-	-	-	-	1,922,784	-
Intangible assets	190,464	-	-	-	-	190,464	-
Less accumulated depreciation	<u>(22,108,083)</u>	<u>(6,565,150)</u>	<u>(4,378,395)</u>	<u>(1,558,846)</u>	<u>(4,005,895)</u>	<u>(38,616,369)</u>	<u>(27,299,339)</u>
Total capital assets (net of accumulated depreciation)	<u>33,698,694</u>	<u>14,951,026</u>	<u>4,078,124</u>	<u>5,369,448</u>	<u>755,988</u>	<u>58,853,280</u>	<u>17,372,306</u>
Total noncurrent assets	<u>33,698,694</u>	<u>14,951,026</u>	<u>4,078,124</u>	<u>5,369,448</u>	<u>755,988</u>	<u>58,853,280</u>	<u>17,372,306</u>
Total assets	<u>40,222,000</u>	<u>14,981,830</u>	<u>4,310,737</u>	<u>5,558,599</u>	<u>2,463,976</u>	<u>67,537,142</u>	<u>29,880,796</u>
LIABILITIES							
Current liabilities:							
Accounts payable	424,235	288	15,900	22,196	121,991	584,610	669,739
Accrued interest payable	40,454	-	-	-	-	40,454	-
Compensated absences payable	13,592	-	4,906	476	4,770	23,744	32,253
Claims payable	-	-	-	-	-	-	2,249,491
Current portion of promissory notes payable	478,996	-	-	-	-	478,996	-
Due to other funds	-	-	192,963	206,942	91,958	491,863	-
Total current liabilities	<u>957,277</u>	<u>288</u>	<u>213,769</u>	<u>229,614</u>	<u>218,719</u>	<u>1,619,667</u>	<u>2,951,483</u>
Noncurrent liabilities:							
Compensated absences payable	212,491	-	76,703	7,438	74,565	371,197	504,242
Claims payable	-	-	-	-	-	-	1,051,407
Advances from other funds - general fund	-	-	2,554,216	2,248,066	406,670	5,208,952	-
Promissory notes payable	5,473,143	-	-	-	-	5,473,143	-
Total noncurrent liabilities	<u>5,685,634</u>	<u>-</u>	<u>2,630,919</u>	<u>2,255,504</u>	<u>481,235</u>	<u>11,053,292</u>	<u>1,555,649</u>
Total liabilities	<u>6,642,911</u>	<u>288</u>	<u>2,844,688</u>	<u>2,485,118</u>	<u>699,954</u>	<u>12,672,959</u>	<u>4,507,132</u>
NET POSITION							
Net investment in capital assets	27,746,555	14,951,026	4,078,124	5,369,448	755,988	52,901,141	17,372,306
Restricted for:							
Public safety	-	-	-	-	-	-	185,598
Assigned to:							
Retiree health benefits	-	-	-	-	-	-	937,648
Unrestricted	<u>5,832,534</u>	<u>30,516</u>	<u>(2,612,075)</u>	<u>(2,295,967)</u>	<u>1,008,034</u>	<u>1,963,042</u>	<u>6,878,112</u>
Total net position	<u>\$ 33,579,089</u>	<u>\$ 14,981,542</u>	<u>\$ 1,466,049</u>	<u>\$ 3,073,481</u>	<u>\$ 1,764,022</u>	<u>\$ 54,864,183</u>	<u>\$ 25,373,664</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						<u>750,050</u>	
Net position of business type activities (page 30)						<u>\$ 55,614,233</u>	

The notes to the financial statement 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, 2017

	Business-Type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:							
Charges for sales and services	\$ 7,589,393	\$ 234,209	\$ 1,808,937	\$ 565,732	\$ 4,248,167	\$ 14,446,438	\$ 22,421,906
Other income	-	-	-	-	-	-	117,071
Total operating revenues	<u>7,589,393</u>	<u>234,209</u>	<u>1,808,937</u>	<u>565,732</u>	<u>4,248,167</u>	<u>14,446,438</u>	<u>22,538,977</u>
Operating expenses:							
Personnel services	2,661,665	204,314	775,176	121,801	1,208,436	4,971,392	8,309,487
Costs of sales and services	1,142,745	294,498	826,312	132,262	2,863,276	5,259,093	13,487,431
Depreciation and amortization	1,160,429	588,761	228,167	107,174	137,028	2,221,559	4,128,404
Total operating expenses	<u>4,964,839</u>	<u>1,087,573</u>	<u>1,829,655</u>	<u>361,237</u>	<u>4,208,740</u>	<u>12,452,044</u>	<u>25,925,322</u>
Operating income (loss)	<u>2,624,554</u>	<u>(853,364)</u>	<u>(20,718)</u>	<u>204,495</u>	<u>39,427</u>	<u>1,994,394</u>	<u>(3,386,345)</u>
Nonoperating revenues (expenses):							
Intergovernmental	48,181	-	-	-	-	48,181	58,373
Miscellaneous	88,164	1,214	-	-	-	89,378	-
Investment income	20,343	-	741	1,745	10,698	33,527	76,601
Gain (loss) on disposition of property and equipment	(1,267)	-	-	(52,366)	-	(53,633)	242,670
Interest expense	(144,036)	-	(44,059)	(39,883)	-	(227,978)	-
Total nonoperating revenues (expenses)	<u>11,385</u>	<u>1,214</u>	<u>(43,318)</u>	<u>(90,504)</u>	<u>10,698</u>	<u>(110,525)</u>	<u>377,644</u>
Income (loss) before contributions and transfers:	2,635,939	(852,150)	(64,036)	113,991	50,125	1,883,869	(3,008,701)
Capital contributions - tap fees	135,167	-	-	-	1,560	136,727	-
Transfers in	-	360,666	155,000	-	-	515,666	2,728,829
Change in net position	2,771,106	(491,484)	90,964	113,991	51,685	2,536,262	(279,872)
Net position - beginning	30,807,983	15,473,026	1,375,085	2,959,490	1,712,337	52,327,921	25,653,536
Net position - ending	<u>\$ 33,579,089</u>	<u>\$ 14,981,542</u>	<u>\$ 1,466,049</u>	<u>\$ 3,073,481</u>	<u>\$ 1,764,022</u>	<u>\$ 54,864,183</u>	<u>\$ 25,373,664</u>
Change in net position						\$ 2,536,262	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						<u>(68,506)</u>	
Change in net position of business type activities (page 31)						<u>\$ 2,467,756</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, 2017

	Business-Type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:							
Cash received from interfund	\$ 672,610	\$ -	\$ -	\$ -	\$ -	\$ 672,610	\$ 19,187,932
Cash received from customers and users	6,421,691	369,880	1,807,103	558,797	4,211,775	13,369,246	3,245,507
Cash paid to interfund	(1,162,399)	-	(357,140)	(77,481)	(1,370,655)	(2,967,675)	(1,978,722)
Cash paid to suppliers	67,827	(446,705)	(481,054)	(32,585)	(1,463,737)	(2,356,254)	(10,082,853)
Cash paid to employees	(2,674,990)	(271,074)	(772,928)	(123,586)	(1,205,867)	(5,048,445)	(8,306,738)
Miscellaneous receipts	88,164	1,214	-	-	-	89,378	68,741
Net cash provided (used) by operating activities	<u>3,412,903</u>	<u>(346,685)</u>	<u>195,981</u>	<u>325,145</u>	<u>171,516</u>	<u>3,758,860</u>	<u>2,133,867</u>
Cash flows from noncapital financing activities:							
Transfers from other funds	-	360,666	155,000	-	-	515,666	2,728,829
Increase (decrease) in amount due other funds	-	(6,054)	2,852	3,058	2,417	2,273	-
Intergovernmental receipts	533,237	-	-	-	-	533,237	461
Net cash provided by noncapital financing activities	<u>533,237</u>	<u>354,612</u>	<u>157,852</u>	<u>3,058</u>	<u>2,417</u>	<u>1,051,176</u>	<u>2,729,290</u>
Cash flows from capital and related financing activities:							
Tap fees	135,167	-	-	-	1,560	136,727	-
Principal payments:							
Promissory notes	(420,273)	-	-	-	-	(420,273)	-
Repayment of interfund capital loans	-	-	(192,963)	(206,931)	(91,958)	(491,852)	-
Note proceeds	1,501,860	-	-	-	-	1,501,860	-
Interest paid	(137,564)	-	(44,059)	(39,883)	-	(221,506)	-
Proceeds from disposition of capital assets	-	-	-	-	-	-	245,923
Purchase of capital assets	(2,109,434)	(7,855)	-	-	-	(2,117,289)	(1,987,683)
Intergovernmental receipts	-	-	-	-	-	-	57,912
Net cash provided (used) by capital and related financing activities	<u>(1,030,244)</u>	<u>(7,855)</u>	<u>(237,022)</u>	<u>(246,814)</u>	<u>(90,398)</u>	<u>(1,612,333)</u>	<u>(1,683,848)</u>
Cash flows from investing activities:							
Investment income received	20,343	-	741	1,745	10,698	33,527	76,601
Net cash provided by investing activities	<u>20,343</u>	<u>-</u>	<u>741</u>	<u>1,745</u>	<u>10,698</u>	<u>33,527</u>	<u>76,601</u>
Net increase (decrease) in cash and cash equivalents	2,936,239	72	117,552	83,134	94,233	3,231,230	3,255,910
Cash and cash equivalents, January 1	2,504,752	-	53,282	95,597	1,080,269	3,733,900	9,121,115
Cash and cash equivalents, December 31	<u>\$ 5,440,991</u>	<u>\$ 72</u>	<u>\$ 170,834</u>	<u>\$ 178,731</u>	<u>\$ 1,174,502</u>	<u>\$ 6,965,130</u>	<u>\$ 12,377,025</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 2,624,554	\$ (853,364)	\$ (20,718)	\$ 204,495	\$ 39,427	\$ 1,994,394	\$ (3,386,345)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization expense	1,160,429	588,761	228,167	107,174	137,028	2,221,559	4,128,404
(Increase) decrease in accounts receivable	(495,092)	135,671	(1,834)	(6,935)	(36,392)	(404,582)	(36,797)
Miscellaneous receipts	88,164	1,214	-	-	-	89,378	-
(Increase) decrease in inventory	-	-	(10,772)	-	-	(10,772)	-
(Increase) decrease in prepaid items	(38,350)	-	-	-	-	(38,350)	18,587
Increase (decrease) in accounts payable	(389,882)	(160,062)	(1,110)	22,196	28,884	(499,974)	102,821
Increase (decrease) in claims payable	-	-	-	-	-	-	1,343,992
Increase (decrease) in accrued liabilities and compensated absences payable	(13,325)	(66,760)	2,248	(1,785)	2,569	(77,053)	2,749
Increase (decrease) in deferred revenues	-	-	-	-	-	-	-
(Increase) decrease in accounts payable due to the purchase of capital assets on account	476,405	7,855	-	-	-	484,260	(39,544)
Total adjustments	788,349	506,679	216,699	120,650	132,089	1,764,466	5,520,212
Net cash provided (used) by operating activities	<u>\$ 3,412,903</u>	<u>\$ (346,685)</u>	<u>\$ 195,981</u>	<u>\$ 325,145</u>	<u>\$ 171,516</u>	<u>\$ 3,758,860</u>	<u>\$ 2,133,867</u>
Noncash investing, capital and financing activities							
Purchase of capital assets on account	\$ 295,434	\$ -	\$ -	\$ -	\$ -	\$ 295,434	\$ 63,488
Amendment of prior year long term debt	(875,945)	-	-	-	-	(875,945)	-
Net book value of capital assets traded in on capital assets acquired	-	-	-	-	-	-	11,333
Trade in value of disposed assets	-	-	-	-	-	-	37,001
Intergovernmental receipts from noncapital financing activities	-	-	-	-	-	-	461

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, 2017

	Private Purpose Trust Funds	Joint Sewer Investment Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 146,053	\$ 19,554,898	\$ 504,408
Total assets	<u>146,053</u>	<u>19,554,898</u>	<u>504,408</u>
LIABILITIES			
Accounts payable	-	-	17,180
Due to other governments	-	-	487,228
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 504,408</u>
NET POSITION			
Held in trust for:			
External investment pool participants	-	19,554,898	
Individuals, organizations and others	146,053	-	
Total net position	<u>\$ 146,053</u>	<u>\$ 19,554,898</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, 2017

	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund
ADDITIONS		
Additions by participants	\$ 278,120	\$ 16,219,354
Total contributions	<u>278,120</u>	<u>16,219,354</u>
Investment earnings		
Interest income (loss)	1,688	152,625
Net investment earnings	<u>1,688</u>	<u>152,625</u>
Total additions	<u>279,808</u>	<u>16,371,979</u>
DEDUCTIONS		
Distributions to participants	244,978	13,547,697
Administrative expenses	7,576	-
Total deductions	<u>252,554</u>	<u>13,547,697</u>
Change in net position	27,254	2,824,282
Net position - beginning	118,799	16,730,616
Net position - ending	<u>\$ 146,053</u>	<u>\$ 19,554,898</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 (the City) 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 information technology, fleet services, facilities management, and communication center operations. The communications center and fleet services provide services to other local governments in Mesa County, Colorado.

The accounting policies of the City 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 GAAP, these financial statements present the City (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's Council 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. The DDA has an eleven-member board appointed by the City Council of the City. 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 DDA, 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 revenues and expenditures, or expenses, being 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, use and lodging 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 to pay liabilities of the current period or are not objectively measurable, include licenses, permits, fines and forfeitures.

Expenditures are generally 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 previously used to account for all resources being accumulated for the early retirement of the Parkway Project long-term debt principal and interest payments maturing in future years. However, based on April 2017 voter authorization, the resources accounted for in this fund shall be used towards street maintenance projects and neighborhood pavement preservation until December 31, 2022, after which the fund will again account for all resources to be used towards the retirement of the long-term debt of the Parkway Project.

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 the management of the municipally owned meeting and convention center and 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, personnel 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 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 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 2017 taxes collectible in 2018 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 \$25,000 or more and an estimated life in excess of three years. However, assets purchased with grant funds, regardless of the granting entity, have an initial, individual cost of \$5,000 or more and an estimated life greater than three years. All assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their acquisition 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 followed by 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 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 (i.e. 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 the 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 GAAP 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. Although 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 2017 resulted in budget amendments as follows:

Fund	Original Amount	Amended Amount
<i>Primary Government - City of Grand Junction:</i>		
<i>Governmental Activities</i>		
General Fund	\$ 65,865,932	\$ 66,854,633
Capital Projects Fund:		
Sales Tax Capital	15,648,769	20,686,111
Debt Service Fund:		
Parkway Debt Retirement	-	3,750,000
<i>Business-type Activities</i>		
Enterprise Funds:		
Water	7,896,887	8,304,416
Solid Waste	3,848,728	3,957,728
Internal Service Funds:		
Equipment	5,129,773	6,021,639
Self-Insurance	2,987,879	3,627,979
<i>Component Unit - Downtown Development Authority:</i>		
Special Revenue Funds:		
DDA Operations	338,404	357,904
Capital Projects Funds:		
DDA Capital Improvements	643,738	693,738
Debt Service Funds:		
DDA TIF Debt Service	1,433,710	5,928,710

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, 2017, was as follows:

	Bank Balance	Carrying Balance
Cash on hand	\$ -	\$ 17,593
Insured deposits	250,000	250,000
Deposits collateralized in single institutional pools	5,078,532	2,913,095
	<u>\$ 5,328,532</u>	<u>\$ 3,180,688</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 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, 2017, the City had the following investments:

Investment Type	S&P Rating	Fair Value	Weighted Average Maturity (Months)
Federal agency securities	AA+	\$ 34,761,330	26.50
Treasury coupon securities	AA+	11,380,450	38.99
Certificates of deposit	NR	4,688,592	27.19
Municipal securities	A	499,575	2.99
Corporate holdings	A1+	3,074,802	30.11
Pass through securities (GNMA/CMO)	AA+	74,158	26.53
State investment pools	AAAm	13,502,894	0.00
Total		<u>\$ 67,981,801</u>	<u>23.37</u>

Credit risk. The City's investment practices are governed by the City of Grand Junction Charter, Article IX paragraph 72, the Colorado Revised Statutes 24-75-601 to 605 and the City's investment policy as approved by the City Manager. 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, 2017 was as follows:

General Fund	\$ 335,349
Enterprise Funds:	
Water	\$ 41
Solid Waste Removal	274
	<u>\$ 315</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

