



# 2011

COMPREHENSIVE ANNUAL  
**FINANCIAL REPORT**

FISCAL YEAR ENDED DECEMBER 31, 2011

### ***About our cover...***

The cover is of the new Lincoln Park Tower, built at the Stocker Stadium/Supilzio Field complex. The park has been a Grand Junction icon for nearly 60 years and is the community's only stadium. It is home to four local high school track, baseball, and football teams, the National Junior College World Series, Colorado Mesa University baseball and football teams, 4<sup>th</sup> of July Fireworks Spectacular, five graduation ceremonies, and now the Grand Junction Rockies minor league baseball team.

After decades of use and the deterioration of the press box, stands and dugouts it was determined that a renovation was needed in order to meet the increase in demand for the stadium. In 2010 and 2011, thanks to a decline in construction costs and the renewed interest of funding partners like the National Junior College World Series, the City of Grand Junction, Colorado Mesa University, Mesa County Valley School District 51, and Mesa County, the renovation project has finally been realized. The new tower includes hospitality and press areas, new concessions and an ADA accessible mezzanine. New first-base line seating and expanded locker rooms and dugouts were also part of the renovation. Its impact will be immense: serving not only Grand Junction residents but also visitors from the region, state and nation who are visiting Grand Junction for competitive events.





# Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2011

Prepared by:

Administration Department  
Financial Operations

Jodi Romero  
Financial Operations Director



# *Canyon View Park*





## INTRODUCTORY SECTION

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Letter of Transmittal .....	3
Certificate of Achievement for Excellence in Financial Reporting .....	11
City Organization Chart .....	12
City Map, Election District Boundaries .....	13
List of City Officials .....	13

## FINANCIAL SECTION

---

<b>Report of Independent Certified Public Accountants .....</b>	<b>17</b>
---	-----------

<b>Management's Discussion and Analysis .....</b>	<b>19</b>
---	-----------

<b>Basic Financial Statements .....</b>	<b>29</b>
---	-----------

Government-wide Financial Statements:	
Statement of Net Assets .....	31
Statement of Activities .....	32
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	34
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets .....	35
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	37
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund .....	38
Statement of Net Assets – Proprietary Funds .....	39
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	40
Statement of Cash Flows – Proprietary Funds .....	41
Statement of Fiduciary Net Assets – Fiduciary Funds .....	42
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds .....	43
Notes To Financial Statements .....	45

### **Required Supplementary Information**

Schedule of Funding Progress for Other Post Employment Healthcare Plan .....	77
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### **Combining and Individual Fund Statements and Schedules:**

Non-Major Governmental Funds .....	79
Combining Balance Sheet – Non-Major Governmental Funds .....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds .....	84
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Visitors and Convention Bureau .....	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

## FINANCIAL SECTION (continued)

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General Debt Service Fund .....	93
Parkway Debt Retirement Debt Service Fund .....	94
Sales Tax Capital Improvements Capital Projects Fund .....	95
Major Capital Projects Improvement Fund .....	96
Storm Drainage Development Capital Projects Fund .....	97
Street Assessments Capital Projects Fund .....	98
Facilities Capital Projects Fund .....	99
Cemetery Perpetual Care Permanent Trust Fund .....	100
Non-Major Proprietary Funds .....	101
Combining Statement of Net Assets – Non-Major Proprietary Funds .....	103
Combining Statement of Revenues, Expenses and Changes in Net Assets – Non-Major Proprietary Funds .....	104
Combining Statement of Cash Flows – Non-Major Proprietary Funds .....	106
Combining Statement of Net Assets – Internal Service Funds .....	108
Combining Statement of Revenues, Expenses and Changes in Net Assets – Internal Service Funds .....	109
Combining Statement of Cash Flows – Internal Service Funds .....	110
Fiduciary Funds .....	111
Combining Statement of Fiduciary Net Assets – Pension Trust Funds .....	112
Combining Statement of Changes in Fiduciary Net Assets – Pension Trust Funds .....	113
Combining Statement of Fiduciary Net Assets – Private-Purpose Trust Funds .....	114
Combining Statement of Changes in Fiduciary Net Assets – Private-Purpose Trust Funds .....	115
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds .....	116
Downtown Development Authority – A Component Unit .....	117
Balance Sheet – Governmental Funds .....	118
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	119
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual:	
DDA Tax Increment Special Revenue Fund .....	120
Downtown Development Authority Special Revenue Fund .....	121
DDA Debt Service Fund .....	122
DDA TIF Capital Improvements Capital Projects .....	123

## STATISTICAL SECTION

---

Table 1 - Net Assets .....	127
Table 2 - Changes in Net Assets .....	128
Table 3 - Fund Balances, Governmental Funds .....	130
Table 4 - Changes in Fund Balances, Governmental Funds .....	131
Table 5 - Sales Tax Revenue by Type of Industry .....	132
Table 6 - Direct and Overlapping Sales Tax Rates .....	133
Table 7 - Principal Sales Tax Payers .....	134
Table 8 - Sales & Use Tax Collections .....	135
Table 9 - Ratio of Outstanding Debt by Type .....	136
Table 10 - Ratio of Net General Bonded Debt .....	137



Table 11 - Computation of Legal Debt Margin .....	138
Table 12 - Computation of Direct and Overlapping Debt .....	139
Table 13 - Revenue Bond Coverage .....	140
Table 14 - Demographic and Economic Statistics .....	141
Table 15 - Top 10 Principal Employers .....	142
Table 16 - Miscellaneous Statistics .....	143
Table 17 - Capital Asset Statistics by Function .....	144

## **SINGLE AUDIT**

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<b>Independent Auditor's Report on Schedule of Expenditures of Federal Awards .....</b>	<b>147</b>
Schedule of Expenditures of Federal Awards .....	149
<b>Report On Compliance and On Internal Control Over Financial Reporting Based On An Audit of Financial Statements Performed In Accordance With Government Auditing Standards .....</b>	<b>151</b>
<b>Report On Compliance With Requirements Applicable To Each Major Program and Internal Control Over Compliance In Accordance With OMB Circular A-133 .....</b>	<b>153</b>
Schedule of Findings and Questioned Costs .....	155
Summary Schedule of Prior Audit Findings .....	157

## **OTHER SUPPLEMENTAL INFORMATION**

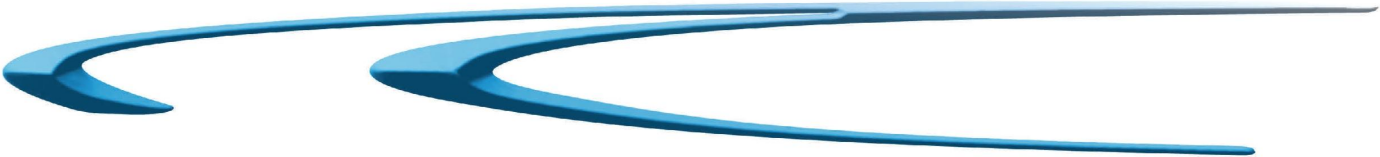
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<b>Report of Independent Certified Public Accountants On Required Supplemental Information .....</b>	<b>161</b>
Schedule of Revenues and Expenditures for Roads, Bridges and Streets .....	163



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# **INTRODUCTORY SECTION**



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## Financial Operations Division

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June 29, 2012

To the Honorable Mayor, Members of the City Council,  
City Manager and Citizens of the City of Grand Junction:

It is with great pleasure that the Comprehensive Annual Financial Report (CAFR) for the City of Grand Junction for the year ended December 31, 2011, is presented. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed public accountants. This Comprehensive Annual Financial Report is hereby issued and submitted to you for the fiscal year ended December 31, 2011, in accordance with these requirements.

This report consists of management's representations concerning the finances of the City of Grand Junction. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control framework that is designed to both protect the assets of the City from loss, theft, or misuse and to allow for the compiling of sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control procedures have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Grand Junction's financial statements have been audited by Chadwick, Steinkirchner, Davis & Co., P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Grand Junction for the fiscal year ended December 31, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Grand Junction's financial statements for the fiscal year ended December 31, 2011, 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.

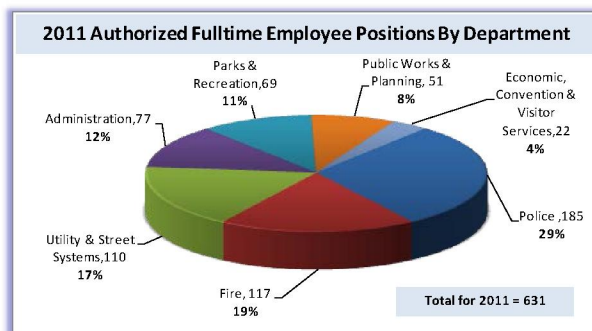
The independent audit of the financial statements of the City of Grand Junction was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Grand Junction's MD&A can be found immediately following the report of the independent auditors.

## PROFILE OF THE GOVERNMENT

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

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



Blended component units, although legally separate entities, are in substance part of the primary government's operations and are included as part of the primary government. Accordingly, the Ridges Metropolitan District, Grand Junction West Water and Sanitation District, and Grand Junction Public Finance Corporation are reported as debt service funds of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Downtown Development Authority is reported as a discretely presented component unit.

The City of Grand Junction currently occupies a land area of 39.1 square miles and serves an estimated population of 58,700. The City of Grand Junction is granted the authority to levy a property tax on both real and personal business properties located within its boundaries and to establish and collect its own sales and use tax. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

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

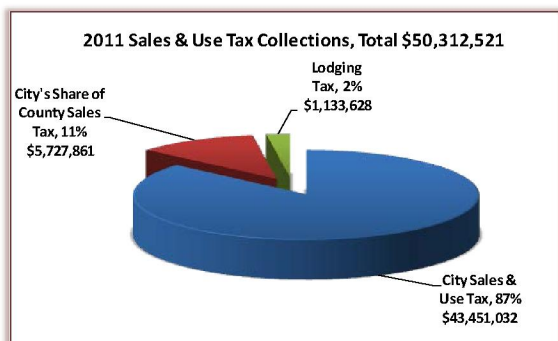
As a supplement to internal controls, the City maintains comprehensive budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds,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

Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 38 as part of the basic financial statements for the governmental funds. For other major governmental funds (and non-major) this comparison is presented in the governmental fund subsection of this report, which starts on page 79.



## FACTORS AFFECTING FINANCIAL CONDITION

The City of Grand Junction is located on the I-70 corridor, about 250 miles west of Denver and 27 miles east of the Utah border. The City lies in a valley formed at the junction of the Gunnison and Colorado Rivers, surrounded by majestic mesas. As the largest city in western Colorado, Grand Junction is the major service center for western Colorado and eastern Utah. Correspondingly Grand Junction is the regional hub for retail, banking and financial services, health care, social services, and public safety for a large and diverse population. A diversity of industrial, recreational and service activities along with oil and gas exploration provides a strong economic base. This base, generated by community economic development and private enterprise marketing, has brought steady, consistent growth to the area for many years prior to the recent recession.



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

As in the past, city management and leadership continue to finance current operations with current operating revenues, while debt has been kept to a minimum. The three-quarter cent increase in city sales taxes, effective January 1, 1988, provides funds for capital expenditures and economic development. The sales and use tax revenues, allocated to the General Fund, account for 57% of its revenues (excluding capital transfers).

The Sales and Use Tax Collections graph shows the elements of sales and use taxes and their proportionate size while the Historical Sales and Use Tax graph below shows the historical collections and growth since 2002. As shown, these tax revenues did increase by 6.1% from 2010 to 2011; however after falling significantly in 2009, tax revenues are still only at 2006 levels.

The area has historically experienced economic cycles of about ten to fifteen years, moving from strong economic growth to mild to significant decline. The Grand Junction Metropolitan Statistical Area (MSA), which is the greater metro area inside Mesa County, has experienced a population growth averaging nearly 3% since its inception in 1995. In 2008, the Grand Junction MSA was growing in population, jobs, personal income, and gross metropolitan product. 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 percent job loss by the end of 2010 since its peak levels in October 2008, and by the end of 2011 had only recovered 25% of those jobs with an unemployment rate of 8.7%. This job loss dramatically restricted consumer spending resulting in significant declines in retail activity and sales and use tax revenues during 2009 and 2010. However as the rest of the nation has experienced, consumer spending in Grand Junction began to improve in 2011.



The City continues to leverage public and private partnerships as well as grant dollars for nearly \$25 million in capital investment during 2011 including a new public safety complex with a regional E911 telecommunication center, technology systems, transportation infrastructure, and community sport facilities.

The City has continued to work toward diversifying its economic base and business climate. The excellent 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 an easy choice for relocation. The City continues to attract major regional retail stores. Late in 2010,

Cabela's remodeled and opened a 70,000 square foot store in Mesa Mall and became one of the City's top ten sales tax filers. In the fall of 2011, American Furniture Warehouse opened a 150,000 square foot retail store and regional distribution center; boasting the largest selection of furniture in Colorado and is expected to be a major sales tax filer for the City.