Primary Government - City of Grand Junction:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 306,075,535	\$ 6,114,866	\$ 623,519	\$ 311,566,882
Construction in progress	2,557,129	154,194	2,476,067	235,256
Intangible assets	1,348,093	-	-	1,348,093
Total capital assets, not being depreciated	<u>309,980,757</u>	<u>6,269,060</u>	<u>3,099,586</u>	<u>313,150,231</u>
<i>Capital assets, being depreciated:</i>				
Buildings	99,805,315	4,369,059	-	104,174,374
Improvements other than buildings	33,620,240	1,141,059	1,031,374	33,729,925
Equipment	58,150,859	2,759,220	4,865,642	56,044,437
Infrastructure	407,232,803	16,728,404	-	423,961,207
Total capital assets, being depreciated	<u>598,809,217</u>	<u>24,997,742</u>	<u>5,897,016</u>	<u>617,909,943</u>
<i>Less accumulated depreciation for:</i>				
Buildings	24,923,731	1,954,293	-	26,878,024
Improvements other than buildings	20,634,637	1,324,929	515,687	21,443,879
Equipment	36,430,582	5,046,577	4,798,392	36,678,767
Infrastructure	143,048,078	10,185,237	-	153,233,315
Total accumulated depreciation	<u>225,037,028</u>	<u>18,511,036</u>	<u>5,314,079</u>	<u>238,233,985</u>
Total capital assets, being depreciated, net	<u>373,772,189</u>	<u>6,486,706</u>	<u>582,937</u>	<u>379,675,958</u>
Governmental activities capital assets, net	<u>\$ 683,752,946</u>	<u>\$ 12,755,766</u>	<u>\$ 3,682,523</u>	<u>\$ 692,826,189</u>
Business-type Activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,193,890	\$ -	\$ 52,377	\$ 5,141,513
Construction in progress	790,582	1,132,202	-	1,922,784
Intangible assets	190,464	-	-	190,464

Total capital assets, not being depreciated	6,174,936	1,132,202	52,377	7,254,761
<i>Capital assets, being depreciated:</i>				
Buildings and systems	77,323,062	500,826	22,140	77,801,748
Improvements other than buildings	8,647,606	-	-	8,647,606
Equipment	3,969,710	-	204,176	3,765,534
Total capital assets, being depreciated	89,940,378	500,826	226,316	90,214,888
<i>Less accumulated depreciation for:</i>				
Buildings and systems	29,961,112	1,720,738	20,873	31,660,977
Improvements other than buildings	3,904,625	244,009	-	4,148,634
Equipment	2,758,050	252,884	204,176	2,806,758
Total accumulated depreciation	36,623,787	2,217,631	225,049	38,616,369
Total capital assets, being depreciated, net	53,316,591	(1,716,805)	1,267	51,598,519
Business-type activities capital assets, net	\$ 59,491,527	\$ (584,603)	\$ 53,644	\$ 58,853,280

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

Governmental Activities:	
General government	\$ 1,050,019
Public safety	1,783,534
Public works	9,803,715
Parks and recreation	1,745,364
Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets	4,128,404
Total depreciation expense – governmental activities	\$ 18,511,036
Business-Type Activities:	
Water	\$ 1,156,501
Solid waste	48,698
Meeting and convention center	588,761
Golf courses	228,167
Parking	107,174
Irrigation	88,330
Total depreciation expense – business-type activities	\$ 2,217,631

Discretely Presented Component Unit

Activity for the ***Downtown Development Authority (DDA)*** for the year ended December 31, 2017 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	848,871	-	-	848,871
<i>Capital assets, being depreciated:</i>				
Buildings and systems	3,334,768	28,462	-	3,363,230
Improvements other than buildings	1,045,026	-	-	1,045,026
Equipment	1,587,165	-	34,750	1,552,415
Total capital assets, being depreciated	5,966,959	28,462	34,750	5,960,671
<i>Less accumulated depreciation for:</i>				
Buildings and systems	500,295	86,931	-	587,226
Improvements other than buildings	117,798	53,143	-	170,941
Equipment	1,127,089	103,208	34,750	1,195,547
Total accumulated depreciation	1,745,182	243,282	34,750	1,953,714
Total capital assets, being depreciated, net	4,221,777	(214,820)	-	4,006,957
DDA capital assets, net	\$ 5,070,648	\$ (214,820)	\$ -	\$ 4,855,828

NOTE 6. CAPITAL LEASES

Certificates of Participation

The City entered into a ground and improvement lease with the Grand Junction Public Finance Corporation (the 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 Suplizio 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, 2017 follows:

<u>Year ending December 31,</u>	<u>Schedule of Base Rents</u>
2018	\$ 531,175
2019	528,675
2020	530,406
2021	531,163
2022	529,900
2023-2027	2,660,488
2028-2032	2,647,750
2033-2035	1,591,750
Total base rentals	9,551,307
Less amounts representing interest	(3,271,307)
Present value of minimum lease payments	<u>\$ 6,280,000</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, 2017 follows:

Year ending December 31,	Schedule of Base Rents
2018	\$ 3,029,535
2019	3,028,985
2020	3,011,547
2021	2,990,247
2022	2,970,510
2023-2027	14,505,588
2028-2032	13,776,965
2033-2037	12,802,850
2037-2040	7,100,485
Total base rentals	63,216,712
Less amounts representing interest	(32,426,712)
Present value of minimum lease payments	\$ 30,790,000

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.

Capital Leases

The City also enters into lease agreements as a lessee for financing the acquisition of various equipment for governmental activities. The capital assets acquired from the lease agreements are included with capital assets and the amortization of leased equipment is included with depreciation in the financial statements. These lease agreements qualify as capital leases for accounting purposes and therefore, have been reflected at the present value of their future minimum lease payments as of the inception date. The City had \$982,237 of capital leases outstanding as of December 31, 2017.

	Ending Balance
Equipment	\$ 1,217,597
Accumulated depreciation	(150,179)
Net book value	\$ 1,067,418

NOTE 7. LONG-TERM LIABILITIES

The following is a summary of long term liability activity of the City for the year ended December 31, 2017:

Primary Government - City of Grand Junction:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Revenue bonds:					
<i>Parkway refunding</i>	\$ 25,600,000	\$ -	\$ 2,705,000	\$ 22,895,000	\$ 2,845,000
<i>Parkway refunding premium</i>	2,498,015	-	547,793	1,950,222	481,607
Capital leases:					
<i>Certificates of participation</i>	38,055,000	-	985,000	37,070,000	1,030,000
<i>Discount on certificates of participation</i>	(327,635)	19,205	-	(308,430)	(20,487)
<i>Equipment leases</i>	-	1,217,597	235,360	982,237	203,360
Net pension liability					
<i>Fire defined benefit plan</i>	4,429,667	531,042	320,273	4,640,436	-
Claims payable	1,956,906	2,448,360	1,104,368	3,300,898	2,249,491
Compensated absences	4,118,734	4,828,487	4,806,522	4,140,699	248,939
Other post-employment benefits	3,467,922	1,213,013	1,120,567	3,560,368	-

Governmental activity long-term liabilities	<u>\$ 79,798,609</u>	<u>\$ 10,257,704</u>	<u>\$ 11,824,883</u>	<u>\$ 78,231,430</u>	<u>\$ 7,037,910</u>
Business-type activities:					
Loans payable					
<i>Water systems</i>	\$ 5,756,922	\$ 1,501,860	\$ 1,296,218	\$ 5,962,564	\$ 482,230
Less deferred amounts					
For loan discount	(14,354)	3,929	-	(10,425)	(3,234)
Compensated absences	<u>471,996</u>	<u>460,542</u>	<u>537,596</u>	<u>394,942</u>	<u>23,744</u>
Business-type activity long-term liabilities	<u>\$ 6,214,564</u>	<u>\$ 1,966,331</u>	<u>\$ 1,833,814</u>	<u>\$ 6,347,081</u>	<u>\$ 502,740</u>

Component Unit – Downtown Development Authority:

Tax increment bonds	\$ 4,620,000	\$ 9,120,000	\$ 4,620,000	\$ 9,120,000	\$ 795,000
Promissory note	-	1,000,000	1,000,000	-	-
Compensated absences	<u>8,585</u>	<u>25,404</u>	<u>21,185</u>	<u>12,804</u>	<u>770</u>
Component unit long-term liabilities	<u>\$ 4,628,585</u>	<u>\$ 10,145,404</u>	<u>\$ 5,641,185</u>	<u>\$ 9,132,804</u>	<u>\$ 795,770</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, \$536,495 of internal service funds compensated absences and \$610,080 of internal service funds capital leases 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, 2017, 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 \$22,895,000 of unpaid principal at December 31, 2017, payable over the following term:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	3,405,000	449,375	3,854,375
2023-2024	<u>7,335,000</u>	<u>371,375</u>	<u>7,706,375</u>
	<u>\$ 22,895,000</u>	<u>\$ 4,088,375</u>	<u>\$ 26,983,375</u>

LOANS PAYABLE:

The City 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, 2017 was \$1,147,537, payable over the following term from *Business activities*:

Year	Principal	Interest	Total
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>\$ 1,147,537</u>	<u>\$ 133,012</u>	<u>\$ 1,280,549</u>

The City 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, 2017 was \$2,613,467, payable over the following term from *Business activities*:

Year	Principal	Interest	Total
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	199,385	45,353	244,738
2023-2027	1,074,731	148,959	1,223,690
2028-2030	589,553	22,291	611,844
	<u>\$ 2,613,467</u>	<u>\$ 445,757</u>	<u>\$ 3,059,224</u>

The City 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 was amended in 2017 after the project was completed under budget to match the actual expenses incurred in the project. The unpaid principal at December 31, 2017 was \$1,436,739, payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2018	\$ 62,105	\$ 29,186	\$ 91,291
2019	64,141	27,174	91,315
2020	65,431	25,884	91,315
2021	66,746	24,569	91,315
2022	68,087	23,228	91,315
2023-2027	361,524	95,051	456,575
2028-2032	399,348	57,228	456,576
2033-2036	349,357	15,904	365,261
	<u>\$ 1,436,739</u>	<u>\$ 298,224</u>	<u>\$ 1,734,963</u>

The City entered into a loan agreement dated March 1, 2017 with the Colorado Water Conservation Board (CWCB) to finance improvements on the City's water system. The original principal amount was \$764,821, at a net effective interest rate of 2.65%, payable March 1 annually through 2037. The water system net revenues are pledged as security for the loan. The unpaid principal at December 31, 2017 was \$764,821, payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2018	\$ 29,491	\$ 20,268	\$ 49,759
2019	30,273	19,486	49,759
2020	31,075	18,684	49,759
2021	31,898	17,861	49,759
2022	32,744	17,015	49,759
2023-2027	177,203	71,591	248,794

2028-2032	201,960	46,834	248,794
2033-2037	230,177	18,618	248,795
	<u>\$ 764,821</u>	<u>\$ 230,357</u>	<u>\$ 995,178</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 2017, total draw amounts were \$1,000,000. In March 2017, a total of \$1,000,419 in principal and interest was repaid and there was no amount outstanding as of December 31, 2017.

LOANS PAYABLE:

During 2015, the DDA 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 was paid in full in 2017.

TAX INCREMENT BONDS:

During 2012, the DDA 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. A new bond issuance was completed in 2017 which was, in part, used to pay the 2012 Tax-Exempt Increment Bonds in full.

During 2017, the DDA issued \$9,120,000 of Tax Increment Financing Bonds. The bonds bear interest at a rate of 3.36% and are payable on June 15 and December 15 of each year through 2032. The unpaid principal at December 31, 2017 was \$9,120,000, payable over the following term:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 795,000	\$ 294,647	\$ 1,089,647
2019	830,000	272,748	1,102,748
2020	870,000	244,524	1,114,524
2021	905,000	214,998	1,119,998
2022	956,000	184,162	1,140,162
2023-2027	2,150,000	644,062	2,794,062
2028-2032	2,614,000	247,044	2,861,044
	<u>\$ 9,120,000</u>	<u>\$ 2,102,185</u>	<u>\$ 11,222,185</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, 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.

	<u>Budgeted Amounts</u>		<u>Expenditures Reported on the Basis of GAAP</u>	<u>Adjustment to Budgetary Basis</u>	<u>Expenditures on Budgetary Basis</u>	<u>Variance with Final Budget – Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
Enterprise Funds:						
Water	\$ 7,896,887	\$ 8,304,416	\$ 5,108,875	\$ 1,686,901	\$ 6,795,776	\$ 1,508,640
Solid Waste Removal Two Rivers	3,848,728	3,957,728	3,863,892	37,151	3,901,043	56,685
Convention Center	2,377,829	2,377,829	1,087,573	(522,000)	565,573	1,812,256
Golf Courses	1,833,661	1,833,661	1,873,714	(40,304)	1,833,410	251
Parking Authority	522,443	522,443	401,120	98,494	499,614	22,829
Irrigation	258,992	258,992	344,848	(87,207)	257,641	1,351
Internal Service Funds:						
Data Processing	6,566,708	6,566,708	6,099,250	(62,281)	6,036,969	529,739
Equipment	5,129,773	6,021,639	5,443,857	(1,244,685)	4,199,172	1,822,467
Self-Insurance	2,987,879	3,627,979	4,954,104	(1,342,630)	3,611,474	16,505
Communication Center	7,268,608	7,268,608	6,779,091	(874,176)	5,904,915	1,363,693
Facilities	2,879,827	2,879,827	2,649,020	132,631	2,781,651	98,176

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2017 was as follows:

Due to/from other funds:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 491,863	\$ -
Parking Enterprise Fund to pay current portion of advance	-	206,942
Solid Waste Removal Enterprise Fund to pay current portion of advance	-	91,958
Tiara Rado Golf Course Enterprise Fund to pay current portion of advance	-	192,963
Total	<u>\$ 491,863</u>	<u>\$ 491,863</u>

Advances to/from other funds:

	<u>Advance to Other Funds</u>	<u>Advance from Other Funds</u>
General Fund	\$ 5,208,952	\$ -
Solid Waste Removal Enterprise Fund to cover the cost of operations	-	406,670
Tiara Rado Golf Enterprise Fund to cover the cost of new irrigation system	-	2,554,216
Parking Enterprise Fund to cover partial cost of new parking garage	-	2,248,066
Total	<u>\$ 5,208,952</u>	<u>\$ 5,208,952</u>

Interfund transfers:

Transfers in:	<u>General Fund</u>	<u>Sales Tax CIP Fund</u>	<u>Nonmajor Government Funds</u>	<u>Parkway Debt Retirement Fund</u>	<u>Total</u>
General Fund	\$ -	\$ 1,150,000	\$ 45,254	\$ -	\$ 1,195,254
Sales Tax CIP	-	-	1,346,551	3,205,166	4,551,717
General Debt Service Fund	-	5,663,059	500,000	-	6,163,059
Parkway Debt Retirement	-	1,090,277	-	-	1,090,277
Two Rivers Convention Center	138,197	-	222,469	-	360,666

Golf Courses	-	-	155,000	-	155,000
Nonmajor					
Governmental	-	124,320	230,150	-	354,470
Internal Service	937,648	30,000	1,761,181	-	2,728,829
Total transfers out	\$ 1,075,845	\$ 8,057,656	\$ 4,260,605	\$ 3,205,166	\$ 16,599,272

Transfers into the General Fund were to assist with cemetery operations (\$13,000), to reimburse administrative costs of the Community Development Block Grant (\$32,254) and for economic development contributions (\$1,150,000). Transfers out of the General Fund were for moving the Retiree Healthcare plan fund balance to our Self-Insurance fund 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 (\$3,853,875), to make the lease payment on the Public Safety Certificates of Participation (\$1,809,184), to set aside dollars for street maintenance and neighborhood pavement preservation (\$1,090,277) and for capital and economic development projects.

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

Transfers into the Golf Courses Fund were to subsidize debt service.

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 \$1,761,181 were for equipment and facility upgrades funded by the E-911 surcharge and sales tax.