During the year, the City had many accomplishments. Among them were:

- The City completed construction of the 29 Road Viaduct which began in 2009 and was a \$32 million joint project with Mesa County. This viaduct was the next step, after the recently completed \$110 million Riverside Parkway, in the overall transportation beltway system. It has proven to be a key connection in the valley's transportation network providing direct access from the southeast residential area to the businesses, jobs, and services located in the central and northwest areas of the City.
- In continued partnership with the Downtown Development Authority (DDA), the final phase of the Main Street Uplift was completed. The first phase of the Main Street "Uplift" was completed in 2010. The Uplift projects are an essential part of an overall structural design and improvement plan for the downtown area including the 7<sup>th</sup> Street and Colorado Avenue beautification projects completed in 2007 and 2009.
- In partnership with Grand Junction Baseball Committee Inc., the City started a nearly \$9 million renovation of the Stocker Stadium/Suplizio Field sports complex. The facility is used by the local and regional community for football, baseball, track, and special events. The National Junior College World Series has been hosted at Suplizio Field for over 50 years and with the new renovations has agreed to a 25-year extension. This tournament has a major annual economic impact. In 2012 the Colorado Rockies minor league baseball team will move to Grand Junction and play at the stadium as well.
- The City continued work on the \$32 million public safety project which includes the new construction and remodel of existing buildings. This project will be completed in the late summer/early fall of 2012 and is the first part of a longer term 20 year public safety needs plan.
- The City continued to make strides in energy and conservations efforts. Construction of a compressed natural gas (CNG) fueling station was completed in 2011. With the formation of a public-private partnership to operate the fueling station, it is servicing both citizens and government entities. The City in partnership with Grand Valley Transit will also begin the construction of a CNG maintenance facility in 2012.
- The City's water and sewer enterprises continued to accelerate the replacement of the pipeline infrastructure and make system improvements in 2011 without increasing utility rates. A photovoltaic solar system was installed at the Wastewater Treatment Facility to take advantage of Renewable Energy Credits (REC) provided by Xcel Energy and to provide an alternative power source for the facility resulting in cost savings.

## **FUTURE OUTLOOK**

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The City remains committed to the maintenance and improvement of the quality of life in the Grand Valley. Through various communications with the community, the City has determined that providing a high level of public safety services, improving infrastructure, enhancing parks and recreation opportunities, planning, and policy development remain key issues for making this area the most livable community west of the Rockies. The City's goal is to serve its citizenry in the long-term while maintaining a sound financial position.

During 2009 and 2010, the City experienced the most significant decline in resources in the last 25 years forcing major reductions in spending and personnel. During 2011, revenues from sales and use taxes began to recover slightly; however wages remained frozen (after being reduced 3% in 2010) with no or few additions to staffing levels. Despite the recession, the City continues to see sustained population growth, estimated to double over the next 25 years. The City's challenge is to continue to provide essential services to this growing population within existing resources.

Priorities shaping future planning include continued adherence to the Comprehensive Plan, continued investment in economic development and capital infrastructure projects, maintenance and preservation of parks and trails, and energy efficiency endeavors.

The Comprehensive Plan was formally adopted in 2010 after a three-year staff and community effort. This plan plays a critical role in guiding the future growth and development of the City of Grand Junction and the larger Mesa County area. In addition, the Comprehensive Plan serves as a compass for City Council in decision making and policy planning. One specific goal of the Comprehensive Plan is consistency in implementation between the City, Mesa County, and other service providers. Another is to support the continued development of the downtown area of the City Center as a vibrant and growing area with jobs, housing and tourist attractions. To that purpose the City will be reviewing the

Comprehensive Plan, the adopted Downtown Plan and the proposed South Downtown Plan to remove barriers to development opportunities which will allow for consistent implementation of the vision as established by the City and County in the Comprehensive Plan.

The City continues to take a lead role in promoting and funding economic development in the area. Incentives and area promotion have brought numerous businesses to the valley. The City plans to continue the support of these efforts to maintain and stabilize growth. The City works closely with the Grand Junction Economic Partnership, Mesa County, Colorado Mesa University (formerly known as Mesa State College), the Business Incubator Center and other local entities to further this economic development goal. Furthermore the City has a department dedicated to economic, convention, and visitor services. The 3% lodging tax is utilized for advertising the community, promoting tourism, and attracting conferences and conventions. Promoting economic development is an important component of ensuring that Grand Junction protects and continues to enjoy the benefit of its regional position.

The higher educational opportunities provided by Colorado Mesa University (CMU) is pivotal to the economic diversity and quality of life enjoyed by the residents of Grand Junction and the surrounding community. In the last 11 years, CMU has embarked on a multi-year, multi-million dollar campus expansion and renovation project. The City of Grand Junction has supported this project through economic development contributions of \$3.5 million. As CMU begins the next phase of this long term expansion, the City intends to integrate the Comprehensive Plan with CMU's vision in order to plan for the impacts and provide a means for thoughtful transitions as the University campus develops.

The City has a long standing record of collaborative management and resource sharing with other agencies in the community, and is committed to continuing and growing those relationships in the future. There are numerous examples of these alliances that result in added value to services as well as the highest and best use of resources. Public Safety: the City is the manager and a major partner agency in the E911 Regional Communication Center which serves more than twenty-two law enforcement, fire and emergency medical service responder agencies; the City of Grand Junction Police Department joins forces with the Mesa County Sheriff's Office and the Federal Drug Enforcement Agency on the Western Colorado Drug Task Force, a partnership designed to fight the battles of drugs and drug related crimes on the frontlines; the City, Mesa County, the City of Fruita and School District #51 provide a School Resource Officer Program to the schools in the valley. Public Utility: the City and Mesa County have a jointly owned and managed sewer system that provides wastewater services to the larger urban area. Public Parks: the City, Mesa County, School District #51, and Colorado Mesa University make use of and contribute towards improvements of the stadium (football, baseball, special events) in the heart of Grand Junction. Public Transportation: The City assists Mesa County in the support of the Grand Valley Transit system, a limited fixed route "circulator" which began servicing the core areas of the valley and the outlying municipalities in 2000; currently this transit system has nearly 1 million passenger trips per year. Procurement: The City has contracted with Mesa County to provide professional procurement services beginning in 2012.

One of the City's ongoing and major priorities is the preservation and improvement of the transportation infrastructure. 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.

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 4<sup>th</sup> Avenue to the intersection of 27½ and D Road. The final connection will extend from Highway 50 on Orchard Mesa to a new interchange at I-70. This loop is designed to provide interconnectivity to and around the City, as well as between different demographical areas of the valley, effectively connecting residential areas with jobs and services. In addition to this major transportation loop, the City has over 1,100 lane miles to maintain in streets infrastructure. The City has a sophisticated pavement management program that evaluates the condition of the roadways and designs an overlay schedule that calls for re-paving high volume streets every 15 years. During the recession, street overlays were deferred due to severe declines in revenues; however, this year and looking forward the City intends to re-dedicate resources towards the overlay program, in order to protect the integrity of the street system.

As indicated by surveys and through dialogue with the Grand Junction community, public safety is recognized as one of the key foundations to a livable community and one of the primary responsibilities of local government. Public Safety facility needs are being addressed through the construction of the Public Safety Complex and reconstruction of Fire Station #1. In the fall of 2012, construction will begin on a Fire Administration building and the remodel and expansion of Fire Station #2. The City Council remains committed towards addressing future public safety needs and in particular the need for neighborhood fire stations. The City is in the process of developing a 20 year public safety plan in order to ensure that essential public safety services will be enhanced and delivered into the future.



The City continues the commitment to parks and trails development. A riverfront park area and trail system along the Colorado River is backed by the City through resources of personnel time, direct funding and facilitating grants from federal, state and private sources. The City has purchased land for this park and the riverfront trail system. Much of this property was the site of wrecking yards, which have now been removed. The park objectives are to provide additional recreational facilities, beautify the entrance to the City and improve flood control for the area. Several trails have been completed and are open to the public. In addition, the City Council has committed 2012 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. Development continued with the construction of a baseball field in 1998, new tennis courts in 2008 and new restroom facilities in 2009. This park serves as the main venue for team sporting events for school and community leagues of all ages; with over 320 days of use a year and an average of 10 events per day. With nearly 1 million visits to the park facility each year, it is clearly a significant asset to the regional community and the City's park system. An additional site was purchased in 1996 for future development of another regional park. This site covers over 207 acres and was fully paid for in 2006. While the site is currently under a farming lease contract, various trails are open to the public for non-motorized use.

The City in partnership with the Downtown Development Authority and the Avalon Theatre Foundation Board are exploring opportunities to renovate and revitalize the 90 year old historic Avalon Theatre. The theatre is owned and operated by the City and is one of the "book ends" of Main Street in the heart of downtown Grand Junction. There are two contemplated phases of the project: a core phase to address safety, accessibility, and operational issues; and a build out phase which expands the size and scope of the facility and its uses for performing arts including the local Grand Junction Symphony.

The City of Grand Junction is actively committed to energy efficiency and water conservation efforts and continually strives to implement strategies that preserve resources and increase efficiencies. One area of particular focus is the City's Compressed Natural Gas (CNG) Program. The City's CNG Program is threefold: transitioning the City's fleet into natural gas vehicles, constructing a CNG fueling station, and the Persigo Wastewater Treatment Plant component which began in 2006 and is the concept of converting methane into CNG. As a byproduct of treating the wastewater, excess digester gas (methane) is generated daily and currently being flared into the atmosphere. After conducting extensive studies, it has been determined that this excess gas can be captured and converted into compressed natural gas (CNG) that can be used as a vehicle fuel. The program is well underway with the continued purchase of City CNG vehicles, the completion of the fueling station, and in 2011 the plan and partnership with Grand Valley Transit to maintain and repair their new CNG public transportation buses. The Persigo component continues to be explored in partnership with Xcel Energy.

## **FINANCIAL POLICIES**

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The City Council provides policy direction to the City Manager who guides the financial decisions of the organization. For the last two years and continuing into the future, City Council's policy direction is to provide economic activity and local stimulus through capital projects; operate within existing revenues; continue to provide the essential services of public safety; and preserve at least \$20 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.

The City Council has formally established an investment policy which includes steps to properly manage the risk, safety, and life of investments. Investment income decreased in 2011 due to lower yields. The net average yield on investments was .75%, down from 1% in 2010.

The City has had a comprehensive loss control program since 1982. Beginning in 1988, the City initiated a self-funded program for Worker's Compensation coverage. As part of a comprehensive plan, resources are being accumulated in the Self-Insurance Internal Service fund to meet potential losses, including reserves for case development and Incurred But Not Reported (IBNR) claims. Various risk control techniques, including safety and accident prevention training, and outside contract services for industrial hygiene, have been utilized to minimize accident related losses. Third party coverage is maintained for excess coverage of both Worker's Compensation and Property/Liability claims.



## **COMPLIANCE WITH THE TAXPAYER BILL OF RIGHTS**

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The Colorado Constitutional Amendment passed in November 1992 (known as the TABOR – Taxpayer Bill of Rights amendment), restricts growth in governmental revenues and property tax revenues to amounts adjusted for inflation and a local growth factor. In 2011, the City did not exceed the overall revenue limitation, but did exceed the property tax revenue limitation. However, in April 2007, City of Grand Junction voters approved the retention by the City of all revenues exceeding the spending limit for 2006 and subsequent years until the bonded debt for the Riverside Parkway is paid in full. Therefore, the excess will be transferred to a debt service fund designated for payment of the Riverside Parkway bonds. The City also is subject to other TABOR requirements. For example, TABOR requires that no real estate transfer tax or income tax be imposed and that the City reserve 3% of its spending as an emergency reserve. The City is in compliance with these provisions. Finally, TABOR requires that the City have elections if it wishes to change its tax policy or issue general government debt.

## **AWARDS**

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The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the twenty-seventh consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGEMENTS**

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The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Financial Operations Division. I would like to express my appreciation of all members of the Department who assisted in and contributed to its preparation. It should be noted that staff from other departments provide great assistance in the preparation of the report and their work is also appreciated. I thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

The City's external auditors, Chadwick, Steinkirchner, Davis & Co., 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, 2011.