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, 2017 was \$44,840,626. At December 31, 2017, there were no amounts due from the City to the plan. Covered wages and contributions in 2017 were as follows:

<u>General Employee Plan</u>	
Covered wages	\$ 23,094,172
City contribution	1,423,622
Employee contribution	1,423,622

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 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. At December 31, 2017, there were no amounts due from the City to the plan. Covered wages and contributions in 2017 were as follows:

<u>New Hire - Police & Fire</u>	<u>Police Officers</u>	<u>Firefighters</u>
Covered wages	\$ 8,295,049	\$ 8,091,838
City contribution	883,788	862,404
Employee contribution	883,420	862,404

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 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 2017, 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, note disclosures related to the plan investments and policies, and separate biennial actuarial reports for each of the plans. The reports may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado, 80111 or by calling FPPA at 1-303-770-3772.**

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 are 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 2017, there were no active police officers covered by the Police Old Hire Plan and 13 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, 2017 were as follows:

	Police Old Hire Plan	Fire Old Hire Plan	Total
City contribution	\$ -	\$ 320,273	\$ 320,273
Total	<u>\$ -</u>	<u>\$ 320,273</u>	<u>\$ 320,273</u>

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2017, the City reported a liability of \$4,640,436 for its net pension liability related to the Fire Old Hire Plan. The net pension liability was measured as of December 31, 2016, 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, 2017, the City reported an asset of \$356,046 for its net pension asset related to the Police Old Hire Plan. The net pension asset was measured as of December 31, 2016, 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, 2017, the City recognized pension expense of \$484,298 for the Fire Old Hire plan and pension expense of \$45,794 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, 2017. At December 31, 2017, 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	217,086	-	466,877	-	683,963	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-	-	-	-	-
City contributions subsequent to the measurement date	<u>-</u>	<u>-</u>	<u>320,273</u>	<u>-</u>	<u>320,273</u>	<u>-</u>
Total	<u>\$ 217,086</u>	<u>\$ -</u>	<u>\$ 787,150</u>	<u>\$ -</u>	<u>\$ 1,004,236</u>	<u>\$ -</u>

Deferred outflows of resources of \$320,273 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, 2018. 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
2018	\$ 68,685	\$ 147,493
2019	68,683	147,494
2020	62,924	135,689
2021	16,794	36,201
2022	-	-
Thereafter	-	-
Total	\$ 217,086	\$ 466,877

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, 2017	\$ 3,560,821	\$ 3,977,942	\$ (417,121)	\$ 13,038,163	\$ 8,608,496	\$ 4,429,667
Changes for the year:						
Service cost	-	-	-	-	-	-
Interest	251,061	-	251,061	935,176	-	935,176
Difference between expected and actual experience	-	-	-	-	-	-
Changes of assumptions	-	-	-	-	-	-
Contributions – employer	-	-	-	-	307,037	(307,037)
Contributions – employee	-	-	-	-	-	-
Net investment income	-	198,081	(198,081)	-	432,691	(432,691)
Benefit payments	(434,546)	(434,546)	-	(1,159,261)	(1,159,261)	-
Administrative expense	-	(8,095)	8,095	-	(15,321)	15,321
Other changes	-	-	-	-	-	-
Total net changes	\$ (183,485)	\$ (244,560)	\$ 61,075	\$ (224,085)	\$ (434,854)	\$ 210,769
Balances as of December 31, 2017	\$ 3,377,336	\$ 3,733,382	\$ (356,046)	\$ 12,814,078	\$ 8,173,642	\$ 4,640,436

Actuarial Assumptions. The total pension liability in the December 31, 2016 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	2.50%	2.50%
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)	(128,794)	(356,046)	(557,755)

Fire Old Hire Plan			
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability/(Asset)	5,745,000	4,640,436	3,684,628

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% or 22% of current C3 rates to participate, depending on the year of retirement. Retiree spouses and dependents that qualify for coverage must also pay 100% of current C3 rates to participate. Coverage terminates for the retiree and spouses at age 65 when Medicare eligibility begins. Coverage terminates for eligible dependents at age 26. 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, spouses, and eligible dependents receiving benefits contributed \$121,719, or approximately 30.5% of the total premiums, through their required contribution of \$140.85 per month for single coverage, \$781.07 per month for spouse coverage and \$1,197.22 for family coverage. Only the retiree’s premium is paid partially by the City. During 2017, there were 56 retirees and 16 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	138,717
Adjustment to ARC	(128,138)
Annual OPEB cost (expense)	1,213,013
Contributions made	(1,120,567)
Increase in net OPEB obligation	92,446
Net OPEB obligation - January 1, 2017	3,467,922
Net OPEB obligation - December 31, 2017	\$ 3,560,368

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2017 and the two preceding years were as follows:

<u>Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 1,234,342	40.96%	\$ 3,075,194
2016	1,211,815	67.59%	3,467,922
2017	1,213,013	92.38%	3,560,368

Funded Status and Funding Progress. As of December 31, 2017, the most recent actuarial valuation date, the plan was unfunded. The unfunded actuarial accrued liability (UAAL) for benefits was \$12.02 million. The covered payroll (annual payroll of active employees covered by the plan) was \$38,292,624, and the ratio of the UAAL to the covered payroll was 31.4%.

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 June 30, 2016 actuarial valuation, the entry age normal method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is based on the employer's own investments and an annual healthcare cost trend rate of 3.75% initially, increased 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, open basis. The remaining amortization period at June 30, 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, 2017 and for the year then ended are as follows:

Statement of Net Position

Assets:	
Current assets	\$ 21,337,960
Noncurrent assets	29,274
Net property, plant and equipment	<u>91,527,655</u>
Total assets	<u><u>\$ 112,894,889</u></u>
Liabilities:	
Current liabilities	\$ 1,275,380
Long-term debt	<u>4,434,948</u>
Total liabilities	<u><u>5,710,328</u></u>
Net Position:	
Net investment in capital assets	86,364,388
Unrestricted	<u>20,820,173</u>
Total net position	<u><u>\$ 107,184,561</u></u>

Statement of Revenue and Expenses

Operating revenues	\$ 13,536,415
Operating expenses	<u>9,714,042</u>
Operating income/(loss)	3,822,373
Net nonoperating revenue/(expenses)	(158,456)
Capital contributions	<u>3,356,786</u>
Change in net position	7,020,703
Net position - beginning	100,163,858
Net position - ending	<u><u>\$ 107,184,561</u></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 \$19,833,992 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 \$3,574,416 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 was \$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, 2017 was \$3,520,000, payable over the following term from *Business activities*:

Year	Principal	Interest	Total
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	520,000	82,071	602,071
2023-2024	<u>1,170,000</u>	<u>70,195</u>	<u>1,240,195</u>
	<u><u>\$ 3,520,000</u></u>	<u><u>\$ 706,591</u></u>	<u><u>\$ 4,226,591</u></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. The revenue bonds were issued to extend, better, otherwise improve and equip its joint wastewater system. The unpaid principal at December 31, 2017 was \$1,545,000, payable over the following term from *Business activities*:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 505,000	\$ 71,750	\$ 576,750
2019	1,040,000	48,807	1,088,807
	<u>\$ 1,545,000</u>	<u>\$ 120,557</u>	<u>\$ 1,665,557</u>

B. Related Organizations

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

Grand Junction Housing Authority

The Housing Authority (the 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 (the 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, 2017 was \$309,398. 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 \$3,300,898 in the Self-Insurance Internal Service Fund at December 31, 2017 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 2016 and 2017 were:

	January 1, Claims Payable	Claims and Changes in Estimates	Claim Payments	December 31, Claims Payable
2016	\$ 1,367,435	\$ 1,640,001	\$ (1,050,530)	\$ 1,956,906
2017	\$ 1,956,906	\$ 2,454,852	\$ (1,110,860)	\$ 3,300,898

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 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 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.

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.

In April 2017, voters approved ballot question 2B which will make it possible for the City to use the excess TABOR funds in the Riverside Parkway account to augment what is currently being invested in street maintenance projects and neighborhood pavement preservation. This approval will sunset after 5 years on December 31, 2022.

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, 2017, 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>
Total Pension Liability			
Service cost	\$ -	\$ -	\$ -
Interest on the total pension liability	279,666	267,434	251,061
Benefit changes	-	-	-
Difference between expected and actual experience	-	(346,587)	-
Assumption changes	-	292,298	-
Benefit payments	(456,535)	(428,478)	(434,546)
Total change in total pension liability	<u>(176,869)</u>	<u>(215,333)</u>	<u>(183,485)</u>
Total pension liability-beginning 1/1/2016	3,953,023	3,776,154	3,560,821
Total pension liability-ending 12/31/16 (a)	<u>\$ 3,776,154</u>	<u>\$ 3,560,821</u>	<u>\$ 3,377,336</u>
Plan Fiduciary Net Position			
Employer contributions	\$ -	\$ -	\$ -
Employee contributions	-	-	-
Pension plan net investment income	292,173	78,404	198,081
Benefit payments	(456,535)	(428,478)	(434,546)
Pension plan administrative expense	(10,032)	(6,275)	(8,095)
Net change in plan fiduciary net position	<u>(174,394)</u>	<u>(356,349)</u>	<u>(244,560)</u>
Plan fiduciary net position beginning 1/1/16	4,508,685	4,334,291	3,977,942
Plan fiduciary net position ending 12/31/16 (b)	<u>\$ 4,334,291</u>	<u>\$ 3,977,942</u>	<u>\$ 3,733,382</u>
Net pension liability/(asset) ending (a)-(b)	(558,137)	(417,121)	(356,046)
Plan fiduciary net position as a percentage of total pension liability	114.78%	111.71%	110.54%
Covered employee payroll	N/A	N/A	N/A
Net pension liability as a percentage of covered employee payroll	N/A	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)

	2014	2015	2016
Total Pension Liability			
Service cost	\$ -	\$ -	\$ -
Interest on the total pension liability	899,930	882,137	935,176
Benefit changes	-	-	-
Difference between expected and actual experience	-	97,834	-
Assumption changes	-	880,892	-
Benefit payments	(1,126,445)	(1,148,291)	(1,159,261)
Total change in total pension liability	(226,515)	712,572	(224,085)
Total pension liability-beginning 1/1/2016	12,552,106	12,325,591	13,038,163
Total pension liability-ending 12/31/16 (a)	\$ 12,325,591	\$ 13,038,163	\$ 12,814,078
Plan Fiduciary Net Position			
Employer contributions	\$ 271,552	\$ 317,653	\$ 307,037
Employee contributions	-	-	-
Pension plan net investment income	623,843	167,814	432,691
Benefit payments	(1,126,445)	(1,148,291)	(1,159,261)
Pension plan administrative expense	(17,764)	(13,094)	(15,321)
Net change in plan fiduciary net position	(248,814)	(675,918)	(434,854)
Plan fiduciary net position beginning 1/1/16	9,533,228	9,284,414	8,608,496
Plan fiduciary net position ending 12/31/16 (b)	\$ 9,284,414	\$ 8,608,496	\$ 8,173,642
Net pension liability/(asset) ending (a)-(b)	3,041,177	4,429,667	4,640,436
Plan fiduciary net position as a percentage of total pension liability	75.33%	66.03%	63.79%
Covered employee payroll	N/A	N/A	N/A
Net pension liability as a percentage of covered employee payroll	N/A	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]
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
2017	\$ -	\$ -	\$ -	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)

<u>FY Ending December 31,</u> [a]	<u>Actuarially Determined Contribution*</u> [b]	<u>Actual Contribution*</u> [c]	<u>Contribution Deficiency (Excess)</u> [d] = [b] - [c]	<u>Covered Payroll</u> [e]	<u>Actual Contribution as a % of Covered Payroll</u> [f]
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
2017	\$ 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</u> [a]	<u>Actuarial Accrued Liability</u> [b]	<u>Total Unfunded Actuarial Accrued Liability</u> [b-a]	<u>Funded Ratio</u> [a/b]	<u>Covered Payroll</u> [c]	<u>UAAL as a % of Covered Payroll</u> [[b-a]/c]
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%
2017	6/30/2016	-	12,022,271	12,022,271	0.0%	38,292,624	31.4%



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.

Visit Grand Junction (f.k.a. 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 proactively market the Grand Junction area and promote 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 from 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.

Conservatio 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 Project Funds

Capital project 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 Improvement Fund ~ to account for the financing and construction of projected financed completely or partially with the $\frac{3}{4}$ percent portion of the City's 2- $\frac{3}{4}$ percent sales and use tax. The $\frac{3}{4}$ percent portion is currently dedicated to general capital improvements,

economic development and debt service on the sales tax improvement bond issue and the public safety building certificated 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, 2017

	Special Revenue				
	Visit Grand Junction	Enhanced 911	Parkland Expansion	Conservation Trust	Community Development
ASSETS					
Cash and investments	\$ 126,810	\$ 2,441,014	\$ 239,613	\$ 100,886	\$ -
Accounts receivable	3,694	376,650	1,900	-	-
Taxes receivable	136,811	-	-	-	-
Intergovernmental receivable	-	5,167	-	-	64,798
Prepays	18,109	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Total assets	<u>\$ 285,424</u>	<u>\$ 2,822,831</u>	<u>\$ 241,513</u>	<u>\$ 100,886</u>	<u>\$ 64,798</u>
LIABILITIES					
Accounts payable	31,996	-	-	-	64,798
Accrued liabilities	4,390	-	-	-	-
Unearned revenue	25,000	-	-	-	-
Total liabilities	<u>61,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,798</u>
FUND BALANCES					
Nonspendable:					
Inventories and prepaids	\$ 18,109	\$ -	\$ -	\$ -	\$ -
Permanent fund principal	-	-	-	-	-
Restricted for:					
Debt service	-	-	-	-	-
Parks and recreation	-	-	-	100,886	-
Public safety	-	2,822,831	-	-	-
Capital projects	-	-	-	-	-
Committed to:					
Open space	-	-	241,513	-	-
Tourism and convention	205,929	-	-	-	-
Total fund balances	<u>224,038</u>	<u>2,822,831</u>	<u>241,513</u>	<u>100,886</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 285,424</u>	<u>\$ 2,822,831</u>	<u>\$ 241,513</u>	<u>\$ 100,886</u>	<u>\$ 64,798</u>

Debt Service		Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJ Public Finance	Storm Drainage Development	Cemetery Perpetual Care	
\$ 17,112	\$ 3,860	\$ 29,506	\$ 1,413,796	\$ 4,372,597
-	-	-	508	382,752
-	-	-	-	136,811
-	-	-	-	69,965
-	-	-	-	18,109
-	5,577	-	-	5,577
<u>\$ 17,112</u>	<u>\$ 9,437</u>	<u>\$ 29,506</u>	<u>\$ 1,414,304</u>	<u>\$ 4,985,811</u>
-	-	553	-	97,347
-	-	-	-	4,390
-	-	-	-	25,000
-	-	553	-	126,737
\$ -	\$ -	\$ -	\$ -	\$ 18,109
-	-	-	1,414,304	1,414,304
17,112	9,437	-	-	26,549
-	-	-	-	100,886
-	-	-	-	2,822,831
-	-	28,953	-	28,953
-	-	-	-	241,513
-	-	-	-	205,929
<u>17,112</u>	<u>9,437</u>	<u>28,953</u>	<u>1,414,304</u>	<u>4,859,074</u>
<u>\$ 17,112</u>	<u>\$ 9,437</u>	<u>\$ 29,506</u>	<u>\$ 1,414,304</u>	<u>\$ 4,985,811</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, 2017

	Special Revenue				
	Visit Grand Junction	Enhanced 911	Parkland Expansion	Conservation Trust	Community Development
REVENUES					
Sales, use and lodging taxes	\$ 2,175,654	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	631,796	434,351
Charges for services	10,871	2,356,109	-	-	-
Investment earnings	-	24,858	5,337	5,702	-
Other income	543	-	249,651	-	-
Total revenues	<u>2,187,068</u>	<u>2,380,967</u>	<u>254,988</u>	<u>637,498</u>	<u>434,351</u>
EXPENDITURES					
Current:					
General government	1,924,507	-	-	-	-
Urban development and housing	-	-	-	-	186,241
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay:					
Construction	-	-	-	-	-
Total expenditures	<u>1,924,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,241</u>
Excess (deficiency) of revenues over (under) expenditures	262,561	2,380,967	254,988	637,498	248,110
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	<u>(222,469)</u>	<u>(2,173,808)</u>	<u>(601,115)</u>	<u>(1,002,103)</u>	<u>(248,110)</u>
Total other financing sources and (uses)	<u>1,964,599</u>	<u>207,159</u>	<u>(346,127)</u>	<u>(364,605)</u>	<u>186,241</u>
Net change in fund balance	40,092	207,159	(346,127)	(364,605)	-
Fund balances - beginning	183,946	2,615,672	587,640	465,491	-
Fund balances - ending	<u>\$ 224,038</u>	<u>\$ 2,822,831</u>	<u>\$ 241,513</u>	<u>\$ 100,886</u>	<u>\$ -</u>

Debt Service		Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJ Public Finance	Storm Drainage Development	Cemetery Perpetual Care	
\$ -	\$ -	\$ -	\$ -	\$ 2,175,654
-	-	-	-	1,066,147
-	-	-	22,654	2,389,634
151	5,597	-	12,220	53,865
-	300,000	22,716	-	572,910
<u>151</u>	<u>305,597</u>	<u>22,716</u>	<u>34,874</u>	<u>6,258,210</u>
-	1,500	553	-	1,926,560
-	-	-	-	186,241
-	230,000	-	-	230,000
-	298,650	-	-	298,650
-	-	120,853	-	120,853
-	<u>530,150</u>	<u>121,406</u>	<u>-</u>	<u>2,762,304</u>
151	(224,553)	(98,690)	34,874	3,495,906
-	230,150	124,320	-	354,470
-	-	-	(13,000)	(4,260,605)
<u>151</u>	<u>535,747</u>	<u>147,036</u>	<u>21,874</u>	<u>2,352,075</u>
151	5,597	25,630	21,874	(410,229)
16,961	3,840	3,323	1,392,430	5,269,303
<u>\$ 17,112</u>	<u>\$ 9,437</u>	<u>\$ 28,953</u>	<u>\$ 1,414,304</u>	<u>\$ 4,859,074</u>

City of Grand Junction, Colorado
VISIT GRAND JUNCTION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Sales, use and lodging taxes	\$ 2,182,047	\$ 2,169,949	\$ 2,175,654	\$ 5,705
Charges for services	10,000	10,000	10,871	871
Other income	-	-	543	543
Total revenues	<u>2,192,047</u>	<u>2,179,949</u>	<u>2,187,068</u>	<u>7,119</u>
EXPENDITURES				
Current:				
General government	1,976,453	1,931,072	1,924,507	6,565
Capital outlay:				
Construction	20,000	23,713	-	23,713
Total expenditures	<u>1,996,453</u>	<u>1,954,785</u>	<u>1,924,507</u>	<u>30,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>195,594</u>	<u>225,164</u>	<u>262,561</u>	<u>37,397</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(222,469)</u>	<u>(222,469)</u>	<u>(222,469)</u>	<u>-</u>
Net change in fund balance	(26,875)	2,695	40,092	37,397
Fund balances - beginning	183,946	183,946	183,946	-
Fund balances - ending	<u>\$ 157,071</u>	<u>\$ 186,641</u>	<u>\$ 224,038</u>	<u>\$ 37,397</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, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,420,600	\$ 2,420,600	\$ 2,356,109	\$ (64,491)
Investment earnings	25,000	32,000	24,858	(7,142)
Total revenues	<u>2,445,600</u>	<u>2,452,600</u>	<u>2,380,967</u>	<u>(71,633)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(3,156,508)</u>	<u>(2,396,159)</u>	<u>(2,173,808)</u>	<u>222,351</u>
Net change in fund balance	(710,908)	56,441	207,159	150,718
Fund balances - beginning	2,615,672	2,615,672	2,615,672	-
Fund balances - ending	<u>\$ 1,904,764</u>	<u>\$ 2,672,113</u>	<u>\$ 2,822,831</u>	<u>\$ 150,718</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, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 1,500	\$ 6,800	\$ 5,337	\$ (1,463)
Other income	135,000	135,000	249,651	114,651
Total revenues	<u>136,500</u>	<u>141,800</u>	<u>254,988</u>	<u>113,188</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(601,115)	(601,115)	(601,115)	-
Net change in fund balance	(464,615)	(459,315)	(346,127)	113,188
Fund balances - beginning	587,640	587,640	587,640	-
Fund balances - ending	<u>\$ 123,025</u>	<u>\$ 128,325</u>	<u>\$ 241,513</u>	<u>\$ 113,188</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, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 624,000	\$ 624,000	\$ 631,796	\$ 7,796
Investment earnings	1,000	6,900	5,702	(1,198)
Total revenues	<u>625,000</u>	<u>630,900</u>	<u>637,498</u>	<u>6,598</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,002,829)	(1,002,829)	(1,002,103)	726
Net change in fund balance	(377,829)	(371,929)	(364,605)	7,324
Fund balances - beginning	465,491	465,491	465,491	-
Fund balances - ending	<u>\$ 87,662</u>	<u>\$ 93,562</u>	<u>\$ 100,886</u>	<u>\$ 7,324</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, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 518,843	\$ 518,843	\$ 434,351	\$ (84,492)
Total revenues	<u>518,843</u>	<u>518,843</u>	<u>434,351</u>	<u>(84,492)</u>
EXPENDITURES				
Current:				
Urban development and housing	<u>254,145</u>	<u>254,145</u>	<u>186,241</u>	<u>67,904</u>
Excess (deficiency) of revenues over (under) expenditures	<u>264,698</u>	<u>264,698</u>	<u>248,110</u>	<u>(16,588)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(264,698)</u>	<u>(264,698)</u>	<u>(248,110)</u>	<u>16,588</u>
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Grand Junction, Colorado
RIDGES DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 151	\$ 151
Total revenues	-	-	151	151
Net change in fund balance	-	-	151	151
Fund balances - beginning	16,961	16,961	16,961	-
Fund balances - ending	\$ 16,961	\$ 16,961	\$ 17,112	\$ 151

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, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 5,597	\$ 5,597
Other income	300,000	300,000	300,000	-
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>305,597</u>	<u>5,597</u>
EXPENDITURES				
Current:				
General government	1,510	1,510	1,500	10
Debt service:				
Principal retirement	230,000	230,000	230,000	-
Interest and fiscal charges	298,650	298,650	298,650	-
Total expenditures	<u>530,160</u>	<u>530,160</u>	<u>530,150</u>	<u>10</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(230,160)</u>	<u>(230,160)</u>	<u>(224,553)</u>	<u>5,607</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	230,155	230,155	230,150	(5)
Net change in fund balance	(5)	(5)	5,597	5,602
Fund balances - beginning	3,840	3,840	3,840	-
Fund balances - ending	<u>\$ 3,835</u>	<u>\$ 3,835</u>	<u>\$ 9,437</u>	<u>\$ 5,602</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, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 698,727	\$ 698,727	\$ 719,326	\$ 20,599
Investment earnings	-	-	1,982	1,982
Total revenues	<u>698,727</u>	<u>698,727</u>	<u>721,308</u>	<u>22,581</u>
EXPENDITURES				
Current:				
General government	3,010	3,010	3,000	10
Debt service:				
Principal retirement	3,460,000	3,460,000	3,460,000	-
Interest and fiscal charges	<u>3,421,885</u>	<u>3,421,885</u>	<u>3,421,885</u>	<u>-</u>
Total expenditures	<u>6,884,895</u>	<u>6,884,895</u>	<u>6,884,885</u>	<u>10</u>
Excess (deficiency) of revenues over (under) expenditures	(6,186,168)	(6,186,168)	(6,163,577)	22,591
OTHER FINANCING SOURCES (USES)				
Transfers in	6,186,168	6,188,673	6,163,059	(25,614)
Total other financing sources (uses)	<u>6,186,168</u>	<u>6,188,673</u>	<u>6,163,059</u>	<u>(25,614)</u>
Net change in fund balances	-	2,505	(518)	(3,023)
Fund balances - beginning	946	946	946	-
Fund balances - ending	<u>\$ 946</u>	<u>\$ 3,451</u>	<u>\$ 428</u>	<u>\$ (3,023)</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, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 85,000	\$ 124,000	\$ 139,251	\$ 15,251
Total revenues	<u>85,000</u>	<u>124,000</u>	<u>139,251</u>	<u>15,251</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,105,078	1,090,277	1,090,277	-
Transfers out	-	(3,750,000)	(3,205,166)	544,834
Total other financing sources (uses)	<u>1,105,078</u>	<u>(2,659,723)</u>	<u>(2,114,889)</u>	<u>544,834</u>
Net change in fund balances	1,190,078	(2,535,723)	(1,975,638)	560,085
Fund balances - beginning	11,205,012	11,205,012	11,205,012	-
Fund balances - ending	<u>\$ 12,395,090</u>	<u>\$ 8,669,289</u>	<u>\$ 9,229,374</u>	<u>\$ 560,085</u>

City of Grand Junction, Colorado
SALES TAX CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Sales, use and lodging taxes	\$ 11,695,558	\$ 11,670,558	\$ 12,603,898	\$ 933,340
Intergovernmental	1,778,436	1,803,204	1,762,073	(41,131)
Charges for services	30,000	30,000	84,689	54,689
Special assessments	9,700	9,700	8,216	(1,484)
Investment earnings	-	-	1,381	1,381
Other contributions	492,001	643,001	646,430	3,429
Total revenues	<u>14,005,695</u>	<u>14,156,463</u>	<u>15,106,687</u>	<u>950,224</u>
EXPENDITURES				
Capital outlay:				
Construction	7,557,523	12,440,616	10,912,253	1,528,363
Total expenditures	<u>7,557,523</u>	<u>12,440,616</u>	<u>10,912,253</u>	<u>1,528,363</u>
Excess (deficiency) of revenues over (under) expenditures	6,448,172	1,715,847	4,194,434	2,478,587
OTHER FINANCING SOURCES (USES)				
Transfers in	1,443,487	5,193,487	4,551,717	(641,770)
Transfers out	(8,091,246)	(8,245,495)	(8,057,656)	187,839
Total other financing sources (uses)	<u>(6,647,759)</u>	<u>(3,052,008)</u>	<u>(3,505,939)</u>	<u>(453,931)</u>
Net change in fund balances	(199,587)	(1,336,161)	688,495	2,024,656
Fund balances - beginning	956,296	956,296	956,296	-
Fund balances - ending	<u>\$ 756,709</u>	<u>\$ (379,865)</u>	<u>\$ 1,644,791</u>	<u>\$ 2,024,656</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, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Development fees	\$ -	\$ 16,000	\$ 22,716	\$ 6,716
Total revenues	-	16,000	22,716	6,716
EXPENDITURES				
Current:				
General government	-	-	553	(553)
Capital outlay:				
Construction	150,000	226,400	120,853	105,547
Total expenditures	150,000	226,400	121,406	104,994
Excess (deficiency) of revenues over (under) expenditures	(150,000)	(210,400)	(98,690)	111,710
OTHER FINANCING SOURCES (USES)				
Transfers in	150,000	226,400	124,320	(102,080)
Net change in fund balance	-	16,000	25,630	9,630
Fund balances - beginning	3,323	3,323	3,323	-
Fund balances - ending	\$ 3,323	\$ 19,323	\$ 28,953	\$ 9,630

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, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Development fees	\$ 1,200,000	\$ 1,200,000	\$ 1,614,878	\$ 414,878
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,614,878</u>	<u>414,878</u>
EXPENDITURES				
Current:				
General government	-	-	13,160	(13,160)
Capital outlay:				
Construction	3,155,000	3,155,000	3,071,994	83,006
Total expenditures	<u>3,155,000</u>	<u>3,155,000</u>	<u>3,085,154</u>	<u>69,846</u>
Net change in fund balances	(1,955,000)	(1,955,000)	(1,470,276)	484,724
Fund balances - beginning	2,378,164	2,378,164	2,378,164	-
Fund balances - ending	<u>\$ 423,164</u>	<u>\$ 423,164</u>	<u>\$ 907,888</u>	<u>\$ 484,724</u>

City of Grand Junction, Colorado
CEMETERY PERPETUAL CARE PERMANENT TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Perpetual care revenue	\$ 20,000	\$ 20,000	\$ 22,654	\$ 2,654
Investment earnings	13,000	13,000	12,220	(780)
Total revenues	<u>33,000</u>	<u>33,000</u>	<u>34,874</u>	<u>1,874</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(13,000)</u>	<u>(13,000)</u>	<u>(13,000)</u>	<u>-</u>
Net change in fund balance	20,000	20,000	21,874	1,874
Fund balances - beginning	1,396,254	1,396,254	1,392,430	(3,824)
Fund balances - ending	<u>\$ 1,416,254</u>	<u>\$ 1,416,254</u>	<u>\$ 1,414,304</u>	<u>\$ (1,950)</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

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 workers' compensation, property and liability, health and retiree health insurance coverage, as well as 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, 2017

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,063,156	\$ 111,346	\$ 1,174,502
Accounts receivable, net of allowance	502,557	30,929	533,486
Total current assets	<u>1,565,713</u>	<u>142,275</u>	<u>1,707,988</u>
Noncurrent assets:			
Capital assets:			
Buildings, improvements, plant and system	249,750	3,435,807	3,685,557
Equipment	1,056,016	20,310	1,076,326
Less accumulated depreciation	<u>(1,039,259)</u>	<u>(2,966,636)</u>	<u>(4,005,895)</u>
Total capital assets (net of accumulated depreciation)	<u>266,507</u>	<u>489,481</u>	<u>755,988</u>
Total noncurrent assets	<u>266,507</u>	<u>489,481</u>	<u>755,988</u>
Total assets	<u>1,832,220</u>	<u>631,756</u>	<u>2,463,976</u>
LIABILITIES			
Current liabilities:			
Accounts payable	116,536	5,455	121,991
Compensated absences payable	4,010	760	4,770
Due to other funds	91,958	-	91,958
Total current liabilities	<u>212,504</u>	<u>6,215</u>	<u>218,719</u>
Noncurrent liabilities:			
Compensated absences payable	62,693	11,872	74,565
Advances from other funds - general fund	406,670	-	406,670
Total noncurrent liabilities	<u>469,363</u>	<u>11,872</u>	<u>481,235</u>
Total liabilities	<u>681,867</u>	<u>18,087</u>	<u>699,954</u>
NET POSITION			
Net investment in capital assets	266,507	489,481	755,988
Unrestricted	883,846	124,188	1,008,034
Total net position	<u>\$ 1,150,353</u>	<u>\$ 613,669</u>	<u>\$ 1,764,022</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, 2017

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
Operating revenues:			
Charges for sales and services, net of allowances	\$ 3,993,456	\$ 254,711	\$ 4,248,167
Operating expenses:			
Personnel services	1,112,472	95,964	1,208,436
Costs of sales and services	2,702,722	160,554	2,863,276
Depreciation and amortization	48,698	88,330	137,028
Total operating expenses	3,863,892	344,848	4,208,740
Operating income (loss)	129,564	(90,137)	39,427
Nonoperating revenues:			
Investment income	9,758	940	10,698
Total nonoperating revenues	9,758	940	10,698
Income (loss) before contributions and transfers	139,322	(89,197)	50,125
Capital contributions - tap fees	-	1,560	1,560
Change in net position	139,322	(87,637)	51,685
Net position - beginning	1,011,031	701,306	1,712,337
Net position - ending	\$ 1,150,353	\$ 613,669	\$ 1,764,022

City of Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the year ended December 31, 2017

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
	Removal	Irrigation	Total
Cash flows from operating activities:			
Cash received from customers and users	\$ 3,958,007	\$ 253,768	\$ 4,211,775
Cash paid to interfund	(1,249,547)	(121,108)	(1,370,655)
Cash paid to suppliers	(1,429,263)	(34,474)	(1,463,737)
Cash paid to employees	(1,108,780)	(97,087)	(1,205,867)
Net cash provided by operating activities	<u>170,417</u>	<u>1,099</u>	<u>171,516</u>
Cash flows from noncapital financing activities:			
Increase in amount due other funds	<u>2,417</u>	-	<u>2,417</u>
Net cash provided by noncapital financing activities	<u>2,417</u>	-	<u>2,417</u>
Cash flows from capital and related financing activities:			
Tap fees	-	1,560	1,560
Repayment of interfund capital loans	(91,958)	-	(91,958)
Purchase of capital assets	-	-	-
Net cash (used) in capital and related financing activities	<u>(91,958)</u>	<u>1,560</u>	<u>(90,398)</u>
Cash flows from investing activities:			
Investment income received	<u>9,758</u>	<u>940</u>	<u>10,698</u>
Net cash provided by investing activities	<u>9,758</u>	<u>940</u>	<u>10,698</u>
Net increase in cash and cash equivalents	90,634	3,599	94,233
Cash and cash equivalents, January 1	972,522	107,747	1,080,269
Cash and cash equivalents, December 31	<u>\$ 1,063,156</u>	<u>\$ 111,346</u>	<u>\$ 1,174,502</u>
Reconciliation of Operating Income (loss) to Net cash Provided by Operating Activities:			
Operating income (loss)	\$ 129,564	\$ (90,137)	\$ 39,427
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	48,698	88,330	137,028
(Increase) decrease in accounts receivable	(35,449)	(943)	(36,392)
Increase (decrease) in accounts payable	23,912	4,972	28,884
Increase (decrease) in accrued liabilities and compensated absences payable	3,692	(1,123)	2,569
Total adjustments	<u>40,853</u>	<u>91,236</u>	<u>132,089</u>
Net cash provided by operating activities	<u>\$ 170,417</u>	<u>\$ 1,099</u>	<u>\$ 171,516</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2017

	Data Processing	Equipment	Self- Insurance	Communication s Center	Facilities Management	Total
ASSETS						
Current assets:						
Cash and investments	\$ 2,980,604	\$ 2,927,057	\$ 5,328,178	\$ 651,036	\$ 490,150	\$ 12,377,025
Accounts receivable, net of allowance	1,330	11,820	15,105	123	39,486	67,864
Intergovernmental receivable	-	49,761	-	6,312	-	56,073
Prepaid items	2,479	-	-	5,049	-	7,528
Total current assets	<u>2,984,413</u>	<u>2,988,638</u>	<u>5,343,283</u>	<u>662,520</u>	<u>529,636</u>	<u>12,508,490</u>
Noncurrent assets:						
Capital assets:						
Buildings, improvements, plant and system	321,639	3,319,363	-	13,700	184,210	3,838,912
Equipment	6,135,998	24,075,575	-	10,446,633	174,527	40,832,733
Less accumulated depreciation	<u>(4,490,216)</u>	<u>(15,293,190)</u>	<u>-</u>	<u>(7,474,236)</u>	<u>(41,697)</u>	<u>(27,299,339)</u>
Total capital assets (net of accumulated depreciation)	<u>1,967,421</u>	<u>12,101,748</u>	<u>-</u>	<u>2,986,097</u>	<u>317,040</u>	<u>17,372,306</u>
Total assets	<u>4,951,834</u>	<u>15,090,386</u>	<u>5,343,283</u>	<u>3,648,617</u>	<u>846,676</u>	<u>29,880,796</u>
LIABILITIES						
Current liabilities:						
Accounts payable	179,299	197,037	96,455	14,593	182,355	669,739
Compensated absences payable	9,695	4,114	1,320	15,461	1,663	32,253
Claims payable	-	-	2,249,491	-	-	2,249,491
Total current liabilities	<u>188,994</u>	<u>201,151</u>	<u>2,347,266</u>	<u>30,054</u>	<u>184,018</u>	<u>2,951,483</u>
Noncurrent liabilities:						
Compensated absences payable	151,561	64,327	20,649	241,700	26,005	504,242
Claims payable	-	-	1,051,407	-	-	1,051,407
Total noncurrent liabilities	<u>151,561</u>	<u>64,327</u>	<u>1,072,056</u>	<u>241,700</u>	<u>26,005</u>	<u>1,555,649</u>
Total liabilities	<u>340,555</u>	<u>265,478</u>	<u>3,419,322</u>	<u>271,754</u>	<u>210,023</u>	<u>4,507,132</u>
NET POSITION						
Net investment in capital assets	1,967,421	12,101,748	-	2,986,097	317,040	17,372,306
Restricted for:						
Public safety	185,598	-	-	-	-	185,598
Assigned to:						
Retiree health benefits	-	-	937,648	-	-	937,648
Unrestricted	<u>2,458,260</u>	<u>2,723,160</u>	<u>986,313</u>	<u>390,766</u>	<u>319,613</u>	<u>6,878,112</u>
Total net position	<u>\$ 4,611,279</u>	<u>\$ 14,824,908</u>	<u>\$ 1,923,961</u>	<u>\$ 3,376,863</u>	<u>\$ 636,653</u>	<u>\$ 25,373,664</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, 2017