Respectfully submitted,



Jodi Romero  
Financial Operations Director



# *Downtown Grand Junction*





# **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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



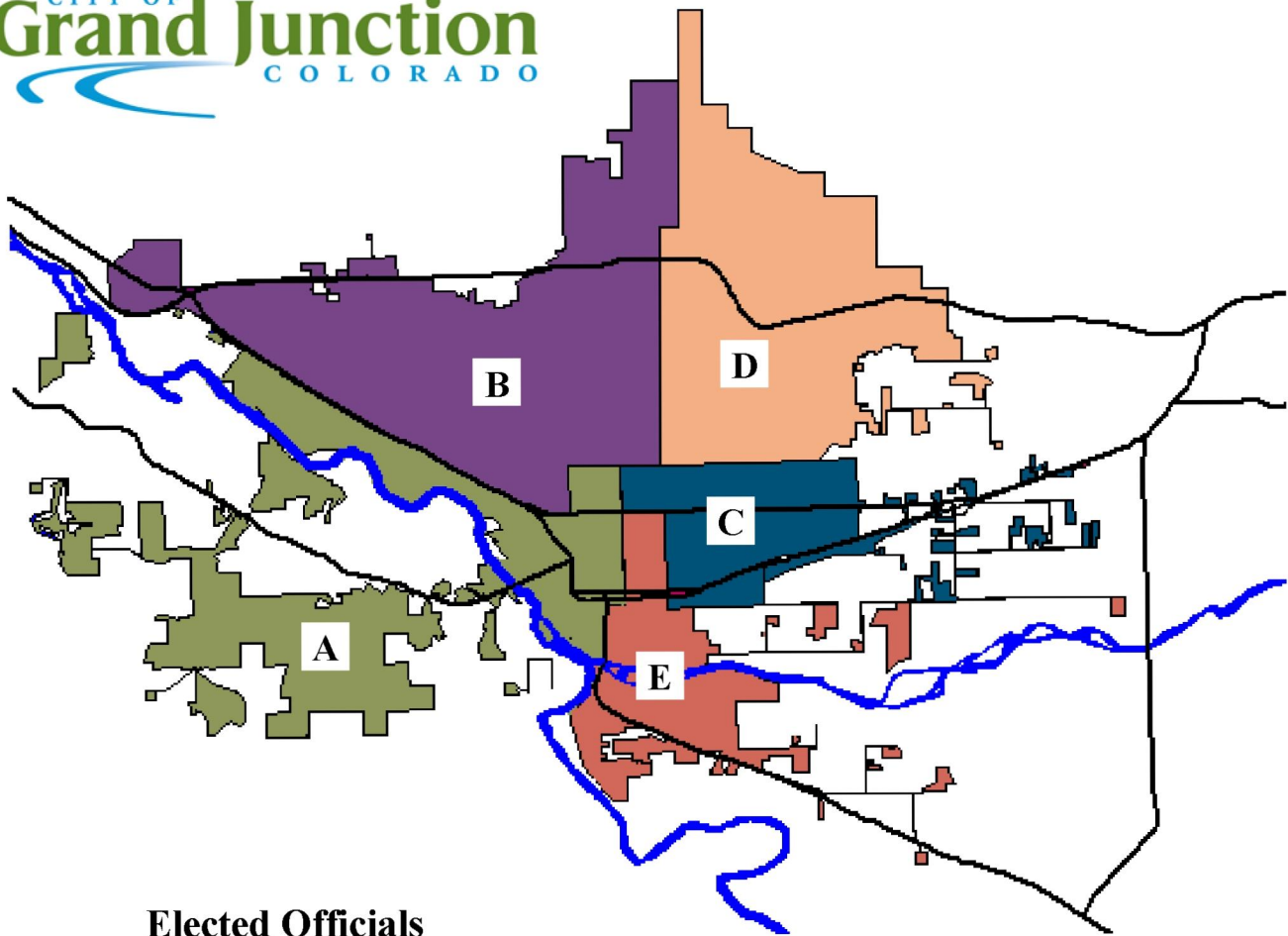
*Linda C. Sandison*

President

*Jeffrey R. Enen*

Executive Director





### Elected Officials

<u>City Council</u>	<u>Expires</u>
Bill Pitts, Mayor – District at Large .....	May 2013
Laura Luke, Mayor Pro Tem – District D .....	May 2013
Tom Kenyon – District A .....	May 2013
Teresa Coons – District E .....	May 2013
Sam Susuras – District B .....	May 2015
Bennett Boeschstein – District C .....	May 2015
Jim Doody – District at Large .....	May 2015

### **Election District Boundaries**

### Appointed Officials

Rich Englehart	City Manager
John P. Shaver	City Attorney
Caré McInnis	Municipal Judge

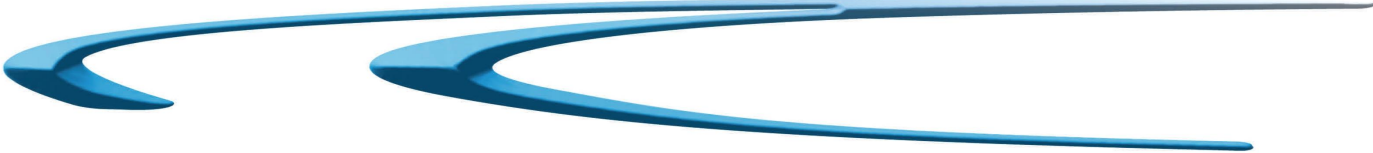
### Department Directors

Rich Englehart, City Manager – Administration  
 Debbie Kovalik – Economic, Convention & Visitor Services  
 Ken Watkins – Fire Chief  
 Rob Schoeber – Parks & Recreation  
 John Camper – Police Chief  
 Tim Moore – Public Works & Planning  
 Greg Trainor – Utilities, Streets & Facilities



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**FINANCIAL SECTION**



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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

June 25, 2012

To the City Council

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, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2012 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* and should be considered in assessing the results of our audit.

To the City Council  
June 25, 2012

Accounting principles generally accepted in the United States of America require that the management's discussion on pages X through X 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, component unit financial statements and schedules, and statistical tables are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, and component unit financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole. The introductory section and statistical tables 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.

*Chadwick, Steinhauser, Davis & Co., P.C.*

## MANAGEMENT'S DISCUSSION & ANALYSIS

Our discussion and analysis of the City of Grand Junction's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2011. Please read it in conjunction with the transmittal letter on page 3 and the City's financial statements, which begin on page 31.

### FINANCIAL HIGHLIGHTS

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- The assets of the City of Grand Junction exceeded its liabilities at the close of 2011 by \$682 million (net assets) primarily due to annexations. Of this amount, \$23 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City of Grand Junction General Fund revenues, on a budgetary basis, increased by 6.7% in 2011 after increases in some revenues (property, sales, and use taxes, and charges for service) and decreases in others (investment earnings). In total, General Fund revenues were \$64.7 million, still significantly below 2008 but showing recovery since 2009. Due to fiscally conservative budgeting and planning, overall the City remains in good financial condition.
- At the end of 2011, the unassigned fund balance for the General Fund was \$13.2 million, or 23.9% of the total General Fund expenditures. This is up \$3.3 million from 2010 which was 19.1% of General Fund expenditures. The General Fund Balance increased in part due to better than expected sales and use tax revenues and higher than expected budget savings which is attributable to prudent spending by departments during 2011.
- The City invested over \$30.5 million in capital projects in 2011. These projects included street construction, machinery, buildings, park development, and communications systems.
- At the close of 2011, the City had \$19.1 million accumulated for the early retirement of the Riverside Parkway Revenue Bonds. These funds together with proceeds from the 2012 Revenue Refunding Bonds issuance, in March 2012, were used to advance refund \$43.9 million of the 2004 Riverside Parkway Revenue Bonds.

### OVERVIEW OF FINANCIAL STATEMENTS

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This discussion and analysis are intended to serve as an introduction to the City of Grand Junction's basic financial statements. The City of Grand Junction's basic financial statements comprise three components: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Grand Junction's finances in a manner similar to a private-sector business.

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

*The statement of activities* presents information showing how the City of Grand Junction's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid time off).

Both of the government-wide financial statements distinguish functions of the City of Grand Junction 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 of Grand Junction 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 of Grand



Junction include Water, Convention Center, Solid Waste, Pools, Golf Courses, Parking, Irrigation and Ambulance Transport.

The government-wide financial statements include not only the City of Grand Junction but also a legally separate Grand Junction Downtown Development Authority, for which the City is financially accountable. Financial information for this component is reported separately from the financial information presented for the City itself.

The government-wide financial statements can be found on pages 31 through 33 of this report.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

---

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Grand Junction also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

1. **Governmental Funds** – These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

The City of Grand Junction maintains 20 governmental funds, of which (as determined by generally accepted accounting principles) the only major funds are the General Fund, Sales Tax Capital Improvement Fund, Major Capital Improvements Fund, General Debt Service Fund, and Parkway Debt Retirement Fund. The balances of the other 15 governmental funds are determined to be non-major and are included in the combining statements within this report.

The City of Grand Junction adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget. The General Fund budgetary comparison is presented as part of the basic governmental fund financial statements which can be found on pages 34 through 38 of this report. All other required budgetary comparisons, including the Sales Tax Capital Improvement Fund, Major Capital Improvements Fund, General Debt Service Fund, and Parkway Debt Retirement Fund, can be found on pages 86 through 100 of this report.

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

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

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

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47 through 74 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Grand Junction's Other Post Employment Healthcare Plan found on page 77 of this report. It also presents other supplement information concerning the City's Local Highway Finance Report. This supplement information can be found on pages 163-164 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major proprietary funds, internal service funds and fiduciary funds are presented immediately following the required notes to financial statements. Combining and individual fund statements and schedules can be found beginning on page 82 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the City of Grand Junction, assets exceed liabilities by \$682 million at the close of fiscal year 2011.

By far, the largest portion (87.2%) of the City of Grand Junction's total net assets reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### STATEMENT OF NET ASSETS (in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$107,718	\$115,776	\$(3,222)	\$(3,691)	\$104,496	\$112,085
Capital assets	663,135	624,184	51,406	54,009	714,541	678,193
Total assets	770,853	739,960	48,184	50,318	819,037	790,278
Long-term debt outstanding	112,975	118,686	6,443	6,886	119,418	125,572
Other liabilities	17,577	15,190	477	611	18,054	15,801
Total liabilities	130,552	133,876	6,920	7,497	137,472	141,373
Net assets:						
Invested in capital assets, net of related debt	581,855	555,543	45,542	47,808	627,397	603,351
Restricted	30,952	21,496	-	-	30,952	21,496
Unrestricted	27,494	29,045	(4,278)	(4,987)	23,216	24,058
Total net assets	\$640,301	\$606,084	\$41,264	\$42,821	\$681,565	\$648,905

An additional portion of the City of Grand Junction's net assets, 4.5%, represents resources that are subject to external restrictions on how they may be used.

### Changes in Net Assets

The City's total revenues of \$115.9 million exceeded program expenses of \$83.2 million for an increase in net assets of \$32.7 million.

### CHANGES IN NET ASSETS

(in Thousands)

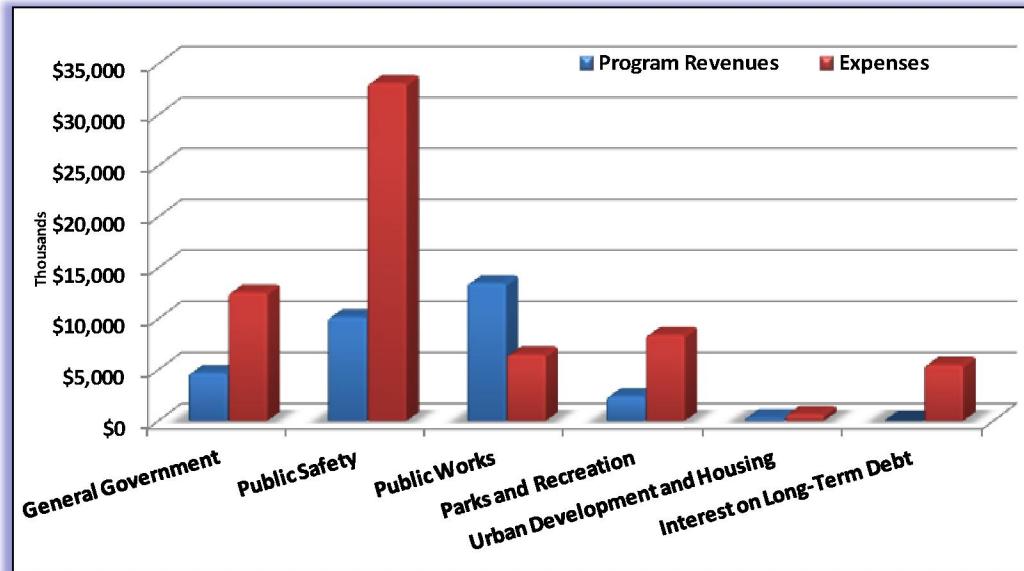
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 14,648	\$ 14,500	\$ 15,824	\$ 15,958	\$ 30,472	\$ 30,458
Operating grants	3,608	2,185	148	595	3,756	2,780
Capital grants	12,817	26,801	212	496	13,029	27,297
General revenues:						
Property taxes	10,609	10,146	-	-	10,609	10,146
Sales and use taxes	50,313	47,424	-	-	50,313	47,424
Other taxes	7,238	6,698	-	-	7,238	6,698
Other general revenues	436	636	18	38	454	674
Total revenues	99,669	108,390	16,202	17,087	115,871	125,477
<b>Expenses:</b>						
General government	12,584	11,592	-	-	12,584	11,592
Public safety	33,105	33,424	-	-	33,105	33,424
Public works	6,512	20,728	-	-	6,512	20,728
Parks and recreation	8,426	8,771	-	-	8,426	8,771
Urban development and housing	646	562	-	-	646	562
Interest on long-term debt	5,502	3,327	-	-	5,502	3,327
Water	-	-	4,881	5,419	4,881	5,419
Convention Center	-	-	2,601	2,858	2,601	2,858
Solid Waste Removal	-	-	3,114	3,463	3,114	3,463
Swimming pools	-	-	983	1,038	983	1,038
Golf	-	-	2,181	2,266	2,181	2,266
Parking	-	-	415	480	415	480
Irrigation systems	-	-	299	307	299	307
Ambulance transport	-	-	1,962	2,174	1,962	2,174
Total expenses	66,775	78,404	16,436	18,005	83,211	96,409
Excess before transfers	32,894	29,986	(234)	(918)	32,660	29,068
Transfers	1,323	(533)	(1,323)	533	-	-
Increase in net assets	34,217	29,453	(1,557)	(385)	32,660	29,068
Net assets 1/1/11	606,084	576,631	42,821	43,206	648,905	619,837
Net assets 12/31/11	\$640,301	\$606,084	\$41,264	\$42,821	\$681,565	\$648,905



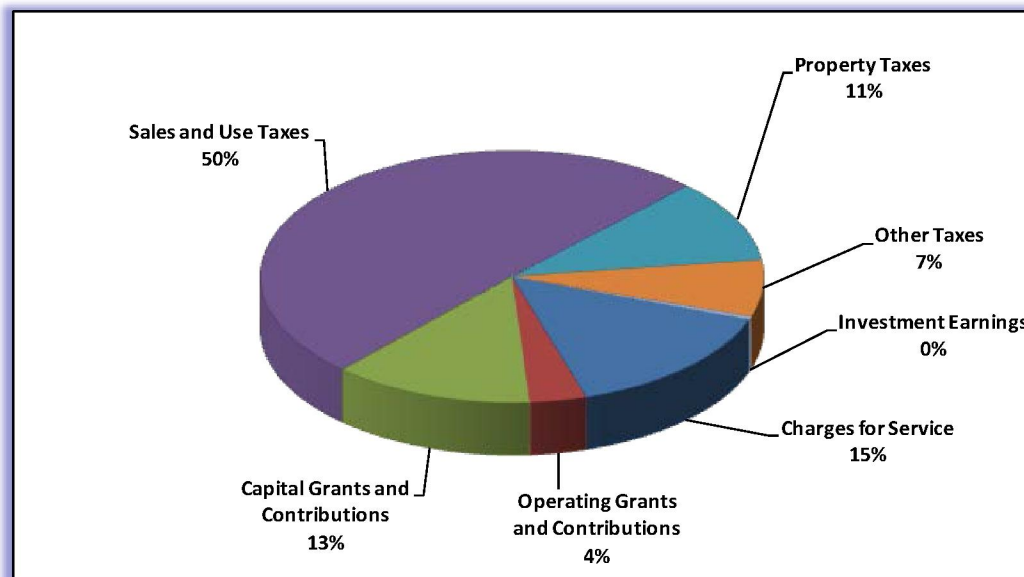
## Governmental Activities

Governmental Activities increased the City of Grand Junction's net assets by \$34.2 million. Following are illustrative summaries of Governmental Activities breaking out revenues and expenses.

### EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES



### REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Sales and use tax revenue increased by 6.1% compared to 2010, reflecting continued improvement in consumer confidence and the resulting discretionary spending.

Property tax revenue increased by \$463 thousand, or .5%, during the year. This slight growth was attributed to increasing valuations of existing properties and additional construction. The mill levy has remained constant since 1992.

Capital grants and contributions decreased by \$14 million, or 52.2%, compared to 2010. This is a result of continued reductions in local development and infrastructure annexations.

### Business-type Activities

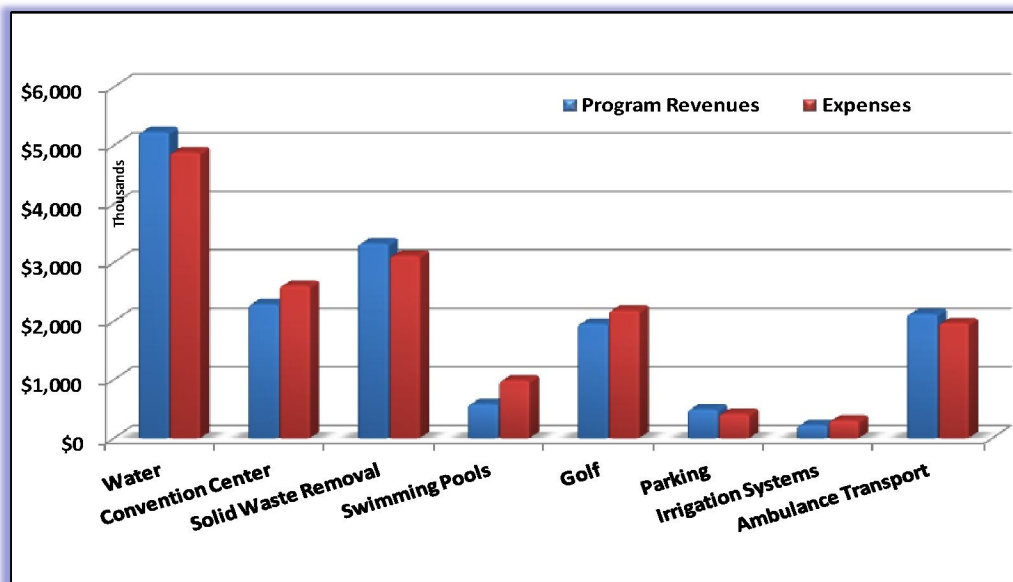
Net assets in the Business-type activities decreased by \$1.6 million because operating expenditures, including depreciation, exceeded charges for service revenue and because the Pools Fund and Ambulance Transport Fund assets were transferred to the General Fund at the end of 2011. Business-type activities include Water, Convention Center, Solid Waste, Pools, Golf Courses, Parking, Irrigation and Ambulance Transport.

The Two Rivers Convention Center and the Pools Fund and Golf Fund received transfers from the Visitors and Convention Bureau Fund and General Fund to subsidize operations.

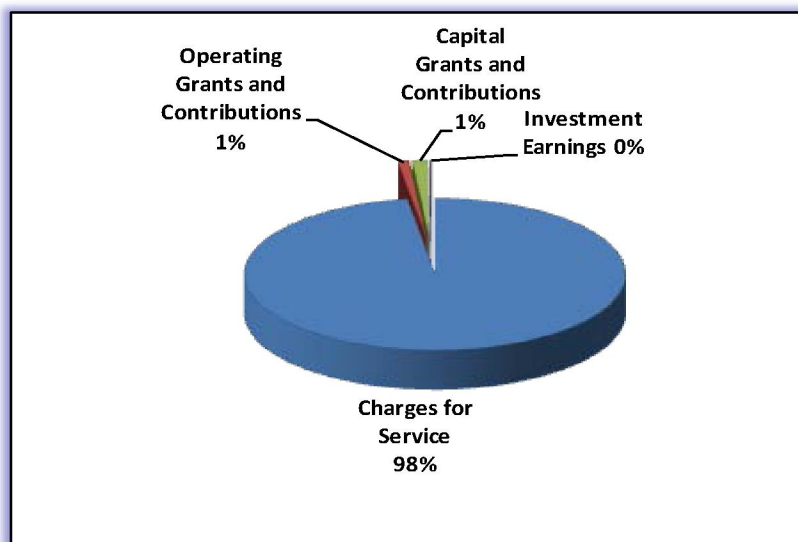
Unrestricted net assets at the end of the year for business-type activities amounted to (\$4.3) million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Grand Junction business-type activities.

The following chart demonstrates the current level of recovery for the City's business-type activities:

**EXPENSE AND PROGRAM REVENUES – BUSINESS-TYPE ACTIVITIES**



**REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES**



## **FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS**

---

As noted earlier, the City of Grand Junction 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, 2011, the City's governmental funds (general, special revenue, debt service, capital projects and permanent) reported combined fund balances of \$80.6 million. This represents a decrease of \$9.4 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 6.7% over 2010, showing recovery from the 2009 recession, while expenditures increased 6.6%. The General Fund's total fund balance, on a budgetary basis, increased \$3.6 million from last year. The General Fund expenditures (including transfers) of \$61.5 million were 95.1% of General Fund revenues. The City of Grand Junction has continued to manage its expenditures to operate within its current financial resources with the goal of building the unassigned fund balance in the General Fund.

The total fund balance in the Major Capital Improvements Fund, consisting of proceeds from certificates of participation issued in 2010, decreased \$16.5 million during the year ended December 31, 2011. The proceeds were used for the construction and renovation of Suplizio Field and Public Safety Buildings. The remainder of this construction will be completed in 2012.

The fund balance in the General Debt Service Fund, also consisting of proceeds from certificates of participation issued in 2010, decreased \$1.6 million during the year. The proceeds were used to pay capitalized interest costs on the Public Safety Buildings Certificates of Participation in 2011.

The fund balance in the Parkway Debt Retirement Fund increased by nearly \$4 million from 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.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

---

During the year, the General Fund budget was amended from an original appropriation total of \$61.8 million to a final budget of \$62.9 million. All recommended revisions for budget changes came through the Financial Operations Division and City Manager to City Council as required. Any budget revisions that require supplemental appropriations at the fund level are presented to City Council via Ordinance and enactment requiring a public hearing and the opportunity for public discussion. The City does allow small intra-departmental budget changes that modify line items within departments within the same fund. The original and final adopted budgets for the General Fund are presented on page 38.

For the General Fund, the original budget for revenues was \$61.9 million while the final budgeted amount was \$64.3 million, reflecting an increase in the projection for tax revenues and intergovernmental grant revenues. Actual revenues, on a budgetary basis, for 2011 came in nearly \$400 thousand more than the final budget at \$64.7 million. This was primarily due to various tax revenues performing better than expected, offset slightly by a decline in revenues from traffic violations as a result of labor vacancies in the police department.

Actual General Fund expenditures (including transfers) totaled \$61.5 million. General Fund expenditures (including transfers) were approximately \$1.3 million, 2.1%, less than the final budget. This was due to achieving higher than expected budget savings in the department operating budgets from unfilled positions and continued prudent spending.

The year-end budgetary basis fund balance of \$29.9 million was \$1.7 million above the final budgeted amount. This was due to a stronger than anticipated recovery of revenues following the 2009 recession as well as continued labor and operating cost savings from reductions implemented in 2010.

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 \$9.4 million during the year. The General Fund's total fund balance increased \$3.6 million from last year. An analysis for this fund balance shows that it represents over 46.1% of projected revenues for the new fiscal year which ends December 31, 2012.

Taxes continue to be the largest source of revenue in the General Fund and represent 84.4% of total general fund revenues. The largest element of taxes is sales taxes, as it has been for many years. It represents 67.7% of total tax revenues and represents 57.2% of total general fund revenues.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2011, the City had invested in a broad range of capital assets, including police and fire equipment, roads, parks, water, storm drainage and other infrastructure.

The following table provides a summary of total capital assets at December 31, 2011.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$296,702	\$293,932	\$ 4,902	\$ 4,902	\$301,604	\$298,834
Buildings and systems	40,994	40,190	39,422	41,370	80,416	81,560
Improvements other than buildings	15,191	16,239	4,975	5,220	20,166	21,459
Vehicles, machinery & equipment	14,132	12,977	1,496	2,265	15,628	15,242
Infrastructure	272,606	244,982	-	-	272,606	244,982
Construction in progress	22,236	15,851	459	100	22,695	15,951
Intangible assets	1,274	13	152	152	1,426	165
Total	\$663,135	\$624,184	\$51,406	\$54,009	\$714,541	\$678,193

Major capital additions during 2011 include:

	<u>2011</u>
Public Safety Building	\$11,788,834
29 Road Viaduct (1/2 county)	7,610,694
Stadium Improvements	5,257,796
Equipment Replacement Program	1,592,340
Street Capacity Expansion	996,897
Compressed Natural Gas Flow Station	779,691
Waterline Replacements	600,655
800MHz Radio Infrastructure	355,039
Integrated Records Management System	116,791

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

### **Debt Administration**

The City has traditionally adhered to a conservative debt management policy that carefully controls the amount of outstanding debt. Because of our strong capital improvement budgeting process, the City of Grand Junction has been able to maintain and improve its infrastructure while avoiding unreasonable debt burdens. To take advantage of favorable rates and to shorten construction time however, the City did issue \$22.9 million in General Fund Revenue



bonds in 2007 to continue construction on the Riverside Parkway project. Standard and Poor's gave the City the rating of AA- on the revenue bond issue while the City's general obligation bond ratings are A+. In 2006 Standard & Poor's upgraded the revenue bond rating to AA.

As of December 31, 2011, the City of Grand Junction had \$111.8 million in outstanding debt. Of this amount, \$106 million represents General Government debt. The largest portion, \$63.5 million, is the liability from the Riverside Parkway revenue bonds issued in 2004 and 2007. \$42.1 million is the liability from the issuance of certificates of participation for the Stadium Improvements Project and the Public Safety Buildings Project. Special taxing districts have a combined total of \$410 thousand in debt. The remaining \$5.8 million of outstanding debt is bonds, notes and loans to be repaid by fee revenue and appropriated funds. Total debt service payments of approximately \$5.8 million in 2012 represents 6.4% of total budgeted operating expenditures. Additional information on the City's long-term debt can be found in Note 7 on pages 61 through 63.

The table below provides a summary of total debt at December 31, 2011.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General obligation (backed by by special tax revenue)	\$ 410	\$ 595	\$ -	\$ -	\$ 410	\$ 595
Revenue bonds and notes (backed by tax and fee revenue)	63,459	67,723	-	-	63,459	67,723
Certificates of participation (backed by the constructed assets)	42,077	42,248	-	-	42,077	42,248
Lease purchase agreement	21	39	-	-	21	39
Loans (backed by fee revenue)	-	-	5,864	6,201	5,864	6,201
<b>Total</b>	<b>\$105,967</b>	<b>\$110,605</b>	<b>\$5,864</b>	<b>\$6,201</b>	<b>\$111,831</b>	<b>\$116,806</b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

City-wide reserves are at levels currently directed by City Council. The local economy has weakened as a result of the national recession, significant reductions in the energy industry, and a downward trend in development and construction. Sales and Use Taxes are showing some signs of recovery during the first part of 2012, however overall these revenues are still only at a level between 2006 and 2007. Grand Junction continues to be the educational, retail, and medical center for most of Western Colorado and Eastern Utah. Those factors, coupled with tourism, the abundance of outdoor recreational opportunities, the expansion of Colorado Mesa University, and the ability to attract new businesses and retirees, all contribute to the relative stability of our local economy. All of these factors will position Grand Junction for recovery when job creation begins, and the credit and real estate markets begin to normalize.

General Fund balances are above the minimum working capital recommended in the City's Budget Policy. The City's investment in infrastructure continues to be significant as work continues on the transportation loop including the Riverside Parkway Project, 29 Road, I-70 Business Loop and Interstate 70.

Rates in the Utility Funds are set to cover operating and capital costs. In 2012, there will not be a rate increase for the utility funds.