	Data Processing	Equipment	Self- Insurance	Communications Center	Facilities Management	Total
Operating revenues:						
Charges for sales and services	\$ 6,402,428	\$ 5,880,123	\$ 2,749,458	\$ 4,758,621	\$ 2,631,276	\$ 22,421,906
Other income	33,600	2,895	38,701	18,619	23,256	117,071
Total operating revenues	<u>6,436,028</u>	<u>5,883,018</u>	<u>2,788,159</u>	<u>4,777,240</u>	<u>2,654,532</u>	<u>22,538,977</u>
Operating expenses:						
Personnel services	2,020,342	1,062,279	694,540	4,074,065	458,261	8,309,487
Costs of sales and services	3,203,401	2,212,347	4,259,564	1,644,766	2,167,353	13,487,431
Depreciation and amortization	875,507	2,169,231	-	1,060,260	23,406	4,128,404
Total operating expenses	<u>6,099,250</u>	<u>5,443,857</u>	<u>4,954,104</u>	<u>6,779,091</u>	<u>2,649,020</u>	<u>25,925,322</u>
Operating income (loss)	<u>336,778</u>	<u>439,161</u>	<u>(2,165,945)</u>	<u>(2,001,851)</u>	<u>5,512</u>	<u>(3,386,345)</u>
Nonoperating revenues (expenses):						
Intergovernmental	-	57,912	-	461	-	58,373
Investment income	17,979	9,438	49,184	-	-	76,601
Gain (loss) on disposition of property and equipment	<u>(2,245)</u>	<u>256,514</u>	<u>-</u>	<u>(11,599)</u>	<u>-</u>	<u>242,670</u>
Total nonoperating revenues (expenses)	<u>15,734</u>	<u>323,864</u>	<u>49,184</u>	<u>(11,138)</u>	<u>-</u>	<u>377,644</u>
Income (loss) before contributions and transfers	352,512	763,025	(2,116,761)	(2,012,989)	5,512	(3,008,701)
Transfers in	<u>-</u>	<u>-</u>	<u>937,648</u>	<u>1,673,808</u>	<u>117,373</u>	<u>2,728,829</u>
Change in net position	352,512	763,025	(1,179,113)	(339,181)	122,885	(279,872)
Net position - beginning	<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>
Net position - ending	<u>\$ 4,611,279</u>	<u>\$ 14,824,908</u>	<u>\$ 1,923,961</u>	<u>\$ 3,376,863</u>	<u>\$ 636,653</u>	<u>\$ 25,373,664</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended December 31, 2017

	Data		Self -	Communications	Facilities	
	Processing	Equipment	Insurance	Center	Management	Total
Cash flows from operating activities:						
Cash received from interfund	\$ 6,319,766	\$ 5,116,253	\$ 2,366,046	\$ 2,754,591	\$ 2,631,276	\$ 19,187,932
Cash received from customers and users	81,332	778,219	383,412	2,002,544	-	3,245,507
Cash paid to interfund	(339,049)	(211,304)	(18,512)	(1,255,937)	(153,920)	(1,978,722)
Cash paid to suppliers	(2,741,876)	(1,993,289)	(2,995,490)	(394,552)	(1,957,646)	(10,082,853)
Cash paid to employees	(2,020,128)	(1,061,662)	(695,901)	(4,070,788)	(458,259)	(8,306,738)
Miscellaneous receipts	33,600	2,895	28,742	18,619	(15,115)	68,741
Net cash provided (used) by operating activities	1,333,645	2,631,112	(931,703)	(945,523)	46,336	2,133,867
Cash flows from noncapital financing activities:						
Transfers from other funds	-	-	937,648	1,673,808	117,373	2,728,829
Transfers to other funds	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	461	-	461
Net cash provided (used) by noncapital financing activities	-	-	937,648	1,674,269	117,373	2,729,290
Cash flows from capital and related financing activities:						
Intergovernmental receipts	-	57,912	-	-	-	57,912
Proceeds from disposition of capital assets	-	245,923	-	-	-	245,923
Purchase of capital assets	(814,759)	(807,901)	-	(208,985)	(156,038)	(1,987,683)
Net cash used in capital and related financing activities	(814,759)	(504,066)	-	(208,985)	(156,038)	(1,683,848)
Cash flows from investing activities:						
Investment income received	17,979	9,438	49,184	-	-	76,601
Net cash provided by investing activities	17,979	9,438	49,184	-	-	76,601
Net increase in cash and cash equivalents	536,865	2,136,484	55,129	519,761	7,671	3,255,910
Cash and cash equivalents, January 1	2,443,739	790,573	5,273,049	131,275	482,479	9,121,115
Cash and cash equivalents, December 31	\$ 2,980,604	\$ 2,927,057	\$ 5,328,178	\$ 651,036	\$ 490,150	\$ 12,377,025
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 336,778	\$ 439,161	\$ (2,165,945)	\$ (2,001,851)	\$ 5,512	\$ (3,386,345)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	875,507	2,169,231	-	1,060,260	23,406	4,128,404
(Increase) decrease in accounts receivable	(1,330)	14,349	(9,959)	(1,486)	(38,371)	(36,797)
(Increase) decrease in prepaid items	13,462	1,041	4,954	(870)	-	18,587
Increase (decrease) in accounts payable	107,694	67,201	(103,384)	(24,477)	55,787	102,821
Increase (decrease) in claims payable	-	-	1,343,992	-	-	1,343,992
Increase (decrease) in accrued wages and compensated absences payable	214	617	(1,361)	3,277	2	2,749
Increase (decrease) in deferred revenues	-	-	-	-	-	-
(Increase) decrease in accounts payable due to purchase of capital assets on account	1,320	(60,488)	-	19,624	-	(39,544)
Total adjustments	996,867	2,191,951	1,234,242	1,056,328	40,824	5,520,212
Net cash provided (used) by operating activities	\$ 1,333,645	\$ 2,631,112	\$ (931,703)	\$ (945,523)	\$ 46,336	\$ 2,133,867
Noncash Investing, Capital and Financing Activities						
Purchase of capital assets on account	\$ -	\$ 63,488	\$ -	\$ -	\$ -	\$ 63,488
Net book value of capital assets traded in on capital assets acquired	-	11,333	-	-	-	11,333
Trade in value of disposed assets	-	37,001	-	-	-	37,001
Intergovernmental receipts from noncapital financing activities	-	-	-	461	-	461



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, 2017

	Mesa County Valley School District 51 SLD Fee	General Trust	Total
ASSETS			
Cash and cash equivalents	\$ 145,585	\$ 468	\$ 146,053
NET POSITION HELD IN TRUST FOR			
Individuals, organizations and others	\$ 145,585	\$ 468	\$ 146,053

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
For the year ended December 31, 2017

	Mesa County Valley School District 51 SLD Fee	General Trust	Total
ADDITIONS			
Additions by participants	\$ 278,120	\$ -	\$ 278,120
Interest income (loss)	1,688	-	1,688
Total additions	<u>279,808</u>	<u>-</u>	<u>279,808</u>
DEDUCTIONS			
Distributions to participants	244,978	-	244,978
Administrative expenses	7,576	-	7,576
Total deductions	<u>252,554</u>	<u>-</u>	<u>252,554</u>
Change in net position	27,254	-	27,254
Net position - beginning	118,331	468	118,799
Net position - ending	<u>\$ 145,585</u>	<u>\$ 468</u>	<u>\$ 146,053</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS

For the year ended December 31, 2017

	Balance Beginning	Additions	Deletions	Balance Ending
<u>PARK IMPROVEMENT ADVISORY BOARD</u>				
ASSETS				
Cash and investments	\$ 240,261	\$ 185,313	\$ 318,994	\$ 106,580
LIABILITIES				
Accounts payable	\$ -	\$ 50,969	\$ 50,969	\$ -
Due to other governments	240,261	134,344	268,025	106,580
Total liabilities	<u>\$ 240,261</u>	<u>\$ 185,313</u>	<u>\$ 318,994</u>	<u>\$ 106,580</u>
<u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ 325,166	\$ 244,037	\$ 213,164	\$ 356,039
LIABILITIES				
Due to other governments	\$ 325,166	\$ 244,037	\$ 213,164	\$ 356,039
<u>DOWNTOWN BUSINESS IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ 25,202	\$ 422,431	\$ 405,844	\$ 41,789
Accounts receivable, net of allowance	2,225	-	2,225	-
Total assets	<u>\$ 27,427</u>	<u>\$ 422,431</u>	<u>\$ 408,069</u>	<u>\$ 41,789</u>
LIABILITIES				
Accounts payable	\$ 14,717	\$ 264,613	\$ 262,150	\$ 17,180
Due to other governments	12,710	157,818	145,919	24,609
Total liabilities	<u>\$ 27,427</u>	<u>\$ 422,431</u>	<u>\$ 408,069</u>	<u>\$ 41,789</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 590,629	\$ 851,781	\$ 938,002	\$ 504,408
Accounts receivable, net of allowance	2,225	-	2,225	-
Total assets	<u>\$ 592,854</u>	<u>\$ 851,781</u>	<u>\$ 940,227</u>	<u>\$ 504,408</u>
LIABILITIES				
Accounts payable	\$ 14,717	\$ 315,582	\$ 313,119	\$ 17,180
Due to other governments	578,137	536,199	627,108	487,228
Total liabilities	<u>\$ 592,854</u>	<u>\$ 851,781</u>	<u>\$ 940,227</u>	<u>\$ 504,408</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, 2017

	DDA Operations Special Revenue Fund	DDA TIF Debt Service Fund	Capital Improvements Capital Project Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 674,930	\$ 2,188,141	\$ 4,826,103	\$ 7,689,174
Property taxes receivable	241,346	1,249,945	-	1,491,291
Accounts receivable	440	-	-	440
Total assets	<u>916,716</u>	<u>3,438,086</u>	<u>4,826,103</u>	<u>9,180,905</u>
LIABILITIES				
Accounts payable	2,104	-	10,081	12,185
Compensated absences payable	750	-	20	770
Total liabilities	<u>2,854</u>	<u>-</u>	<u>10,101</u>	<u>12,955</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	241,346	1,249,945	-	1,491,291
Total deferred inflows of resources	<u>241,346</u>	<u>1,249,945</u>	<u>-</u>	<u>1,491,291</u>
FUND BALANCES				
Restricted for:				
Debt service	-	2,188,141	-	2,188,141
Legends historical sculptures project	5,719	-	-	5,719
Urban development and housing	666,797	-	4,816,002	5,482,799
Total fund balances	<u>672,516</u>	<u>2,188,141</u>	<u>4,816,002</u>	<u>7,676,659</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 916,716</u>	<u>\$ 3,438,086</u>	<u>\$ 4,826,103</u>	

Amounts reported for the Component Unit - Downtown Development Authority on the statement of net position (page 30) are different because:

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

4,855,828

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	\$ (9,120,000)	
Accrued interest payable	(12,342)	
Compensated absences	<u>(12,034)</u>	(9,144,376)

Net position - Component Unit - Downtown Development Authority (page 30)

\$ 3,388,111

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, 2017

	DDA Operations Special Revenue Fund	DDA TIF Debt Service Fund	Capital Improvements Capital Project Fund	Total Governmental Funds
REVENUES				
Taxes	\$ 295,390	\$ 1,266,032	\$ -	\$ 1,561,422
Intergovernmental	12,697	170,308	-	183,005
Charges for services	590	-	-	590
Miscellaneous	31,637	-	16,200	47,837
Investment income	6,364	16,316	5,720	28,400
Total revenues	<u>346,678</u>	<u>1,452,656</u>	<u>21,920</u>	<u>1,821,254</u>
EXPENDITURES				
Current:				
Urban development and housing	334,919	22,372	-	357,291
Debt service:				
Principal retirement	-	5,620,000	-	5,620,000
Interest and fiscal charges	-	226,655	-	226,655
Bond issuance costs	-	52,500	-	52,500
Capital outlay	-	-	658,184	658,184
Total expenditures	<u>334,919</u>	<u>5,921,527</u>	<u>658,184</u>	<u>6,914,630</u>
Excess (deficiency) of revenues over (under) expenditures	11,759	(4,468,871)	(636,264)	(5,093,376)
OTHER FINANCING SOURCES				
Note proceeds	-	4,710,226	5,409,774	10,120,000
Sale of capital assets	2,569	-	117,650	120,219
Total other financing sources	<u>2,569</u>	<u>4,710,226</u>	<u>5,527,424</u>	<u>10,240,219</u>
Net change in fund balances	14,328	241,355	4,891,160	5,146,843
Fund balances - beginning	658,188	1,946,786	(75,158)	2,529,816
Fund balances - ending	<u>\$ 672,516</u>	<u>\$ 2,188,141</u>	<u>\$ 4,816,002</u>	<u>\$ 7,676,659</u>

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

Net change in fund balances - total governmental funds (above) \$ 5,146,843

Governmental funds report capital outlays as expenditures. However, on 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 of (\$243,282) exceeded capital outlays of \$28,462 in the current period. (214,820)

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. 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:

Issuance of long-term debt	\$ (10,120,000)	
Loan payable paid	1,000,000	
Debt principal payments	4,620,000	
Increase in accrued interest	(2,861)	
		(4,502,861)

Expenditures for compensated absences and longevity are measured by the amount of financial resources used (essentially, the amounts actually paid to employees), whereas in the statement of activities, they are measured as the benefits are earned by employees during the year. (3,953)

Change in net position of the Component Unit - Downtown Development Authority (page 31) \$ 425,209

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
DDA SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 292,863	\$ 292,863	\$ 295,390	\$ 2,527
Intergovernmental	-	-	12,697	12,697
Charges for services	5,000	5,000	590	(4,410)
Miscellaneous	29,300	29,300	31,637	2,337
Investment income	6,800	6,800	6,364	(436)
Total revenues	<u>333,963</u>	<u>333,963</u>	<u>346,678</u>	<u>12,715</u>
EXPENDITURES				
Current:				
Urban development and housing	<u>338,404</u>	<u>357,904</u>	<u>334,919</u>	<u>22,985</u>
Excess (deficiency) of revenues over (under) expenditures	(4,441)	(23,941)	11,759	35,700
OTHER FINANCING SOURCES				
Sale of capital assets	-	-	2,569	2,569
Total other financing sources	<u>-</u>	<u>-</u>	<u>2,569</u>	<u>2,569</u>
Net change in fund balance	(4,441)	(23,941)	14,328	38,269
Fund balances - beginning	658,188	658,188	658,188	-
Fund balances - ending	<u>\$ 653,747</u>	<u>\$ 634,247</u>	<u>\$ 672,516</u>	<u>\$ 38,269</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,301,977	\$ 1,301,977	\$ 1,266,032	\$ (35,945)
Intergovernmental	-	-	170,308	170,308
Investment income	18,000	18,000	16,316	(1,684)
Total revenues	<u>1,319,977</u>	<u>1,319,977</u>	<u>1,452,656</u>	<u>132,679</u>
EXPENDITURES				
Current:				
Urban development and housing	25,500	25,500	22,372	3,128
Debt service:				
Principal retirement	1,185,200	5,620,200	5,620,000	200
Interest and fiscal charges	223,010	223,010	226,655	(3,645)
Bond issuance costs	-	60,000	52,500	7,500
Total expenditures	<u>1,433,710</u>	<u>5,928,710</u>	<u>5,921,527</u>	<u>7,183</u>
Excess (deficiency) of revenues over (under) expenditures	(113,733)	(4,608,733)	(4,468,871)	139,862
OTHER FINANCING SOURCES				
Transfers in	169,859	169,859	-	(169,859)
Tax increment bond proceeds	-	3,995,000	4,710,226	715,226
Total other financing sources	<u>169,859</u>	<u>4,164,859</u>	<u>4,710,226</u>	<u>545,367</u>
Net change in fund balance	56,126	(443,874)	241,355	685,229
Fund balances - beginning	1,946,786	1,946,786	1,946,786	-
Fund balances - ending	<u>\$ 2,002,912</u>	<u>\$ 1,502,912</u>	<u>\$ 2,188,141</u>	<u>\$ 685,229</u>

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
DDA CAPITAL IMPROVEMENTS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 16,200	\$ 16,200
Investment income	-	8,300	5,720	(2,580)
Total revenues	-	8,300	21,920	13,620
EXPENDITURES				
Current:				
Capital outlay	643,738	693,738	658,184	35,554
Excess (deficiency) of revenues over (under) expenditures	(643,738)	(685,438)	(636,264)	49,174
OTHER FINANCING SOURCES				
Tax increment bond proceeds	500,000	7,005,000	5,409,774	(1,595,226)
Sale of capital assets	-	-	117,650	117,650
Total other financing sources	500,000	7,005,000	5,527,424	(1,477,576)
Net change in fund balance	(143,738)	6,319,562	4,891,160	(1,428,402)
Fund balances - beginning	(75,158)	(75,158)	(75,158)	-
Fund balances - ending	\$ (218,896)	\$ 6,244,404	\$ 4,816,002	\$ (1,428,402)