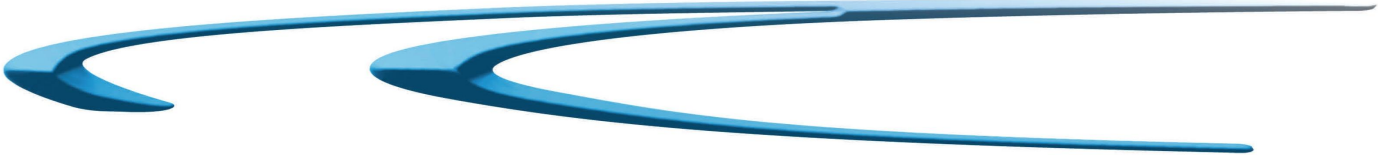
**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact the City's Financial Operations Division at City of Grand Junction, 250 N. 5<sup>th</sup> Street, Grand Junction, CO 81501.





# *Colorado National Monument*



# **BASIC FINANCIAL STATEMENTS**





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City of Grand Junction  
**STATEMENT OF NET ASSETS**  
December 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>ASSETS</b>				
Cash and investments	\$ 46,623,434	\$ 3,840,424	\$ 50,463,858	\$ 1,343,057
Other receivables, net of allowance for uncollectibles	19,143,663	1,088,335	20,231,998	1,788,678
Due from component unit	3,164,181	-	3,164,181	-
Internal balances	8,187,384	(8,187,384)	-	-
Prepays	232,237	465	232,702	25,625
Inventories	214,413	35,981	250,394	-
Bond issue costs	953,316	-	953,316	28,918
Restricted cash and investments	29,199,106	-	29,199,106	-
Capital assets (net of accumulated depreciation):				
Land	296,702,316	4,901,443	301,603,759	1,500,542
Buildings and systems	40,994,036	39,421,620	80,415,656	2,786,891
Improvements other than buildings	15,190,636	4,974,761	20,165,397	-
Equipment	14,131,778	1,496,601	15,628,379	787,747
Infrastructure	272,606,253	-	272,606,253	-
Construction in progress	22,235,998	459,105	22,695,103	-
Intangible assets	1,274,436	152,318	1,426,754	-
Total assets	<u>770,853,187</u>	<u>48,183,669</u>	<u>819,036,856</u>	<u>8,261,458</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	7,817,607	420,729	8,238,336	82,962
Accrued interest payable	1,240,584	56,501	1,297,085	4,000
Due to primary government	-	-	-	3,164,181
Unearned revenue	8,518,769	-	8,518,769	1,770,425
Noncurrent liabilities:				
Due within one year	6,342,065	364,338	6,706,403	3,200,399
Due in more than one year	106,633,501	6,077,974	112,711,475	6,297
Total liabilities	<u>130,552,526</u>	<u>6,919,542</u>	<u>137,472,068</u>	<u>8,228,264</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	581,854,487	45,541,828	627,396,315	4,870,916
Restricted for :				
Perpetual care:				
Nonexpendable	1,289,972	-	1,289,972	-
Debt service	23,336,298	-	23,336,298	682,652
Emergency reserves	2,000,000	-	2,000,000	-
Legends historical sculptures project	-	-	-	111,425
Parks and recreation	615,253	-	615,253	-
Public safety	3,622,873	-	3,622,873	-
Retiree health benefits	87,482	-	87,482	-
Urban development and housing	-	-	-	483,972
Unrestricted	27,494,296	(4,277,701)	23,216,595	(6,115,771)
Total net assets	<u>\$ 640,300,661</u>	<u>\$ 41,264,127</u>	<u>\$ 681,564,788</u>	<u>\$ 33,194</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, 2011

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 12,583,783	\$ 3,224,426	\$ 1,399,420	\$ 86,690
Public safety	33,105,266	8,071,588	1,228,847	868,175
Public works	6,512,483	1,895,207	99,678	11,490,506
Parks and recreation	8,425,816	1,456,400	571,314	371,521
Urban development and housing	645,572	-	309,155	-
Interest on long-term debt	5,501,830	-	-	-
Total governmental activities	<u>66,774,750</u>	<u>14,647,621</u>	<u>3,608,414</u>	<u>12,816,892</u>
Business-type Activities:				
Water	4,881,038	4,913,952	98,777	211,590
Convention Center	2,600,896	2,279,695	5,438	-
Solid Waste Removal	3,113,744	3,324,152	-	-
Swimming Pools	983,212	532,456	44,000	-
Golf	2,181,540	1,949,258	-	-
Parking	415,355	487,517	-	-
Irrigation Systems	298,694	219,367	-	260
Ambulance Transport	1,961,509	2,117,997	-	-
Total business-type activities	<u>16,435,988</u>	<u>15,824,394</u>	<u>148,215</u>	<u>211,850</u>
Total primary government	<u>\$ 83,210,738</u>	<u>\$ 30,472,015</u>	<u>\$ 3,756,629</u>	<u>\$ 13,028,742</u>
<b>Component unit:</b>				
Downtown Development Authority	\$ 4,651,158	\$ 80,611	\$ 133,385	\$ 538,978

General revenues:

- Sales & use taxes
- Property taxes
- Franchise taxes
- Highway users tax
- Other shared taxes
- Investment earnings (loss)

Transfers

- Total general revenues
- Change in net assets

Net assets - beginning

Net assets - ending

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



**Net (Expense) Revenue and Changes in Net Assets**

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Downtown Development Authority
\$ (7,873,247)	\$ -	\$ (7,873,247)	\$ -
(22,936,656)	-	(22,936,656)	-
6,972,908	-	6,972,908	-
(6,026,581)	-	(6,026,581)	-
(336,417)	-	(336,417)	-
(5,501,830)	-	(5,501,830)	-
<u>(35,701,823)</u>	<u>-</u>	<u>(35,701,823)</u>	<u>-</u>
-	343,281	343,281	-
-	(315,763)	(315,763)	-
-	210,408	210,408	-
-	(406,756)	(406,756)	-
-	(232,282)	(232,282)	-
-	72,162	72,162	-
-	(79,067)	(79,067)	-
-	156,488	156,488	-
<u>-</u>	<u>(251,529)</u>	<u>(251,529)</u>	<u>-</u>
\$ <u>(35,701,823)</u>	\$ <u>(251,529)</u>	\$ <u>(35,953,352)</u>	\$ <u>-</u>
-	-	-	(3,898,184)
50,312,521	-	50,312,521	-
10,608,818	-	10,608,818	2,203,253
2,572,877	-	2,572,877	-
2,261,503	-	2,261,503	-
2,403,354	-	2,403,354	-
435,929	18,158	454,087	(21,847)
<u>1,323,064</u>	<u>(1,323,064)</u>	<u>-</u>	<u>-</u>
<u>69,918,066</u>	<u>(1,304,906)</u>	<u>68,613,160</u>	<u>2,181,406</u>
34,216,243	(1,556,435)	32,659,808	(1,716,778)
606,084,418	42,820,562	648,904,980	1,749,972
\$ <u>640,300,661</u>	\$ <u>41,264,127</u>	\$ <u>681,564,788</u>	\$ <u>33,194</u>

City of Grand Junction  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2011

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Major Capital Improvements Capital Projects Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 14,694,623	\$ -	\$ 27,525,430	\$ 19,079,054	\$ 7,892,810	\$ 69,191,917
Interest receivable	60,682	-	-	-	-	60,682
Accounts receivable, net of allowances for uncollectibles	1,441,545	-	-	-	478,287	1,919,832
Taxes receivable	11,346,815	1,260,448	-	-	294,281	12,901,544
Special assessments receivable	-	86,139	-	-	-	86,139
Due to other funds	2,068,559	-	-	-	-	2,068,559
Prepaid Items	153,845	-	20,157	-	13,605	187,607
Inventories	214,413	-	-	-	-	214,413
Advances to other funds	7,961,340	-	-	-	-	7,961,340
Intergovernmental receivables	1,834,238	1,561,904	-	-	85,248	3,481,390
Total assets	<u>\$ 39,776,060</u>	<u>\$ 2,908,491</u>	<u>\$ 27,545,587</u>	<u>\$ 19,079,054</u>	<u>\$ 8,764,231</u>	<u>\$ 98,073,423</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 738,161	\$ 1,308,541	\$ 4,088,131	\$ -	\$ 399,491	\$ 6,534,324
Accrued liabilities	809,642	-	-	-	15,798	825,440
Due to other funds	-	1,493,082	-	-	158,746	1,651,828
Deferred revenue	8,075,987	86,139	-	-	262,401	8,424,527
Total liabilities	<u>9,623,790</u>	<u>2,887,762</u>	<u>4,088,131</u>	<u>-</u>	<u>836,436</u>	<u>17,436,119</u>
Fund balances:						
Nonspendable:						
Inventories and prepaids	368,258	-	20,157	-	13,605	402,020
Permanent fund principal	-	-	-	-	1,289,972	1,289,972
Restricted for:						
Advances	7,961,340	-	-	-	-	7,961,340
Debt service	4,710,929	-	-	19,079,054	166,515	23,956,498
Emergency reserves	2,000,000	-	-	-	-	2,000,000
Parks and recreation	27,500	-	-	-	587,753	615,253
Public safety	-	-	-	-	3,507,336	3,507,336
Public safety building improvements	-	-	20,651,119	-	-	20,651,119
Retiree health benefits	87,482	-	-	-	-	87,482
Stadium improvements	-	-	2,786,180	-	-	2,786,180
Committed to:						
Cultural arts	10,506	-	-	-	-	10,506
Open space	-	-	-	-	755,327	755,327
Street capacity expansion	-	-	-	-	571,214	571,214
Tourism and convention	-	-	-	-	598,245	598,245
Assigned to:						
Facility improvements	-	-	-	-	437,828	437,828
Capital improvements	-	20,729	-	-	-	20,729
Retiree health benefits	1,192,063	-	-	-	-	1,192,063
Subsequent year's expenditures	600,306	-	-	-	-	600,306
Unassigned:	<u>13,193,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,193,886</u>
Total fund balances	<u>30,152,270</u>	<u>20,729</u>	<u>23,457,456</u>	<u>19,079,054</u>	<u>7,927,795</u>	<u>80,637,304</u>
Total liabilities and fund balances	<u>\$ 39,776,060</u>	<u>\$ 2,908,491</u>	<u>\$ 27,545,587</u>	<u>\$ 19,079,054</u>	<u>\$ 8,764,231</u>	<u>\$ 98,073,423</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 ASSETS**  
 December 31, 2011

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

Total fund balance - governmental funds (page 34)	\$ 80,637,304
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	647,600,589
Long-term assets are not available to pay current expenditures, and therefore, are deferred in the funds.	78,851
Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation & maintenance, self-insurance activities, and communication services to individual funds. The assets \$26,004,091 and liabilities (\$2,980,712) of the internal service funds are included in governmental activities in the statement of net assets.	23,023,379
Interfund for internal service fund allocated to business-type activities.	(190,687)
Long-term liabilities including bonds and notes payable, capital leases, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds.	
General obligation bonds	\$ (410,000)
Revenue bonds	(61,495,000)
Bond premium (to be amortized over life of debt)	(1,964,413)
Certificates of participation	(42,485,000)
Discount on certificates of participation (to be amortized over life of lease)	407,968
Deferred charge for issue costs (to be amortized over life of debt)	601,493
Deferred charge for issue costs (to be amortized over life of lease)	351,823
Net pension obligation	(598,695)
Accrued interest payable	(1,240,584)
Compensated absences	(3,118,190)
Other Post Employment Benefit Obligation	(898,177)
	(110,848,775)
<b>Total net assets - governmental activities (page 31)</b>	<b>\$ <u>640,300,661</u></b>

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, 2011

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Major Capital Improvements Capital Projects Fund	General Debt Service Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
<b>Taxes:</b>							
Property	\$ 10,381,954	\$ -	\$ -	\$ -	\$ -	\$ 226,864	\$ 10,608,818
Sales and use	36,884,119	11,657,149	-	-	-	1,771,253	50,312,521
Franchise	2,572,877	-	-	-	-	-	2,572,877
Severance	1,551,613	-	-	-	-	-	1,551,613
Other	3,113,244	-	-	-	-	-	3,113,244
Licenses and permits	116,930	-	-	-	-	-	116,930
Intergovernmental revenues	1,776,883	1,467,897	300,000	769,252	-	817,916	5,131,948
Charges for services	6,520,399	39,192	-	-	-	3,380,792	9,940,383
Fines and forfeitures	1,286,571	-	-	-	-	10,388	1,296,959
Special assessments	-	32,868	-	-	-	-	32,868
Investment earnings	234,517	10,818	44,695	-	102,486	31,347	423,863
Other income	34,200	-	-	-	-	13,199	47,399
Other contributions	58,832	-	-	-	-	397,620	456,452
Total revenues	<u>64,532,139</u>	<u>13,207,924</u>	<u>344,695</u>	<u>769,252</u>	<u>102,486</u>	<u>6,649,379</u>	<u>85,605,875</u>
<b>EXPENDITURES</b>							
<b>Current:</b>							
General government	9,031,188	-	-	2,800	-	1,658,578	10,692,566
Public safety	28,691,061	-	-	-	-	-	28,691,061
Public works	10,035,622	-	-	-	-	-	10,035,622
Parks and recreation	7,083,898	-	-	-	-	-	7,083,898
Urban development and housing	391,984	-	-	-	-	253,588	645,572
<b>Debt service:</b>							
Principal retirement	-	-	-	3,905,000	-	370,000	4,275,000
Interest and fiscal charges	-	-	-	5,478,143	-	380,514	5,858,657
<b>Capital outlay:</b>							
Construction	-	8,017,697	17,056,406	-	-	1,052,852	26,126,955
Total expenditures	<u>55,233,753</u>	<u>8,017,697</u>	<u>17,056,406</u>	<u>9,385,943</u>	<u>-</u>	<u>3,715,532</u>	<u>93,409,331</u>
Excess (deficiency) of revenues over (under) expenditures	9,298,386	5,190,227	(16,711,711)	(8,616,691)	102,486	2,933,847	(7,803,456)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	427,957	1,827,229	258,750	6,987,813	3,876,039	445,754	13,823,542
Transfers out	(6,311,936)	(7,103,353)	(61,618)	-	-	(1,977,059)	(15,453,966)
Sale of capital assets	80,000	-	-	-	-	-	80,000
Total other financing sources and uses	<u>(5,803,979)</u>	<u>(5,276,124)</u>	<u>197,132</u>	<u>6,987,813</u>	<u>3,876,039</u>	<u>(1,531,305)</u>	<u>(1,550,424)</u>
Net change in fund balances	3,494,407	(85,897)	(16,514,579)	(1,628,878)	3,978,525	1,402,542	(9,353,880)
Fund balances -- beginning	26,657,863	106,626	39,972,035	1,628,878	15,100,529	6,525,253	89,991,184
Fund balances -- ending	<u>\$ 30,152,270</u>	<u>\$ 20,729</u>	<u>\$ 23,457,456</u>	<u>\$ -</u>	<u>\$ 19,079,054</u>	<u>\$ 7,927,795</u>	<u>\$ 80,637,304</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, 2011

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

Net change in fund balances - total governmental funds (page 36)	\$	(9,353,880)
--	----	-------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$39,218,430 exceeded depreciation (\$11,742,958) in the current period.		27,475,472
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The net effect of various miscellaneous transactions involving capital assets (i.e. sales and disposals) is to decrease net assets.		(1,067,164)
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The net effect of the donation of capital assets is to increase net assets.		10,113,557
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The net effect of the transfer of capital assets from the swimming pools and ambulance transport proprietary funds is to increase net assets.		1,407,304
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(4,304)
--	--	---------

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 assets. Also, governmental funds report the effect of issuance costs, 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	\$	4,275,000	
Bond premium (to be amortized over the life of debt)		359,084	
Certificates of participation discount (to be amortized over the life of debt)		(14,424)	
Deferred charge for bond issuance cost		(58,059)	
Decrease in accrued interest		70,226	
Decrease in net pension obligation		163,048	
Increase in compensated absences		(212,320)	
Increase in other post employment benefit obligation		(245,458)	
		4,337,097	

Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation & maintenance, central stores and printing, self-insurance activities, and communication services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

Revenues from external customers	\$	3,158,729	
Expenses due to external customers		(3,858,369)	
Grants and contributions		782,006	
Gain (Loss) on disposition of property		(29,795)	
Investment income		12,066	
Operating income from operations		1,243,524	1,308,161

Change in net assets of governmental activities (page 33)	\$	34,216,243
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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, 2011

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
<b>REVENUES</b>						
Taxes:						
Property	\$ 10,276,705	\$ 10,276,705	\$ 10,381,954	\$ -	\$ 10,381,954	\$ 105,249
Sales and use	35,422,573	36,808,733	36,884,119	73,058	36,957,177	148,444
Franchise	2,415,477	2,415,477	2,572,877	-	2,572,877	157,400
Severance	1,492,900	1,551,613	1,551,613	-	1,551,613	-
Other	3,292,229	3,038,435	3,113,244	(24,528)	3,088,716	50,281
Licenses and permits	110,370	110,945	116,930	-	116,930	5,985
Intergovernmental revenues	1,146,721	1,681,156	1,776,883	-	1,776,883	95,727
Charges for services	6,113,238	6,506,799	6,520,399	-	6,520,399	13,600
Fines and forfeitures	1,263,000	1,528,911	1,286,571	-	1,286,571	(242,340)
Investment earnings	321,419	291,589	234,517	26,163	260,680	(30,909)
Other income	16,700	21,500	34,200	-	34,200	12,700
Other contributions	19,100	26,465	58,832	-	58,832	32,367
Total revenues	<u>61,890,432</u>	<u>64,258,328</u>	<u>64,532,139</u>	<u>74,693</u>	<u>64,606,832</u>	<u>348,504</u>
<b>EXPENDITURES</b>						
Current:						
General government:						
Administration	6,584,466	7,286,511	7,026,923	-	7,026,923	259,588
Community development	1,999,884	2,042,709	2,004,265	-	2,004,265	38,444
Total general government	<u>8,584,350</u>	<u>9,329,220</u>	<u>9,031,188</u>	<u>-</u>	<u>9,031,188</u>	<u>298,032</u>
Public safety:						
Police protection	17,624,547	17,654,248	16,882,821	-	16,882,821	771,427
Fire protection	11,087,474	11,721,494	11,808,240	-	11,808,240	(86,746)
Total public safety	<u>28,712,021</u>	<u>29,375,742</u>	<u>28,691,061</u>	<u>-</u>	<u>28,691,061</u>	<u>684,681</u>
Public works	10,381,017	10,448,881	10,035,622	-	10,035,622	413,259
Parks and recreation	7,233,550	7,224,170	7,083,898	-	7,083,898	140,272
Urban development and housing	316,376	239,745	391,984	-	391,984	(152,239)
Total expenditures	<u>55,227,314</u>	<u>56,617,758</u>	<u>55,233,753</u>	<u>-</u>	<u>55,233,753</u>	<u>1,384,005</u>
Excess (deficiency) of revenues over (under) expenditures	6,663,118	7,640,570	9,298,386	74,693	9,373,079	1,732,509
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	76,173	421,103	427,957	-	427,957	6,854
Transfers out	(6,610,328)	(6,237,554)	(6,311,936)	-	(6,311,936)	(74,382)
Sale of capital assets	-	-	80,000	-	80,000	80,000
Total other financing sources and uses	<u>(6,534,155)</u>	<u>(5,816,451)</u>	<u>(5,803,979)</u>	<u>-</u>	<u>(5,803,979)</u>	<u>12,472</u>
Net change in fund balances	128,963	1,824,119	3,494,407	74,693	3,569,100	1,744,981
Fund balances -- beginning	<u>26,371,042</u>	<u>26,371,042</u>	<u>26,657,863</u>	<u>(286,821)</u>	<u>26,371,042</u>	<u>-</u>
Fund balances -- ending	<u>\$ 26,500,005</u>	<u>\$ 28,195,161</u>	<u>\$ 30,152,270</u>	<u>\$ (212,128)</u>	<u>\$ 29,940,142</u>	<u>\$ 1,744,981</u>

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

City of Grand Junction, Colorado  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
December 31, 2011

Business-Type Activities - Enterprise Funds

	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 3,136,915	\$ -	\$ 38,959	\$ 109,799	\$ 554,751	\$ 3,840,424	\$ 9,794,804
Accounts receivable, net of allowance	403,862	254,950	211	2,580	417,925	1,079,528	616,894
Intergovernmental receivable	8,807	-	-	-	-	8,807	12,899
Prepaid items	-	465	-	-	-	465	44,630
Inventory	-	-	35,981	-	-	35,981	-
Total current assets	<u>3,549,584</u>	<u>255,415</u>	<u>75,151</u>	<u>112,379</u>	<u>972,676</u>	<u>4,965,205</u>	<u>10,469,227</u>
Noncurrent assets:							
Capital assets:							
Land	2,506,211	153,001	891,356	1,350,875	-	4,901,443	-
Buildings, improvements, plant and system	43,908,097	9,141,572	7,346,930	5,200,888	3,489,911	69,087,398	3,529,066
Equipment	1,037,419	613,590	168,528	316,278	1,253,196	3,389,011	30,458,072
Construction in progress	428,166	-	-	-	30,939	459,105	2,318,931
Intangible assets	152,318	-	-	-	-	152,318	-
Less accumulated depreciation	<u>(16,222,788)</u>	<u>(3,055,357)</u>	<u>(3,025,238)</u>	<u>(960,706)</u>	<u>(3,319,338)</u>	<u>(26,583,427)</u>	<u>(20,771,205)</u>
Total capital assets (net of accumulated depreciation)	<u>31,809,423</u>	<u>6,852,806</u>	<u>5,381,576</u>	<u>5,907,335</u>	<u>1,454,708</u>	<u>51,405,848</u>	<u>15,534,864</u>
Total noncurrent assets	<u>31,809,423</u>	<u>6,852,806</u>	<u>5,381,576</u>	<u>5,907,335</u>	<u>1,454,708</u>	<u>51,405,848</u>	<u>15,534,864</u>
Total assets	<u>35,359,007</u>	<u>7,108,221</u>	<u>5,456,727</u>	<u>6,019,714</u>	<u>2,427,384</u>	<u>56,371,053</u>	<u>26,004,091</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	35,940	135,414	56,286	2,990	89,836	320,466	318,518
Accrued liabilities	38,703	27,120	12,039	2,176	20,225	100,263	113,774
Accrued interest payable	56,501	-	-	-	-	56,501	-
Compensated absences payable	15,352	3,975	5,990	542	8,660	34,519	25,551
Claims payable	-	-	-	-	-	-	894,440
Current portion of promissory notes payable	329,819	-	-	-	-	329,819	-
Current portion of capital leases payable	-	-	-	-	-	-	20,596
Deferred revenue	-	-	-	-	-	-	108,810
Due to other funds	-	92,881	45,569	189,257	89,024	416,731	-
Total current liabilities	<u>476,315</u>	<u>259,390</u>	<u>119,884</u>	<u>194,965</u>	<u>207,745</u>	<u>1,258,299</u>	<u>1,481,689</u>
Noncurrent liabilities:							
Compensated absences payable	241,842	62,611	94,358	8,534	136,428	543,773	402,527
Claims payable	-	-	-	-	-	-	1,096,496
Advances from other funds - general fund	-	-	3,593,198	3,444,739	923,403	7,961,340	-
Promissory notes payable	5,534,201	-	-	-	-	5,534,201	-
Total noncurrent liabilities	<u>5,776,043</u>	<u>62,611</u>	<u>3,687,556</u>	<u>3,453,273</u>	<u>1,059,831</u>	<u>14,039,314</u>	<u>1,499,023</u>
Total liabilities	<u>6,252,358</u>	<u>322,001</u>	<u>3,807,440</u>	<u>3,648,238</u>	<u>1,267,576</u>	<u>15,297,613</u>	<u>2,980,712</u>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	25,945,403	6,852,806	5,381,576	5,907,335	1,454,708	45,541,828	15,514,268
Restricted for:							
Public safety	-	-	-	-	-	-	115,537
Unrestricted	3,161,246	(66,586)	(3,732,289)	(3,535,859)	(294,900)	(4,468,388)	7,393,574
Total net assets	<u>\$ 29,106,649</u>	<u>\$ 6,786,220</u>	<u>\$ 1,649,287</u>	<u>\$ 2,371,476</u>	<u>\$ 1,159,808</u>	<u>\$ 41,073,440</u>	<u>\$ 23,023,379</u>

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

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

Current year:	571,992
Prior years:	(381,305)
Total net assets - business-type activities (page 31)	<u>\$ 41,264,127</u>

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



City of Grand Junction, Colorado  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2011

Business-Type Activities - Enterprise Funds							
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
<b>Operating revenues:</b>							
Charges for sales and services	\$ 4,913,952	\$ 2,279,695	\$ 1,949,258	\$ 487,517	\$ 6,193,972	\$ 15,824,394	\$ 13,786,380
Other income	-	-	-	-	-	-	636,416
Total operating revenues	<u>4,913,952</u>	<u>2,279,695</u>	<u>1,949,258</u>	<u>487,517</u>	<u>6,193,972</u>	<u>15,824,394</u>	<u>14,422,796</u>
<b>Operating expenses:</b>							
Personnel services	2,298,611	1,236,809	977,943	128,560	3,287,949	7,929,872	6,507,087
Costs of sales and services	1,562,137	1,138,666	1,009,723	79,595	2,911,025	6,701,146	5,974,658
Depreciation and amortization	987,738	257,751	228,705	144,075	429,949	2,048,218	2,367,241
Total operating expenses	<u>4,848,486</u>	<u>2,633,226</u>	<u>2,216,371</u>	<u>352,230</u>	<u>6,628,923</u>	<u>16,679,236</u>	<u>14,848,986</u>
Operating income (loss)	<u>65,466</u>	<u>(353,531)</u>	<u>(267,113)</u>	<u>135,287</u>	<u>(434,951)</u>	<u>(854,842)</u>	<u>(426,190)</u>
<b>Nonoperating revenues (expenses):</b>							
Intergovernmental	27,360	-	-	-	44,000	71,360	598,130
Miscellaneous	71,417	5,438	-	-	-	76,855	183,876
Investment income (loss)	17,447	-	-	(1,275)	1,986	18,158	12,066
Gain (loss) on disposition of property and equipment	-	-	-	-	(1,407,304)	(1,407,304)	(29,795)
Interest expense	(194,799)	-	(54,582)	(71,468)	(7,895)	(328,744)	(4,118)
Total nonoperating revenues (expenses)	<u>(78,575)</u>	<u>5,438</u>	<u>(54,582)</u>	<u>(72,743)</u>	<u>(1,369,213)</u>	<u>(1,569,675)</u>	<u>760,159</u>
<b>Income (loss) before contributions and operating transfers</b>	<u>(13,109)</u>	<u>(348,093)</u>	<u>(321,695)</u>	<u>62,544</u>	<u>(1,804,164)</u>	<u>(2,424,517)</u>	<u>333,969</u>
Capital contributions - tap fees	134,800	-	-	-	260	135,060	-
Contributed capital	76,790	-	-	-	-	76,790	-
Transfers in	-	127,609	65,955	-	240,534	434,098	1,726,874
Transfers out	-	-	-	-	(349,858)	(349,858)	(180,690)
Change in net assets	<u>198,481</u>	<u>(220,484)</u>	<u>(255,740)</u>	<u>62,544</u>	<u>(1,913,228)</u>	<u>(2,128,427)</u>	<u>1,880,153</u>
Total net assets - beginning	<u>28,908,168</u>	<u>7,006,704</u>	<u>1,905,027</u>	<u>2,308,932</u>	<u>3,073,036</u>	<u>43,201,867</u>	<u>21,143,226</u>
Total net assets - ending	<u>\$ 29,106,649</u>	<u>\$ 6,786,220</u>	<u>\$ 1,649,287</u>	<u>\$ 2,371,476</u>	<u>\$ 1,159,808</u>	<u>\$ 41,073,440</u>	<u>\$ 23,023,379</u>