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.	118-127
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the City's largest revenue source, sales tax.	128-134
<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.	135-139
<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.	140-143
<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.	144-145

TABLE 1

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities:					
Net investment in capital assets	\$ 498,158,781	\$ 529,106,956	\$ 555,543,770	\$ 581,854,487	\$ 607,986,872
Restricted	15,726,010	18,544,790	21,495,852	30,951,878	13,618,901
Unrestricted	40,514,664	28,682,910	28,430,021	26,937,580	26,568,548
Total governmental activities net position	<u>\$ 554,399,455</u>	<u>\$ 576,334,656</u>	<u>\$ 605,469,643</u>	<u>\$ 639,743,945</u>	<u>\$ 648,174,321</u>
Business-type activities:					
Net investment in capital assets	\$ 44,539,563	\$ 46,087,527	\$ 47,807,739	\$ 45,541,828	\$ 45,880,136
Restricted	-	-	-	-	-
Unrestricted	(271,321)	(2,881,656)	(4,987,177)	(4,277,701)	(4,545,053)
Total business-type activities net position	<u>\$ 44,268,242</u>	<u>\$ 43,205,871</u>	<u>\$ 42,820,562</u>	<u>\$ 41,264,127</u>	<u>\$ 41,335,083</u>
Primary government:					
Net investment in capital assets	\$ 542,698,344	\$ 575,194,483	\$ 603,351,509	\$ 627,396,315	\$ 653,867,008
Restricted	15,726,010	18,544,790	21,495,852	30,951,878	13,618,901
Unrestricted	40,243,343	25,801,254	23,442,844	22,659,879	22,023,495
Total primary governmental net position	<u>\$ 598,667,697</u>	<u>\$ 619,540,527</u>	<u>\$ 648,290,205</u>	<u>\$ 681,008,072</u>	<u>\$ 689,509,404</u>
Component unit:					
Net investment in capital assets	\$ 5,999,915	\$ 6,222,119	\$ 5,697,948	\$ 4,870,916	\$ 4,295,348
Restricted	3,334,219	2,810,117	1,462,300	1,278,049	955,845
Unrestricted	(5,713,208)	(5,147,792)	(5,468,141)	(6,144,689)	(4,189,009)
Total component unit net position	<u>\$ 3,620,926</u>	<u>\$ 3,884,444</u>	<u>\$ 1,692,107</u>	<u>\$ 4,276</u>	<u>\$ 1,062,184</u>

Source: Current and prior years' financial statements

	2013	2014	2015	2016	2017
\$	617,381,868	\$ 611,760,765	\$ 613,450,583	\$ 619,706,429	\$ 633,903,756
	14,511,996	17,330,295	18,491,942	20,012,395	18,334,955
	23,367,630	19,178,570	17,737,303	14,489,969	15,463,887
\$	<u>655,261,494</u>	<u>648,269,630</u>	<u>649,679,828</u>	<u>654,208,793</u>	<u>667,702,598</u>
\$	45,720,564	\$ 56,207,881	\$ 54,680,110	\$ 53,748,958	\$ 52,901,140
	-	-	-	857,852	-
	(4,148,827)	(3,729,277)	(1,753,775)	(1,460,333)	2,713,093
\$	<u>41,571,737</u>	<u>52,478,604</u>	<u>52,926,335</u>	<u>53,146,477</u>	<u>55,614,233</u>
\$	663,102,432	\$ 667,968,646	\$ 668,130,693	\$ 673,455,387	\$ 686,804,896
	14,511,996	17,330,295	18,491,942	20,870,247	18,334,955
	19,218,803	15,449,293	15,983,528	13,029,636	18,176,980
\$	<u>696,833,231</u>	<u>700,748,234</u>	<u>702,606,163</u>	<u>707,355,270</u>	<u>723,316,831</u>
\$	4,542,743	\$ 3,816,756	\$ 5,211,363	\$ 5,026,241	\$ 4,767,167
	1,890,167	2,508,894	2,801,932	2,529,816	7,676,659
	(6,637,278)	(5,879,286)	(6,245,696)	(4,593,155)	(9,055,715)
\$	<u>(204,368)</u>	<u>446,364</u>	<u>1,767,599</u>	<u>2,962,902</u>	<u>3,388,111</u>

TABLE 2

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

	2008	2009	2010	2011	2012
Expenses					
Governmental activities:					
General government	\$ 16,143,424	\$ 14,022,155	\$ 11,591,395	\$ 12,583,783	\$ 12,735,595
Public safety	32,088,791	32,487,535	33,423,757	33,105,266	41,301,254
Public works	19,680,247	21,353,413	20,728,384	6,512,483	19,980,846
Parks and recreation	7,955,933	8,924,292	8,771,342	8,425,816	10,281,037
Urban development and housing	545,715	572,726	561,457	645,572	477,886
Interest of long-term debt	3,332,614	3,188,419	3,645,322	5,443,771	4,713,532
Total governmental activities expense	<u>79,746,724</u>	<u>80,548,540</u>	<u>78,721,657</u>	<u>66,716,691</u>	<u>89,490,150</u>
Business-type activities:					
Water	5,067,168	5,283,655	5,419,125	4,881,038	5,405,744
Convention center	3,514,396	3,396,100	2,857,866	2,600,896	2,881,584
Solid waste removal	2,907,325	4,196,468	3,462,854	3,113,744	3,179,267
Swimming pools	1,014,976	1,025,401	1,038,563	983,212	-
Golf	2,285,777	2,472,997	2,266,394	2,181,540	2,072,890
Parking	1,829,547	531,711	480,383	415,355	405,744
Irrigation systems	318,708	300,130	306,572	298,694	302,106
Ambulance transport	2,350,943	2,308,421	2,173,362	1,961,509	-
Total business-type activities expense	<u>19,288,840</u>	<u>19,514,883</u>	<u>18,005,119</u>	<u>16,435,988</u>	<u>14,247,335</u>
Total primary government expenses	<u>\$ 99,035,564</u>	<u>\$ 100,063,423</u>	<u>\$ 96,726,776</u>	<u>\$ 83,152,679</u>	<u>\$ 103,737,485</u>
Total component unit expenses	<u>\$ 2,117,208</u>	<u>\$ 2,636,069</u>	<u>\$ 4,826,697</u>	<u>\$ 4,622,211</u>	<u>\$ 1,511,186</u>
Program revenues					
Governmental activities:					
Charge for service:					
General government	\$ 2,929,275	\$ 2,639,601	\$ 3,274,890	\$ 3,224,426	\$ 3,002,193
Public safety	5,895,984	6,406,830	7,104,163	8,071,588	10,741,763
Public works	5,554,332	1,884,073	2,659,523	1,895,207	1,927,747
Parks and recreation	2,286,100	1,423,145	1,461,584	1,456,400	2,069,864
Operating grants and contributions	1,548,954	1,661,118	2,184,680	3,608,414	3,204,209
Capital grants and contributions	63,431,598	23,963,787	26,800,939	12,816,892	9,936,906
Total governmental activities program revenues	<u>81,646,243</u>	<u>37,978,554</u>	<u>43,485,779</u>	<u>31,072,927</u>	<u>30,882,682</u>
Business-type activities:					
Water	5,293,379	5,527,333	5,231,378	4,913,952	5,271,849
Convention center	2,840,966	2,657,327	2,322,730	2,279,695	2,385,684
Solid waste removal	3,051,483	2,976,883	3,251,274	3,324,152	3,311,362
Swimming pools	680,496	760,756	590,332	532,456	-
Golf	2,221,204	2,147,161	1,901,601	1,949,258	1,980,120
Parking	504,766	540,054	412,578	487,517	491,203
Irrigation systems	204,956	212,043	219,820	219,367	216,915
Ambulance transport	2,461,174	2,315,001	2,027,458	2,117,997	-
Operating grants and contributions	-	-	595,361	148,215	85,190
Capital grants and contributions	523,422	406,834	496,259	211,850	221,151
Total business-type activities program revenues	<u>17,781,846</u>	<u>17,543,392</u>	<u>17,048,791</u>	<u>16,184,459</u>	<u>13,963,474</u>
Total primary government program revenues	<u>\$ 99,428,089</u>	<u>\$ 55,521,946</u>	<u>\$ 60,534,570</u>	<u>\$ 47,257,386</u>	<u>\$ 44,846,156</u>
Total component unit program revenues	<u>\$ 712,232</u>	<u>\$ 601,094</u>	<u>\$ 439,960</u>	<u>\$ 752,974</u>	<u>\$ 563,206</u>

	2013	2014	2015	2016	2017
\$	16,206,096	\$ 13,966,239	\$ 14,618,900	\$ 14,100,775	\$ 13,491,151
	40,054,201	42,680,344	44,948,119	47,901,187	45,544,297
	20,093,321	20,025,758	19,900,575	19,564,851	20,417,563
	7,279,163	19,345,400	9,904,241	11,135,606	11,190,650
	591,545	634,827	511,257	512,150	186,241
	3,952,399	3,774,690	3,684,545	3,555,539	3,212,835
	<u>88,176,725</u>	<u>100,427,258</u>	<u>93,567,637</u>	<u>96,770,108</u>	<u>94,042,737</u>
	5,420,503	5,757,132	5,638,750	6,562,089	5,136,974
	2,591,225	2,804,818	2,933,380	3,148,969	1,087,573
	3,130,852	3,231,386	3,336,173	3,563,890	3,892,737
	-	-	-	-	-
	2,064,247	1,928,826	1,934,766	1,926,486	1,881,958
	405,157	421,526	408,248	399,909	455,275
	315,178	325,255	307,312	315,951	347,644
	-	-	-	-	-
	<u>13,927,162</u>	<u>14,468,943</u>	<u>14,558,629</u>	<u>15,917,294</u>	<u>12,802,161</u>
\$	<u>102,103,887</u>	<u>\$ 114,896,201</u>	<u>\$ 108,126,266</u>	<u>\$ 112,687,402</u>	<u>\$ 106,844,898</u>
\$	<u>3,753,663</u>	<u>\$ 1,565,280</u>	<u>\$ 1,877,644</u>	<u>\$ 1,351,091</u>	<u>\$ 11,636,264</u>
\$	2,725,767	\$ 2,940,902	\$ 3,034,609	\$ 3,121,643	\$ 3,005,786
	10,718,690	10,485,105	11,566,683	12,562,322	12,650,507
	3,200,996	1,925,024	2,436,354	2,537,724	2,699,712
	2,051,380	2,056,017	2,179,082	2,584,704	2,419,289
	3,950,533	3,011,613	3,377,677	3,140,810	2,990,722
	7,190,063	6,279,358	7,833,385	11,638,363	14,064,286
	<u>29,837,429</u>	<u>26,698,019</u>	<u>30,427,790</u>	<u>35,585,566</u>	<u>37,830,302</u>
	5,303,609	5,877,233	6,075,893	6,774,915	7,589,393
	1,998,488	2,026,520	1,942,729	2,127,845	234,209
	3,337,992	3,538,962	3,645,893	3,879,469	3,993,456
	-	-	-	-	-
	1,748,166	1,818,323	1,804,130	1,732,473	1,808,937
	454,184	475,368	499,357	469,545	565,732
	229,676	241,265	244,199	246,063	254,711
	-	-	-	-	-
	79,894	172,561	93,203	118,698	137,559
	339,734	10,729,437	91,175	208,975	136,727
	<u>13,491,743</u>	<u>24,879,669</u>	<u>14,396,579</u>	<u>15,557,983</u>	<u>14,720,724</u>
\$	<u>43,329,172</u>	<u>\$ 51,577,688</u>	<u>\$ 44,824,369</u>	<u>\$ 51,143,549</u>	<u>\$ 52,551,026</u>
\$	<u>742,790</u>	<u>\$ 551,632</u>	<u>\$ 1,591,559</u>	<u>\$ 953,503</u>	<u>\$ 10,351,432</u>

TABLE 2 (Continued)

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

	2008	2009	2010	2011	2012
Net (expense)/revenue					
Governmental activities	\$ 1,899,519	\$ (42,569,986)	\$ (35,235,878)	\$ (35,643,764)	\$ (58,607,468)
Business-type activities	(1,506,994)	(1,971,491)	(956,328)	(251,529)	(283,861)
Total primary government net expense	\$ 392,525	\$ (44,541,477)	\$ (36,192,206)	\$ (35,895,293)	\$ (58,891,329)
Total component unit net expense	\$ (1,404,976)	\$ (2,034,975)	\$ (4,386,737)	\$ (3,869,237)	\$ (947,980)
Governmental activities:					
Taxes:					
Sales, use and lodging taxes	\$ 59,447,697	\$ 46,856,622	\$ 47,424,012	\$ 50,312,521	\$ 50,702,973
Property taxes	8,440,775	8,701,650	10,146,009	10,608,818	8,976,292
Franchise taxes	2,456,659	2,432,704	2,527,530	2,572,877	2,528,419
Highway users tax	1,718,004	1,940,291	2,262,898	2,261,503	2,186,732
Other taxes	5,978,962	4,024,160	1,907,422	2,403,354	2,648,647
Investment income	2,789,072	1,299,123	635,807	435,929	329,469
Gain on sale of capital assets	85,329	75,592	-	-	-
Transfers	(1,695,599)	(824,955)	(532,813)	1,323,064	(334,688)
Total governmental activities	79,220,899	64,505,187	64,370,865	69,918,066	67,037,844
Business-type activities:					
Investment income (loss)	229,740	84,165	38,206	18,158	20,129
Transfers	1,695,599	824,955	532,813	(1,323,064)	334,688
Total business-type activities	1,925,339	909,120	571,019	(1,304,906)	354,817
Total primary government activities	\$ 81,146,238	\$ 65,414,307	\$ 64,941,884	\$ 68,613,160	\$ 67,392,661
Component unit activities:					
Property taxes	2,081,840	2,179,436	2,192,121	2,203,253	1,984,461
Investment income (loss)	105,629	119,057	57,279	(21,847)	21,427
Gain (loss) on sale of capital assets	-	-	-	-	-
Total component unit activities	\$ 2,187,469	\$ 2,298,493	\$ 2,249,400	\$ 2,181,406	\$ 2,005,888
Change in net position					
Governmental activities	\$ 81,120,418	\$ 21,935,201	\$ 29,134,987	\$ 34,274,302	\$ 8,430,376
Business-type activities	418,345	(1,062,371)	(385,309)	(1,556,435)	70,956
Total primary government	\$ 81,538,763	\$ 20,872,830	\$ 28,749,678	\$ 32,717,867	\$ 8,501,332
Total component unit: Downtown Development Authority	\$ 782,493	\$ 263,518	\$ (2,137,337)	\$ (1,687,831)	\$ 1,057,908

Source: Current and prior years' financial statements

	2013	2014	2015	2016	2017
\$	(58,339,296)	(73,729,239)	(63,139,847)	(61,184,542)	(56,212,435)
	(435,419)	10,410,726	(162,050)	(359,311)	1,918,563
\$	<u>(58,774,715)</u>	<u>(63,318,513)</u>	<u>(63,301,897)</u>	<u>(61,543,853)</u>	<u>(54,293,872)</u>
\$	<u>(3,010,873)</u>	<u>(1,013,648)</u>	<u>(286,085)</u>	<u>(397,588)</u>	<u>(1,284,832)</u>
\$	50,468,227	51,272,814	52,554,260	51,503,561	54,888,978
	8,837,970	8,089,029	8,250,740	8,293,562	8,463,085
	2,743,512	2,977,638	2,804,961	2,467,131	2,887,755
	2,167,518	2,240,348	2,291,572	2,106,327	2,299,573
	1,811,980	2,313,571	2,110,926	1,510,032	1,276,461
	77,084	320,989	250,356	377,556	406,054
	-	-	-	-	-
	(679,822)	(477,014)	(595,383)	(544,662)	(515,666)
	<u>65,426,469</u>	<u>66,737,375</u>	<u>67,667,432</u>	<u>65,713,507</u>	<u>69,706,240</u>
	(7,749)	19,127	14,398	34,791	33,527
	<u>679,822</u>	<u>477,014</u>	<u>595,383</u>	<u>544,662</u>	<u>515,666</u>
	<u>672,073</u>	<u>496,141</u>	<u>609,781</u>	<u>579,453</u>	<u>549,193</u>
\$	<u>66,098,542</u>	<u>67,233,516</u>	<u>68,277,213</u>	<u>66,292,960</u>	<u>70,255,433</u>
	1,576,439	1,651,056	1,593,828	1,565,227	1,561,422
	(9,795)	13,324	13,492	27,664	28,400
	177,677	-	-	-	120,219
\$	<u>1,744,321</u>	<u>1,664,380</u>	<u>1,607,320</u>	<u>1,592,891</u>	<u>1,710,041</u>
\$	7,087,173	(6,991,864)	4,527,585	4,528,965	13,493,805
	236,654	10,906,867	447,731	220,142	2,467,756
\$	<u>7,323,827</u>	<u>3,915,003</u>	<u>4,975,316</u>	<u>4,749,107</u>	<u>15,961,561</u>
\$	<u>(1,266,552)</u>	<u>650,732</u>	<u>1,321,235</u>	<u>1,195,303</u>	<u>425,209</u>

TABLE 3

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

	2008	2009	2010	2011	2012
General fund					
Nonspendable	\$ -	\$ -	\$ -	\$ 8,329,598	\$ 7,498,417
Restricted	-	-	-	6,825,911	4,945,478
Assigned	-	-	-	1,802,875	7,362,016
Unassigned	-	-	-	13,193,886	10,535,731
Reserved	9,135,472	9,589,625	11,740,961	-	-
Unreserved	18,320,471	9,573,798	14,916,902	-	-
Total general fund	<u>27,455,943</u>	<u>19,163,423</u>	<u>26,657,863</u>	<u>30,152,270</u>	<u>30,341,642</u>
All other governmental funds					
Nonspendable, reported in:					
Special revenue funds	\$ -	\$ -	\$ -	\$ 13,605	\$ 9,276
Permanent funds	-	-	-	1,289,972	1,309,993
Capital projects funds	-	-	-	20,157	91,149
Restricted, reported in:					
Special revenue funds	-	-	-	4,095,089	3,192,341
Debt service funds	-	-	-	19,245,569	4,238,829
Capital projects funds	-	-	-	23,437,299	3,598,365
Committed, reported in:					
Special revenue funds	-	-	-	1,353,572	1,299,165
Capital projects funds	-	-	-	571,214	924,099
Assigned, reported in:					
Capital projects funds	-	-	-	458,557	253,027
Reserved	10,916,914	14,581,790	18,168,718	-	-
Unreserved, reported in:					
Special revenue funds	5,378,544	4,569,216	4,086,536	-	-
Debt service funds	(3,420)	-	-	-	-
Capital projects funds	2,482,529	1,532,966	41,078,067	-	-
Total all other governmental funds	<u>18,774,567</u>	<u>20,683,972</u>	<u>63,333,321</u>	<u>50,485,034</u>	<u>14,916,244</u>
Total governmental funds	<u>\$ 46,230,510</u>	<u>\$ 39,847,395</u>	<u>\$ 89,991,184</u>	<u>\$ 80,637,304</u>	<u>\$ 45,257,886</u>

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

Source: Current and prior years' financial statements.