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

Change in net assets-enterprise funds	(2,128,427)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:	571,992
Change in net assets of business-type activities (page 33)	<u>\$ (1,556,435)</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, 2011

	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	
<b>Cash flows from operating activities:</b>							
Cash received from interfund	\$ 474,459	\$ -	\$ -	\$ -	\$ -	\$ 474,459	\$ 11,989,050
Cash received from customers and users	4,396,954	2,217,688	1,956,119	487,112	7,337,707	16,395,580	1,801,859
Cash paid to interfund	(755,436)	(150,530)	(416,313)	(38,848)	(1,302,117)	(2,663,244)	(822,905)
Cash paid to suppliers	(822,041)	(975,797)	(587,788)	(38,888)	(1,632,483)	(4,056,997)	(6,479,702)
Cash paid to employees	(2,304,053)	(1,234,921)	(975,582)	(128,743)	(3,419,088)	(8,062,387)	(6,446,872)
Miscellaneous receipts	71,417	5,438	-	-	-	76,855	56,302
Net cash provided (used) by operating activities	<u>1,061,300</u>	<u>(138,122)</u>	<u>(23,564)</u>	<u>280,633</u>	<u>984,019</u>	<u>2,164,266</u>	<u>97,732</u>
<b>Cash flows from noncapital financing activities:</b>							
Transfers from other funds	-	127,609	65,955	-	240,534	434,098	1,726,874
Transfers to other funds	-	-	-	-	(349,858)	(349,858)	(180,690)
Increase (decrease) in amount due other funds	-	33,799	(175,783)	(17,329)	(792,550)	(951,863)	-
Intergovernmental receipts	36,860	-	-	-	76,738	113,598	-
Net cash provided (used) by noncapital financing activities	<u>36,860</u>	<u>161,408</u>	<u>(109,828)</u>	<u>(17,329)</u>	<u>(825,136)</u>	<u>(754,025)</u>	<u>1,546,184</u>
<b>Cash flows from capital and related financing activities:</b>							
Tap fees	134,800	-	-	-	260	135,060	-
Principal payments:							
Capital leases	-	-	-	-	-	-	(18,639)
Promissory notes	(340,511)	-	-	-	-	(340,511)	-
Advances of interfund capital loans	-	-	175,783	-	-	175,783	-
Repayment of interfund capital loans	-	-	-	(1,113,208)	(89,024)	(1,202,232)	-
Note proceeds	143,798	-	-	-	-	143,798	-
Interest paid	(197,451)	-	(54,582)	(71,468)	(7,895)	(331,396)	(4,118)
Proceeds from disposition of capital assets	-	-	-	-	-	-	137,297
Purchase of capital assets	(808,133)	(23,286)	-	-	(6,630)	(838,049)	(3,725,884)
Intergovernmental receipts	-	-	-	-	-	-	1,421,040
Miscellaneous capital receipts	-	-	-	-	-	-	150,000
Net cash used in capital and related financing activities	<u>(1,067,497)</u>	<u>(23,286)</u>	<u>121,201</u>	<u>(1,184,676)</u>	<u>(103,289)</u>	<u>(2,257,547)</u>	<u>(2,040,304)</u>
<b>Cash flows from investing activities:</b>							
Investment income (loss) received	17,447	-	-	(1,275)	1,986	18,158	12,066
Net cash provided (used) by investing activities	<u>17,447</u>	<u>-</u>	<u>-</u>	<u>(1,275)</u>	<u>1,986</u>	<u>18,158</u>	<u>12,066</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>48,110</b>	<b>-</b>	<b>(12,191)</b>	<b>(922,647)</b>	<b>57,580</b>	<b>(829,148)</b>	<b>(384,322)</b>
Cash and cash equivalents, January 1	3,088,805	-	51,150	1,032,446	497,171	4,669,572	10,179,126
Cash and cash equivalents, December 31	<u>\$ 3,136,915</u>	<u>\$ -</u>	<u>\$ 38,959</u>	<u>\$ 109,799</u>	<u>\$ 554,751</u>	<u>\$ 3,840,424</u>	<u>\$ 9,794,804</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>							
Operating income (loss)	\$ 65,466	\$ (353,531)	\$ (267,113)	\$ 135,287	\$ (434,951)	\$ (854,842)	\$ (426,190)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	987,738	257,751	228,705	144,075	429,949	2,048,218	2,367,241
(Increase) decrease in accounts receivable	(42,539)	(62,007)	6,861	(405)	1,539,715	1,441,625	(575,585)
Increase in allowance for uncollectible accounts	-	-	-	-	(395,980)	(395,980)	-
Miscellaneous receipts	71,417	5,438	-	-	-	76,855	-
(Increase) decrease in inventory	-	-	9,858	-	-	9,858	-
(Increase) decrease in prepaid items	11,205	(465)	-	-	-	10,740	70,298
Increase (decrease) in accounts payable	(81,649)	12,804	(4,236)	1,859	(30,205)	(101,427)	(155,792)
Increase (decrease) in claims payable	-	-	-	-	-	-	(1,411,935)
Increase (decrease) in accrued liabilities and compensated absences payable	(5,442)	1,888	2,361	(183)	(131,139)	(132,515)	60,215
(Increase) decrease in accounts payable due to the purchase of capital assets on account	55,104	-	-	-	6,630	61,734	169,480
Total adjustments	995,834	215,409	243,549	145,346	1,418,970	3,019,108	523,922
Net cash provided (used) by operating activities	<u>\$ 1,061,300</u>	<u>\$ (138,122)</u>	<u>\$ (23,564)</u>	<u>\$ 280,633</u>	<u>\$ 984,019</u>	<u>\$ 2,164,266</u>	<u>\$ 97,732</u>
<b>Noncash Investing, Capital and Financing Activities</b>							
Purchase of capital assets on account	\$ 13,411	\$ -	\$ -	\$ -	\$ -	\$ 13,411	\$ 23,595
Capital contributions	76,790	-	-	-	-	76,790	-
Net book value of capital assets traded in on capital assets acquired	-	-	-	-	-	-	295,995
Trade in value of disposed assets	-	-	-	-	-	-	145,040
Transfer of non-cash assets to other funds	-	-	-	-	1,407,304	1,407,304	-

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

City of Grand Junction, Colorado  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
December 31, 2011

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund	Agency Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 94,040	\$ 68,161	\$ 10,913,408	\$ 820,025
Investments				
Short term investments	235,207	-	-	-
Fixed income investments	2,227,390	-	-	-
Global equity investments	5,278,762	-	-	-
Real assets investments	459,695	-	-	-
Absolute return investments	1,085,954	-	-	-
Private capital investments	1,768,525	-	-	-
Opportunistic investments	79,336	-	-	-
Securities lending investment pool	607,060	-	-	-
Accounts receivable, net of allowance	-	-	-	132,609
Total assets	<u>11,835,969</u>	<u>68,161</u>	<u>10,913,408</u>	<u>952,634</u>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	94,218
Due to other governments	-	-	-	858,416
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 952,634</u>
<b>NET ASSETS</b>				
Held in trust for:				
External investment pool participants	-	-	10,913,408	
Pension benefits	11,835,969	-	-	
Individuals, organizations and others	-	68,161	-	
Total net assets	<u>\$ 11,835,969</u>	<u>\$ 68,161</u>	<u>\$ 10,913,408</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 ASSETS**  
**FIDUCIARY FUNDS**  
For the Year Ended December 31, 2011

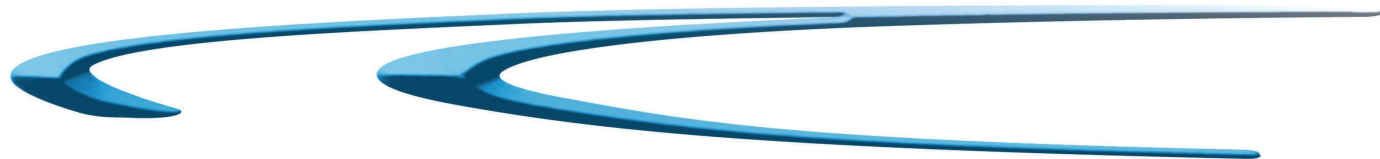
	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund
<b>ADDITIONS</b>			
Additions by participants	\$ -	\$ 112,700	\$ 9,294,569
Employer contributions	674,364	-	-
Total contributions	<u>674,364</u>	<u>112,700</u>	<u>9,294,569</u>
Investment earnings:			
Interest	270,464	341	89,510
Net increase (decrease) in fair value of investments	(96,171)	-	-
Net investment earnings	<u>174,293</u>	<u>341</u>	<u>89,510</u>
Total additions	<u>848,657</u>	<u>113,041</u>	<u>9,384,079</u>
<b>DEDUCTIONS</b>			
Distributions to participants	-	85,362	11,364,521
Benefits and refunds	1,652,678	-	-
Administrative expenses	95,354	2,640	-
Total deductions	<u>1,748,032</u>	<u>88,002</u>	<u>11,364,521</u>
Change in net assets	(899,375)	25,039	(1,980,442)
Net assets available - beginning	12,735,344	43,122	12,893,850
Net assets available - ending	<u>\$ 11,835,969</u>	<u>\$ 68,161</u>	<u>\$ 10,913,408</u>

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





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# **NOTES TO FINANCIAL STATEMENTS**



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## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **A. REPORTING ENTITY**

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

The City's financial statements include the accounts and operations of all City functions including, but not limited to, public safety (police and fire protection), street construction and maintenance, water and sanitation, planning and zoning, parks and recreation and general administration as provided by the City charter. The City owns and operates a meeting and convention center, swimming pools, golf courses and parking facilities. The City also provides ambulance transport services for Mesa County, Colorado. The City maintains a data processing facility, a fleet facility, a central stores facility and a communications center. The communications center and central stores facility provide services to other local governments in Mesa County, Colorado.

The accounting policies of the City of Grand Junction conform to generally accepted accounting principles (GAAP) as applicable to governments and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

As required by generally accepted accounting principles, these financial statements present the City of Grand Junction (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the City's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

**Blended Component Units.** The financial data for the following entities is reported as part of the primary government because the City Council of the City acts as the Board of Directors for each entity.

*The Ridges Metropolitan District* was annexed into the City and dissolved as a separate district in 1992. The District continues in existence for the sole purpose of providing for the payment of the District's outstanding debt with a special levy of property taxes collected within the District only.

The financial data of the *Grand Junction Public Finance Corporation* (the Corporation) is reported as part of the primary government because it is fiscally dependent upon the City and provides financing solely to the City. The Corporation was incorporated as a nonprofit corporation in the State of Colorado during 1996. The purpose of the Corporation is to facilitate financing for the City (see Note 6). Although the Corporation is a separate legal entity, for financial reporting purposes it is considered part of the City and is reported in the Grand Junction Public Finance Debt Service Fund.

**Discretely Presented Component Unit.** The component unit column in the government-wide financial statements includes the financial data of the City's only discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

*The Downtown Development Authority (DDA)* was formed to improve the downtown area of the City of Grand Junction. The Authority has an eleven-member board appointed by the City Council of the City of Grand Junction. The City Council also approves the Authority's budget and property tax levy and issues any debt for Authority projects. Financial statements for all funds and activities of the DDA are included in the City's Comprehensive Annual Financial Report because the Authority does not issue separate financial statements.

### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These statements summarize information on governmental and business-type activities of the



primary government and its component units. These statements do not include fiduciary activities, and for the most part, eliminations have been made to minimize the double-counting of interfund activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the *Downtown Development Authority*, the City's legally separate *component unit* for which the primary government is financially accountable.

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

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

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

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

#### ***Government-Wide, Proprietary and Fiduciary Financial Statements:***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except that agency funds, as they are merely custodial funds, do not have a measurement focus. All assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

#### ***Governmental Fund Financial Statements:***

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenues that are determined to be susceptible to accrual include sales and use taxes, property taxes, utility franchise fees, grants-in-aid earned, interest, rentals and charges for services. Grant revenue is considered available if it is expected to be collected within one year and all eligibility requirements are met. Only the portion of special assessments receivable due within the current fiscal year is considered susceptible to accrual as revenue of the current period. Major revenues that are determined to not be susceptible to accrual, because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable, include licenses, permits, fines and forfeitures.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The **Major Capital Improvements Fund** is a capital projects fund used to account for the financing and construction of two major improvement projects, the Stadium Improvement Project and the Public Safety Building Improvement Project, funded completely or partially with proceeds from the issuance of certificates of participation.

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

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

The City reports the following major proprietary funds:

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

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

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

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

Additionally the City reports the following fund types:

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

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

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

The **Pension Trust Funds** account for Police and Fire defined benefit pension plans administered by the Fire and Police Pension Association of Colorado.

The **Investment Trust Fund** accounts for the net assets 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, collecting and forwarding special assessment debt payments for property owners, and billing and collections for some sewer and water districts outside the City.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments to the General Fund by various enterprise funds for providing administrative and billing services for such funds, and charges between the City's water and solid waste removal fund and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Interfund activity has not been eliminated in the fund financial statements.