	2013	2014	2015	2016	2017
\$	7,474,266	\$ 6,852,617	\$ 6,386,895	\$ 5,924,766	\$ 5,411,369
	4,651,828	3,937,335	3,806,415	3,648,777	3,412,553
	2,258,043	2,348,435	1,084,580	1,578,434	3,856
	10,198,700	9,116,534	10,501,371	9,206,316	14,522,107
	-	-	-	-	-
	-	-	-	-	-
	<u>24,582,837</u>	<u>22,254,921</u>	<u>21,779,261</u>	<u>20,358,293</u>	<u>23,349,885</u>
\$	9,189	\$ 9,120	\$ 13,396	\$ 13,703	\$ 18,109
	1,329,102	1,352,852	1,372,221	1,392,430	1,414,304
	-	-	-	-	-
	2,390,993	2,746,901	2,709,359	3,084,486	2,952,670
	6,483,403	8,621,972	9,878,137	11,211,151	9,197,347
	78,328	1,040,494	1,109,018	3,336,866	2,613,871
	1,235,568	1,274,569	793,938	757,883	447,442
	236,967	645,455	1,198,995	-	-
	2,217,442	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	<u>13,980,992</u>	<u>15,691,363</u>	<u>17,075,064</u>	<u>19,796,519</u>	<u>16,643,743</u>
\$	<u>38,563,829</u>	<u>\$ 37,946,284</u>	<u>\$ 38,854,325</u>	<u>\$ 40,154,812</u>	<u>\$ 39,993,628</u>

TABLE 4

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

	2008	2009	2010	2011	2012
Revenues					
Taxes	\$ 78,042,097	\$ 63,955,427	\$ 64,267,871	\$ 68,159,073	\$ 67,043,063
Licenses, fees and permits	129,993	121,783	118,128	116,930	110,618
Intergovernmental	12,009,672	4,955,308	4,476,793	5,131,948	5,096,820
Charges for services	8,997,208	8,311,362	9,923,697	9,940,383	12,462,603
Fines and forfeitures	1,094,388	945,666	1,234,810	1,296,959	1,533,575
Special assessments	24,493	92,198	49,372	32,868	15,814
Investment earnings	1,968,465	984,031	553,700	423,863	289,435
Other income	283,116	136,935	130,638	47,399	45,683
Other contributions	873,869	196,833	176,607	456,452	1,273,521
Total revenues	<u>103,423,301</u>	<u>79,699,543</u>	<u>80,931,616</u>	<u>85,605,875</u>	<u>87,871,132</u>
Expenditures					
General government	\$ 15,596,506	\$ 13,793,482	\$ 10,301,970	\$ 10,692,566	\$ 10,922,302
Public safety	29,657,426	29,092,018	27,193,471	28,691,061	33,791,689
Public works	10,779,300	9,954,111	9,686,215	10,035,622	9,752,185
Parks and recreation	7,273,190	7,347,609	7,067,698	7,083,898	8,421,297
Urban development and housing	545,715	572,726	561,457	645,572	477,886
Debt service:					
Advance refunding escrow	-	-	-	-	17,812,681
Principal retirement	3,907,232	3,883,479	4,073,479	4,275,000	5,130,000
Interest and fiscal charges	3,693,947	3,508,632	3,317,358	5,858,657	5,268,794
Bond issuance costs	-	-	364,048	-	146,923
Capital outlay: construction	36,484,253	16,879,724	9,916,907	26,126,955	28,376,550
Total expenditures	<u>107,937,569</u>	<u>85,031,781</u>	<u>72,482,603</u>	<u>93,409,331</u>	<u>120,100,307</u>
Other financing sources (uses)					
Transfers in	41,941,154	24,695,090	15,000,174	13,823,542	13,491,409
Transfers out	(43,974,059)	(25,745,967)	(15,652,330)	(15,453,966)	(16,792,117)
Bonds issued	-	-	-	-	30,645,000
Bond premium	-	-	-	-	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	-	-	-	-	-
Sale of capital assets	641,837	-	99,324	80,000	-
Total other financing sources (uses)	<u>(1,391,068)</u>	<u>(1,050,877)</u>	<u>41,694,776</u>	<u>(1,550,424)</u>	<u>(3,150,243)</u>
Net change in fund balances	<u>\$ (5,905,336)</u>	<u>\$ (6,383,115)</u>	<u>\$ 50,143,789</u>	<u>\$ (9,353,880)</u>	<u>\$ (35,379,418)</u>
Debt service as a percentage of noncapital expenditures	10.8%	10.9%	11.9%	18.7%	11.3%

Source: Current and prior years' financial statements.

	2013	2014	2015	2016	2017
\$	66,029,207	\$ 66,893,400	\$ 68,012,459	\$ 65,880,613	\$ 69,815,852
	108,206	118,991	116,091	160,265	142,595
	7,541,086	6,157,849	8,102,118	8,549,914	6,799,685
	13,956,659	10,151,290	9,763,812	10,834,740	10,698,753
	896,190	869,216	885,305	720,181	597,482
	14,708	16,050	13,771	9,235	8,216
	96,784	280,162	221,580	321,987	341,673
	50,755	27,560	1,277,516	1,419,482	2,346,323
	779,898	1,652,899	530,015	1,717,927	707,517
	<u>89,473,493</u>	<u>86,167,417</u>	<u>88,922,667</u>	<u>89,614,344</u>	<u>91,458,096</u>
\$	11,576,206	\$ 11,872,673	\$ 12,625,502	\$ 12,776,431	\$ 12,145,455
	35,406,743	35,610,598	37,871,800	38,285,166	37,963,223
	10,014,670	9,509,928	8,866,234	8,880,062	8,078,591
	8,456,460	8,403,649	8,663,393	8,939,889	8,462,734
	591,545	634,827	511,257	512,150	186,241
	-	-	-	-	-
	5,380,000	4,620,000	3,385,000	3,525,000	3,722,000
	4,432,045	4,189,597	4,025,922	3,890,097	3,720,535
	-	-	-	-	-
	17,516,041	9,762,451	9,894,161	9,224,171	14,105,100
	<u>46,390,761</u>	<u>37,120,452</u>	<u>35,345,967</u>	<u>34,971,369</u>	<u>38,275,201</u>
	16,759,243	13,150,703	9,387,527	9,657,508	13,354,777
	(19,553,083)	(15,407,597)	(12,152,716)	(11,956,048)	(16,599,272)
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	30,657	28,892	-	-
	-	44,998	564,940	17,649	9,094
	<u>(2,793,840)</u>	<u>(2,181,239)</u>	<u>(2,171,357)</u>	<u>(2,280,891)</u>	<u>(3,235,401)</u>
\$	<u>(6,694,057)</u>	<u>(617,545)</u>	<u>908,041</u>	<u>1,300,487</u>	<u>(161,184)</u>
	12.9%	11.7%	9.7%	9.6%	10.0%

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
2008	8,364,818	7,828,007	7,396,061	8,182,627	4,844,944	2,560,660
2009	7,086,333	6,973,695	5,532,003	5,460,768	4,484,915	2,361,704
2010	7,542,580	6,696,440	6,052,294	5,262,981	4,482,577	2,358,091
2011	8,239,971	6,996,380	5,884,540	5,409,778	4,593,741	2,310,226
2012	8,605,978	6,910,212	6,146,000	5,298,252	4,812,086	2,281,527
2013	8,369,041	6,518,572	6,208,876	5,712,485	5,044,912	2,371,461
2014	8,225,826	6,495,169	6,758,219	5,989,543	5,319,764	2,388,032
2015	8,374,648	6,444,453	6,957,027	5,678,347	5,470,778	2,565,699
2016	7,986,706	6,486,529	6,572,938	5,986,737	5,551,750	2,477,021
2017	8,011,309	6,875,701	7,291,422	6,797,090	5,841,735	2,767,594

¹Excludes 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

Grocery, Convenience & Drug Stores	Oil & Gas Extraction	Liquor Stores	Hotels	Other	Total Sales Tax	Total Direct Tax Rate
1,508,914	1,834,548	901,415	1,519,542	2,084,745	47,026,281	2.75%
1,469,116	1,129,496	920,406	1,187,725	1,626,684	38,232,845	2.75%
1,503,627	1,299,543	913,171	1,169,747	1,528,720	38,809,771	2.75%
1,668,861	1,407,923	931,723	1,108,903	1,338,826	39,890,872	2.75%
1,748,586	1,612,912	979,827	1,150,713	755,253	40,301,346	2.75%
1,752,567	1,045,718	1,018,575	1,220,306	1,466,599	40,729,112	2.75%
1,765,891	1,095,263	1,047,948	1,262,280	1,703,372	42,051,307	2.75%
1,960,658	652,693	1,089,131	1,346,842	2,293,187	42,833,463	2.75%
2,060,505	450,873	1,147,881	1,394,716	2,127,606	42,243,262	2.75%
2,232,717	742,649	1,199,186	1,449,259	1,794,876	45,003,538	2.75%

2017 Sales Tax Revenue by Type of Industry

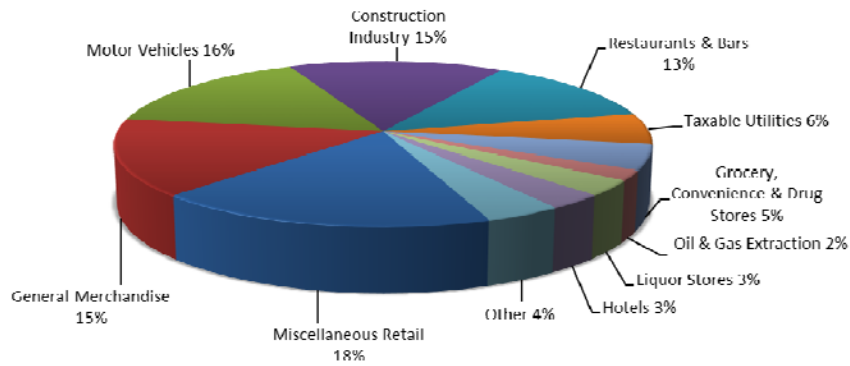


TABLE 6

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	
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%
2017	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



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TABLE 7

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Aggregate top ten filers ^{1,2}	\$ 11,216,552	\$ 9,889,256	\$ 9,964,913	\$ 9,809,972	\$ 9,742,148
Aggregate all other filers ²	35,809,729	28,343,589	28,844,858	30,080,900	30,559,198
Total sales tax	\$ <u>11,218,560</u>	\$ <u>9,891,265</u>	\$ <u>9,966,923</u>	\$ <u>9,811,983</u>	\$ <u>9,744,160</u>
Top ten filers as a percentage of total sales tax	23.85%	25.87%	25.68%	24.59%	24.17%

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 9,811,983	\$ 9,881,413	\$ 10,302,782	\$ 9,859,761	\$ 10,525,537
30,917,129	32,169,894	32,530,681	32,383,501	34,478,002
<u>\$ 40,729,112</u>	<u>\$ 42,051,307</u>	<u>\$ 42,833,463</u>	<u>\$ 42,243,262</u>	<u>\$ 45,003,539</u>
24.09%	23.50%	24.05%	23.34%	23.39%

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, Home Depot, Lowes, Mesa County Colorado, Public Service Company, Sam's Club, Target Stores, Verizon Wireless, 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

Top Ten Filers as a Percentage of Total Sales Tax

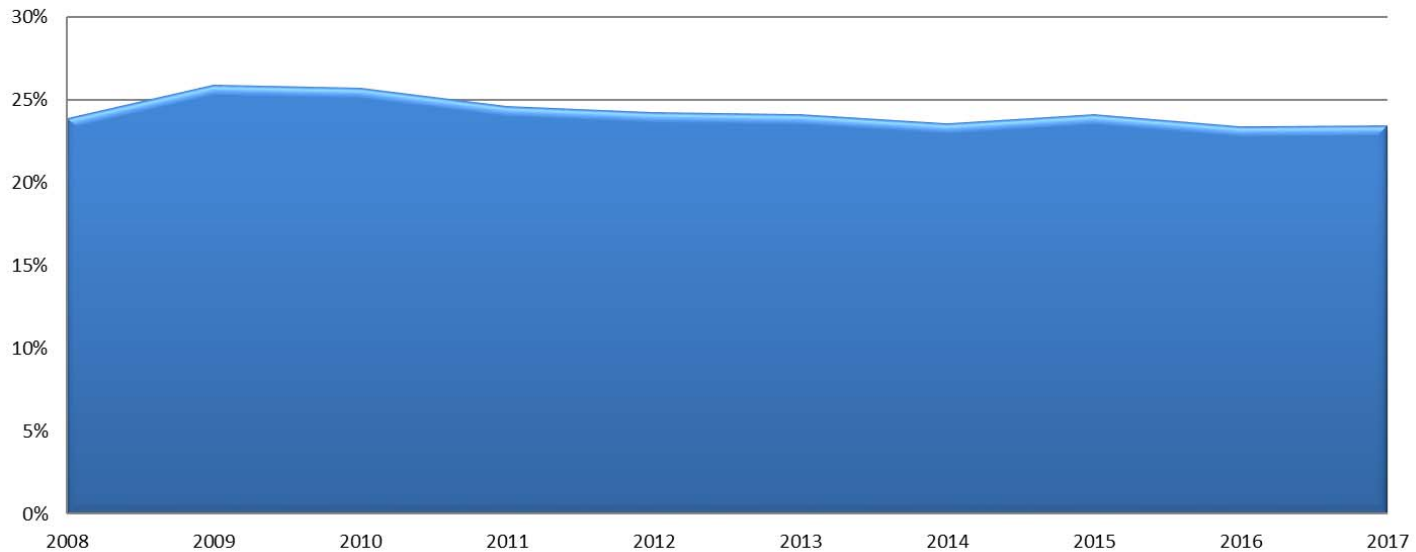


TABLE 8

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
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	51,272,814
2016	42,243,262	1,651,052	6,194,296	1,414,951	51,503,561
2017	45,003,538	1,820,136	6,599,984	1,465,320	54,888,978

Source: City Finance Department: Sales Tax Reports

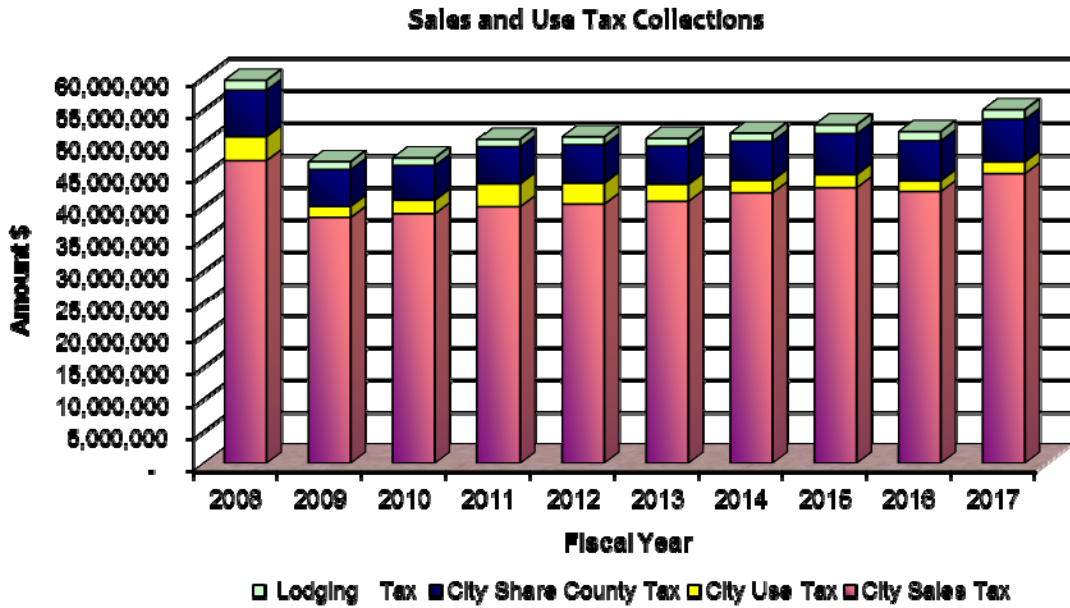


TABLE 9

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	Population ^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			
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	2,463,057	-	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
2017	64,629 B	2,518,045 D	-	24,845,222	-	37,743,807	-	5,952,139	68,541,168	2.72%	1,061

¹ The general obligation bonds consist of the Ridges Metropolitan District debt and the Grand Junction West Water and Sanitation District debt which are excluded from our ratio of outstanding debt to personal income calculation and our debt per capita calculation because they are to be paid with special property tax levies on property within these Districts only.

Source: Current and prior years' financial statements

- A Colorado DOLA Demography Section - All other City Finance 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
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	2,505,720	28,098,015	11,189,404	-	16,908,611	0.67%	265
2017	64,629 ^B	2,518,045 ^D	24,845,222	9,170,370	-	15,674,852	0.62%	243

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 Finance 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, 2017

Estimated actual value as determined by Assessor ^A	\$ <u>6,966,495,400</u>
Debt limit - 3% of actual value	\$ 208,994,862
Legal debt margin	\$ <u>208,994,862</u>

Source:

^A Mesa County Assessor

TABLE 12

City of Grand Junction, Colorado
COMPUTATION OF DIRECT AND OVERLAPPING DEBT ¹
 December 31, 2017

<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	\$ 62,589,029	100.00%	\$ 62,589,029
Overlapping:			
Mesa County Valley School District No. 51 ^B	72,095,000	50.00%	36,047,500
Mesa County ^C	14,050,000	50.00%	7,025,000
			<u>43,072,500</u>
Total			<u>\$ 105,661,529</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			Coverage
				Principal	Interest	Total	
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	-	-	-	-
2017	7,881,248	3,804,410	4,076,838	-	-	-	-

Source: City Finance 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
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	149,249	2,505,720	39,290	21,827	4.4%	2.7%
2017	64,629 ^F	150,731 ^F	2,518,045	38,962 ^G	22,105	4.1%	3.0%

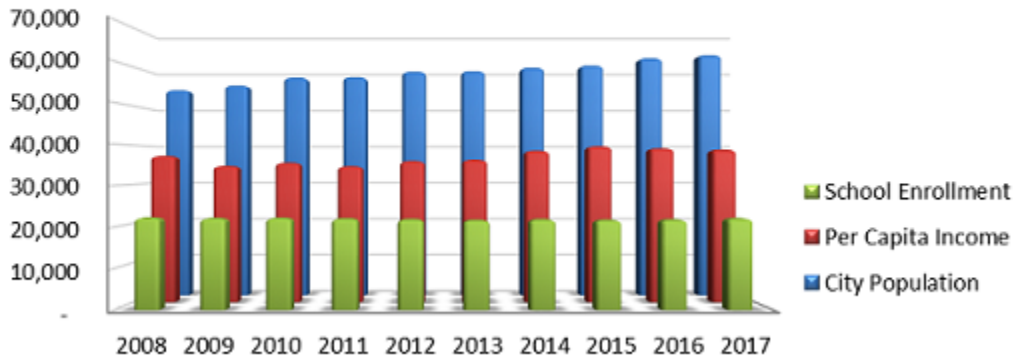
Note:

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**





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TABLE 15

City of Grand Junction, Colorado
TOP 10 PRINCIPAL EMPLOYERS
 December 31, 2017
 Last Ten Fiscal Years

Employer	Type of Business	2008 ^A		2009 ^A		2010 ^A		2011 ^A		2012 ^A		2013 ^A	
		Number of Employees	Percentage of Total	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total
School District #51	Schools	3,200	4.58%	3,000	4.15%	3,000	4.05%	2,554	3.59%	2,348	3.25%	2,401	3.54%
St. Mary's Hospital	Medical	2,235	3.20%	2,191	3.03%	2,068	2.79%	1,494	2.10%	1,548	2.14%	1,500	2.21%
Mesa County	Government	982	1.40%	978	1.35%	980	1.32%	962	1.35%	987	1.36%	987	1.46%
State of Colorado	Government	1,197	1.71%	1,212	1.68%	995	1.34%	973	1.37%	902	1.25%	623	0.92%
Colorado Mesa University	Schools	1,259	1.80%	718	0.99%	699	0.94%			576	0.80%	604	0.89%
City Markets, Inc.	Retail	650	0.93%	677	0.94%	565	0.76%	1,656	2.33%			637	0.94%
Community Hospital	Medical	574	0.82%	588	0.81%			583	0.82%	416	0.58%		
VA Medical Center	Medical							600	0.84%	648	0.90%	569	0.84%
Star Tek USA	Services			595	0.82%	600	0.81%			860	1.19%	900	1.33%
City of Grand Junction	Government	1,202	1.72%	1,219	1.69%	672	0.91%	625	0.88%	636	0.88%	642	0.95%
Hilltop Community Resources	Services									593	0.82%		
Halliburton Energy	Services	977	1.40%			700	0.94%	855	1.20%			625	0.92%
Walmart	Retail	860	1.23%	980	1.35%	859	1.16%	775	1.09%				
Other		65,767	81.21%	61,306	83.19%	58,786	84.97%	61,255	84.43%	64,572	86.85%	62,270	86.00%
Total of All Employees ^B		78,903		73,464		69,924		72,332		74,086		71,133	

Source:

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

Number of Employees 2014 ^A	Percentage of Total 2014	Number of Employees 2015 ^A	Percentage of Total 2015	Number of Employees 2016 ^A	Percentage of Total 2016	Number of Employees 2017 ^A	Percentage of Total 2017
2,675	3.94%	2,502	3.69%	2,500	3.69%	2,715	3.83%
1,500	2.21%	1,655	2.44%	2,326	3.43%	2,300	3.24%
978	1.44%	998	1.47%	1,012	1.49%	1,025	1.44%
1,004	1.48%	1,004	1.48%	1,004	1.48%	1,012	1.43%
622	0.92%			1,037	1.53%	1,006	1.42%
648	0.96%	648	0.96%	800	1.18%	800	1.13%
538	0.79%	800	1.18%	800	1.18%	800	1.13%
593	0.87%	650	0.96%	720	1.06%	720	1.01%
675	1.00%	700	1.03%	700	1.03%	700	0.99%
641	0.94%	640	0.94%	629	0.93%	629	0.89%
		680	1.00%				
62,451	85.44%	57,488	84.85%	57,345	83.00%	60,236	83.49%
72,325		67,765		67,836		70,937	

Top 10 Principal Employers

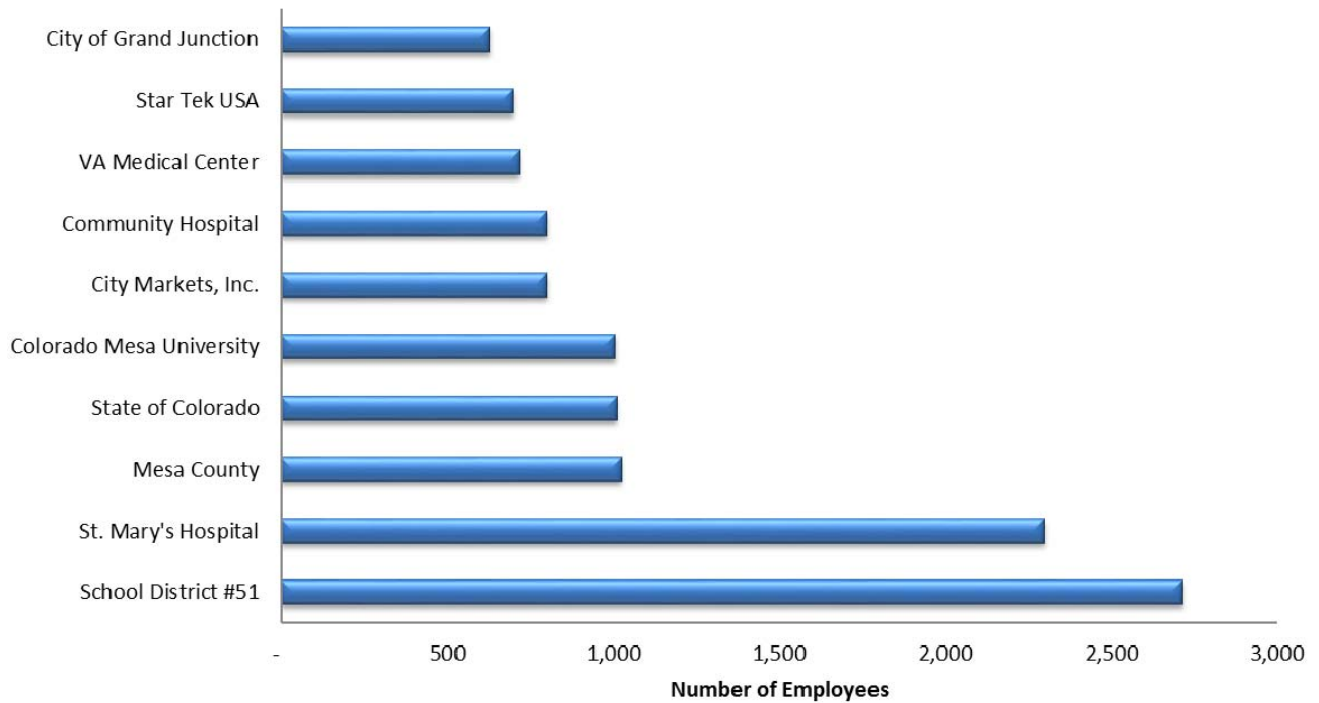


TABLE 16

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	116	122	115	114	115	131	127	132	117	109
Fire protection	99	99	95	96	103	112	111	108	109	112
Parks and recreation	87	73	67	68	67	67	66	63	61	59
Police Protection										
Sworn	102	107	90	102	103	105	109	114	110	109
Non-sworn	78	80	82	72	80	86	84	80	83	83
Public works	197	187	160	153	156	136	135	131	127	123
Total	679	668	609	605	624	637	632	628	607	595

Building permits: B	Year	# Issued	Value	Elections: A	Year	Number of Registered Voters	Number of Votes in last General Election	Percentage
	2009	984	89,935,667		2009	27,977	8,579	30.66%
	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%
	2017	3,924	257,767,541		2017	37,643	15,301	40.65%

Education:

Type	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Mesa County Valley School District No. 51 enrollment: C										
Elementary	10,783	10,710	10,753	10,107	10,034	10,224	9,898	9,945	10,455	9,881
Middle	4,882	4,868	4,860	5,366	5,319	5,307	5,515	5,670	5,323	5,796
High	6,607	6,569	6,590	6,441	6,361	6,363	6,329	6,289	6,049	6,428
Colorado Mesa University enrollment: D	6,205	6,665	7,746	8,826	9,010	9,325	8,853	9,065	9,223	9,591

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police: ^B										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicular patrol units	35	38	39	39	40	41	40	41	36	37
Canine units	3	3	3	3	3	2	2	2	2	2
Motorcycles units	6	8	8	8	8	8	8	8	8	6
Bicycles (attached to patrol units)	26	20	17	22	22	20	20	20	27	27
Fire stations ^C										
	5	5	5	5	5	5	5	5	5	5
Public works: ^A										
Area (sq. miles)	37.46	37.84	38.05	39.10	39.18	39.35	39.37	39.62	39.59	39.80
Paved streets (centerline miles)	353.70	357.10	360.60	361.80	362.54	368.54	370.03	370.68	372.14	373.70
Unpaved streets (centerline miles)	4.20	4.20	4.20	5.40	5.44	5.52	3.43	3.62	3.59	3.59
Total streets (centerline miles)	357.90	361.30	364.80	367.20	367.98	374.06	373.46	374.30	375.73	377.29
Parks and recreation: ^D										
Developed parks (acres)	365.22	365.22	365.22	365.22	365.22	365.22	365.22	367.23	699.44	699.44
Undeveloped parks (acres)	389.00	389.00	389.00	389.00	396.50	396.50	396.50	394.49	397.23	397.23
Total parks (acres)	754.22	754.22	754.22	754.22	761.72	761.72	761.72	761.72	1,096.67	1,096.67
Swimming pools	2	2	2	2	2	2	2	2	2	2
Waterslides	2	2	2	2	2	2	2	2	2	2
Pickleball courts	-	-	-	-	-	-	4	4	4	4
Tennis courts	22	22	22	22	22	24	22	22	22	22
Shelters	18	18	18	18	19	19	19	21	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	2	2	2	2	2
Outdoor basketball courts (unlighted)	10	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
Amphitheater	-	-	-	-	-	-	-	-	-	1
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)	18.70	18.70	19.07	19.07	21.47	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)	138.57	161.37	185.03	186.63	192.17	205.76	251.00	160.99	197.00	203.64
Sanitary sewer (miles)	589.70	597.81	595.27	594.68	596.35	600.57	601.00	538.73	558.00	561.93

Source:

^A City Administration GIS Department^B City Police Department^C City Fire Department^D City Parks and Recreation Department^E City Administration GIS Department



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SINGLE AUDIT



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**Haynie &
Company**

Certified Public Accountants (a professional corporation)

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

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, 2017, 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 29, 2018.

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.



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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 29, 2018



**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, 2017. 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, 2017.



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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 29, 2018

City of Grand Junction, Colorado
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2017

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Award Amount	2017 Amount of Award Expended
U.S. DEPARTMENT OF ENERGY			
Long-Term Surveillance and Maintenance	81.136	\$ 120,000	\$ 20,000
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Colorado Foundation of Public Health and Environment National Center for Advancing Translational Sciences	93.350	18,050	17,087
U.S. DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	515,385	233,368
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT			
Community Development Block Grants/Entitlement Grants	14.218	1,160,022	434,351
U.S. DEPARTMENT OF JUSTICE			
Bulletproof Vest Partnership Program	16.607	7,911	5,274
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Colorado Department of Transportation Federal Highway Administration (FHWA) Highway Planning and Construction	20.205	1,778,400	20,499
EXECUTIVE OFFICE OF THE PRESIDENT			
Passed Through Mesa County, Colorado High Intensity Drug Trafficking Areas Program	95.001	72,459	72,459
Total Federal Award Expenditures			\$ <u><u>803,038</u></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, 2017

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 Uniform Guidance, 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.

The City has elected to not use the 10% de minimus indirect cost rate, as allowed under Uniform Guidance.

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	\$ 180,221

City of Grand Junction, Colorado

Schedule of Findings and Questioned Costs for the Year Ended December 31, 2017

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
<i>Significant deficiency(s) identified that are not considered to be material weaknesses over major programs:</i>	None
<i>Type of report issued on compliance for major programs:</i>	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
14.218	U.S. Department of Housing and Urban Development – Community Development Block Grants/Entitlement Grants

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, 2017, and our report thereon dated June 29, 2018, 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 29, 2018



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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 2017
This Information From The Records Of: The City of Grand Junction	Prepared By: Phone:	Ashley Chouinard 970-256-4012

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)	9,552,599
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,580,214
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	118,807
2. General fund appropriations	13,483,370	b. Snow and ice removal	2,956,073
3. Other local imposts (from page 2)	1,463,873	c. Other	0
4. Miscellaneous local receipts (from page 2)	1,731,726	d. Total (a. through c.)	3,074,880
5. Transfers from toll facilities		4. General administration & miscellaneous	227,552
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues	0	6. Total (1 through 5)	15,435,245
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	1,148,375
7. Total (1 through 6)	16,678,969	b. Redemption	2,705,000
B. Private Contributions		c. Total (a. + b.)	3,853,375
C. Receipts from State government (from page 2)	2,534,204	2. Notes:	
D. Receipts from Federal Government (from page 2)	75,447	a. Interest	
E. Total receipts (A.7 + B + C + D)	19,288,620	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	3,853,375
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			19,288,620

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

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	25,600,000	0	2,705,000	22,895,000
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	19,288,620	19,288,620	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2017	
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	8,024	a. Interest on investments	1,381
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	84,689
5. Specific Ownership &/or Other	1,455,849	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,455,849	h. Other	1,645,656
c. Total (a. + b.)	1,463,873	i. Total (a. through h.)	1,731,726
	(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	2,299,573	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	239,579	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	
e. Other (Specify)	(4,948)	f. Other Federal	75,447
f. Total (a. through e.)	234,631	g. Total (a. through f.)	75,447
4. Total (1. + 2. + 3.f)	2,534,204	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	219,619
b. Engineering Costs		1,216	15,920
c. Construction:			
(1). New Facilities		0	2,468,058
(2). Capacity Improvements		0	428,609
(3). System Preservation		0	6,069,522
(4). System Enhancement & Operation		0	349,655
(5). Total Construction (1) + (2) + (3) + (4)		0	9,315,844
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		1,216	9,551,383
			(Carry forward to page 1)
Notes and Comments:			





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