Amounts reported as program revenues include:

1. charges to customers for goods and services
2. operating grants and contributions
3. capital grants and contributions, including special assessments

Internally dedicated resources are reported as *general revenues* rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include cost of sales and services, personal services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Ambulance Transport Enterprise Fund has 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.

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

#### **D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**

##### *1. Cash and Investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits with banks and other financial institutions, and short-term investments with original maturities of three months or less from the date of acquisition.

Colorado State Statutes limit the local governments to the following types of investments, unless others are specifically identified by home rule cities, such as the City of Grand Junction:

1. *Obligations of the United States or obligations unconditionally guaranteed by the United States*
2. *Bonds of the State of Colorado and its political subdivisions*
3. *Certain obligations secured by mortgages*
4. *Bankers acceptances*
5. *Commercial paper*
6. *State investment pools*
7. *Repurchase agreements*
8. *Money market funds*
9. *Guaranteed investment contracts*

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

Assets of the pension trust funds 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 2011 taxes collectible in 2012 and are also shown as deferred 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 are recorded for the property owners' share of the cost of street or utility improvements within special improvement districts. Corresponding deferred 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 revenue 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.



## *6. Restricted Cash and Investments*

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

## *7. Capital Assets*

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

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

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

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

Estimated useful lives for asset types are as follows:

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

## *8. 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.

## *9. 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.

## *10. 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 assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

#### *11. Fund Equity*

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

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

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

Fund balances are classified as committed when constraints placed upon the use of resources are adopted by the City Council through ordinance or resolution.

Fund balances are classified as assigned when constraints placed upon the use of resources are imposed by the City Council or City Manager through the budget process as authorized through the City Charter. Assigned fund balances represent the City's intent for future use of financial resources that are subject to change.

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.

#### *12. Comparative Data/Reclassifications*

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

## **NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. BUDGETARY INFORMATION**

Annual appropriated expenditure budgets are adopted for all governmental funds on a basis consistent with generally accepted accounting principles with the exception of the General Fund, the Sales Tax Capital Improvements Fund, and the Parkway Debt Retirement Fund. The annual budget for the General Fund is prepared on the modified accrual basis of accounting excluding certain basis differences for tax accruals, market value adjustments, and the effects of payments by the State of Colorado made on-behalf of City employees to a retirement plan (see Note 10). The annual budget for the Sales Tax Capital Improvements Fund is prepared on the modified accrual basis of accounting except for certain basis differences for tax accruals and market value adjustments. The annual budget for the Parkway Debt Retirement Fund is prepared on the modified accrual basis of accounting except for certain basis differences for market value adjustments. Annual appropriation budgets are also adopted for all proprietary funds on the accrual basis of accounting modified to include capital expenditures and debt service principal payments and to exclude depreciation and

amortization. The budget is prepared under the direction of the City Manager. The appropriations are adopted, and may not be exceeded, on a total fund basis.

The details of the budget calendar follow:

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

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

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

Supplemental appropriation ordinances during 2011 resulted in budget amendments as follows:

<u>Fund</u>	<u>Original Amount</u>	<u>Amended Amount</u>
<b><i>Primary Government - City of Grand Junction:</i></b>		
<b><i>Governmental Activities</i></b>		
General Fund	\$ 61,837,642	\$ 62,855,312
Special Revenue Funds:		
Conservation Trust	229,219	251,364
Capital Projects Funds:		
Storm Drainage Development	15,000	33,000
Street Assessment Capital	1,012,000	1,176,515
Facilities Capital	-	25,000
Debt Service Funds:		
General Debt Service	9,383,443	9,385,948
Ridges Debt Service	225,331	225,981
Grand Junction Public Finance Corp	529,219	530,724
<b><i>Business-Type Activities</i></b>		
Enterprise Funds:		
Water	5,261,343	5,576,502
Solid Waste	3,359,998	3,386,728
Parking	542,967	1,410,950
Internal Service Funds:		
Equipment	4,884,904	5,696,100
<b><i>Component Unit - Downtown Development Authority:</i></b>		
Capital Projects Funds:		
DDA Capital Improvements	3,657,896	4,651,552

## **B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

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

### **NOTE 3. DEPOSITS AND INVESTMENTS**

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

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

#### **Cash Deposits**

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

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

The composition of all cash held by the City cash pool at December 31, 2011, is as follows:

	<b>Bank Balance</b>	<b>Carrying Balance</b>
Cash on hand	\$ -	\$ 12,355
Insured deposits	250,000	250,000
Deposits collateralized in single institutional pools	4,387,562	3,309,420
	<u>\$4,637,562</u>	<u>\$3,571,775</u>

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair value by maintaining a minimum of 30% of the portfolio in short-term securities (less than one year) and employing a buy-and-hold strategy.

The City voluntarily participates in the state investment pools. The state investment pools exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State of Colorado. The state investment pools and mutual funds are similar to money market funds, with each share valued at \$1. The designated custodial banks provide safekeeping and depository services, and securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. Investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. The investment in the Fire and Police Pension Association of Colorado (FPPA) investment pool is set by Colorado statute for funding of police and fire defined benefit pension plans. Investments consist of publicly traded common and preferred stock, convertible bonds, venture capital and real estate. Investments in state investment pools, mutual funds, and FPPA are not categorized by risk, as they are not evidenced by securities that exist in physical or book entry form. The fair value of the position in the state investment pools and FPPA approximate the value of the City's investment in the pools.



As of December 31, 2011, the City had the following investments:

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>
Federal Agency Securities	AA+	\$ 21,985,020	22.19
Treasury Coupon Securities	AA+	3,077,814	44.98
Pass Through Securities (GNMA/CMO)	AA+	4,385,560	89.69
Commercial Paper	A-1+	9,753,845	2.37
State investment pools	AAAm	50,033,601	0.03
Pension trust fund	Not rated	11,835,969	0.00
Total		<u>\$101,071,809</u>	<u>14.96</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 adopted by its legislative body. These controls limit investments to U.S. Government and Agency obligations, collateralized deposits, and commercial paper with the highest rating issued by one of the nationally recognized statistical rating organizations (NRSRO's).

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

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

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

#### **NOTE 4. ACCOUNTS RECEIVABLE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

The allowance for uncollectible accounts receivable of the various funds of the City at December 31, 2011, is as follows:

General Fund	<u>\$554,364</u>
Enterprise Funds:	
Water	\$ 1,054
Solid Waste Removal	274
Two Rivers Convention Center	<u>2,898</u>
	<u>\$ 4,226</u>
Internal Service Funds:	
Communications Center	<u>\$ 817</u>

## NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

### Primary Government - City of Grand Junction:

	Beginning Balance	Increase	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$293,932,358	\$ 3,225,469	\$ 455,511	\$296,702,316
Construction in progress	15,850,988	26,329,023	19,944,013	22,235,998
Intangible assets	12,750	1,261,686	-	1,274,436
Total capital assets, not being depreciated	309,796,096	30,816,178	20,399,524	320,212,750
<i>Capital assets, being depreciated:</i>				
Buildings	51,626,584	6,753,947	1,047,845	57,332,686
Improvements other than buildings	29,577,927	161,345	-	29,739,272
Equipment	36,373,837	4,931,838	1,437,135	39,868,540
Infrastructure	336,473,387	36,085,831	96,826	372,462,392
Total capital assets, being depreciated	454,051,735	47,932,961	2,581,806	499,402,890
<i>Less accumulated depreciation for:</i>				
Buildings	11,436,118	5,417,125	514,593	16,338,650
Improvements other than buildings	13,338,947	1,209,689	-	14,548,636
Equipment	23,396,763	3,457,816	1,117,817	25,736,762
Infrastructure	91,491,792	8,400,732	36,385	99,856,139
Total accumulated depreciation	139,663,620	18,485,362	1,668,795	156,480,187
Total capital assets, being depreciated, net	314,388,115	29,447,599	913,011	342,922,703
Governmental activities capital assets, net	\$624,184,211	\$60,263,777	\$ 21,312,535	\$663,135,453
<b>Business-type Activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,901,443	\$ -	\$ -	\$ 4,901,443
Construction in progress	100,065	417,512	58,472	459,105
Intangible assets	152,318	-	-	152,318
Total capital assets, not being depreciated	5,153,826	417,512	58,472	5,512,866
<i>Capital assets, being depreciated:</i>				
Buildings and systems	65,742,431	446,644	4,932,593	61,256,482
Improvements other than buildings	7,826,570	8,351	4,005	7,830,916
Equipment	4,333,052	39,070	983,111	3,389,011
Total capital assets, being depreciated	77,902,053	494,065	5,919,709	72,476,409
<i>Less accumulated depreciation for:</i>				
Buildings and systems	24,372,082	1,466,506	4,003,726	21,834,862
Improvements other than buildings	2,606,931	249,224	-	2,856,155
Equipment	2,068,077	329,007	504,674	1,892,410
Total accumulated depreciation	29,047,090	2,044,737	4,508,400	26,583,427
Total capital assets, being depreciated, net	48,854,963	(1,550,672)	1,411,309	45,892,982
Business-type activities capital assets, net	\$ 54,008,789	(\$1,133,160)	\$1,469,781	\$ 51,405,848

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

<b>Governmental Activities</b>	
General government	\$ 963,893
Public safety	656,798
Public works	8,888,324
Parks and recreation	1,233,943
Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets	<u>2,367,241</u>
Total depreciation expense – governmental activities	<u>\$14,110,199</u>
<b>Business-Type Activities</b>	
Water	\$ 984,257
Solid waste	64,196
Meeting and convention center	257,751
Swimming pools	192,141
Golf courses	228,705
Parking	144,075
Irrigation	84,305
Ambulance Transport	89,307
Total depreciation expense – business-type activities	<u>\$2,044,737</u>

The increase in governmental activities capital assets and the decrease in business-type activities capital assets include a transfer of assets of \$5,782,467 and accumulated depreciation of \$4,375,163 between the business-type activities and governmental activities of the primary government.

### ***Discretely Presented Component Unit***

Activity for the ***Downtown Development Authority*** for the year ended December 31, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,145,497	\$ -	\$ 644,955	\$ 1,500,542
Construction in progress	331,474	2,923,988	3,255,462	-
Total capital assets, not being depreciated	<u>2,476,971</u>	<u>2,923,988</u>	<u>3,900,417</u>	<u>1,500,542</u>
<i>Capital assets, being depreciated:</i>				
Buildings and systems	4,279,788	3,247,302	3,650,467	3,876,623
Equipment	713,637	493,546	-	1,207,183
Total capital assets, being depreciated	<u>4,993,425</u>	<u>3,740,848</u>	<u>3,650,467</u>	<u>5,083,806</u>
<i>Less accumulated depreciation for:</i>				
Buildings	1,094,284	121,671	126,223	1,089,732
Equipment	312,181	107,255	-	419,436
Total accumulated depreciation	<u>1,406,465</u>	<u>228,926</u>	<u>126,223</u>	<u>1,509,168</u>
Total capital assets, being depreciated, net	<u>3,586,960</u>	<u>3,511,922</u>	<u>3,524,244</u>	<u>3,574,638</u>
DDA capital assets, net	<u>\$ 6,063,931</u>	<u>\$6,435,910</u>	<u>\$7,424,661</u>	<u>\$ 5,075,180</u>

### *Construction Commitments*

The City and its component unit have several ongoing construction projects as of December 31, 2011 composed of the following:

	Spent to <u>12/31/2011</u>	Projected cost <u>of completion</u>
<b>Primary Government</b>		
Street projects	\$ 131,106	\$ 1,095,133
Drainage projects	390,567	480,068
Park development	5,342,513	9,215,513
Facilities/equipment/other	16,830,917	39,617,145

## **NOTE 6. CAPITAL LEASES**

### **Certificates of Participation**

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

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

The interest rate is 4.76% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2011, follows:

<u>Year ending December 31,</u>	<u>Schedule of Base Rents</u>
2012	\$ 531,750
2013	532,650
2014	533,450
2015	532,000
2016	530,400
2017-2021	2,650,069
2022-2026	2,656,888
2027-2031	2,652,250
2032-2035	2,120,750
Total base rentals	12,740,207
Less amounts representing interest	(5,155,207)
Present value of minimum lease payments	\$ 7,585,000



The City entered into a ground lease with Zions First National Bank. Zions First National Bank issued \$34,900,000 certificates of participation, dated December 1, 2010 to be used for the construction of a police building, including a 911 emergency dispatch center, and the remodeling of existing City facilities for use as fire stations and a fire administration building, pay capitalized interest, and pay the costs of issuing the certificates. The certificates include \$4,900,000 of Tax-Exempt Certificates of Participation, Series 2010A and \$30,000,000 Taxable Certificates of Participation (Direct Pay Build America Bonds), Series 2010B.

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

The interest rates range from 4.23% to 7.48% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2011, follows:

Year ending December 31,	Schedule of Base Rents
2012	\$ 3,024,810
2013	3,028,110
2014	3,028,923
2015	3,027,122
2016	3,029,323
2017-2021	15,088,825
2022-2026	14,627,187
2027-2031	13,943,050
2032-2036	13,013,292
2037-2040	9,572,868
Total base rentals	81,383,510
Less amounts representing interest	(46,483,510)
Present value of minimum lease payments	\$ 34,900,000

### **Lease with Option to Purchase**

The City entered into a lease with the option to purchase agreement dated March 10, 2010, with Fleetwood Leasing, LLC for emergency response recording equipment. The lease agreement is in accordance with Colorado law as to being subject to annual appropriation by the City. The annualized interest rate is 4.98%. Payments are due annually from April 1, 2010 through March 31, 2012. In accordance with generally accepted accounting principles, the lease is capitalized for financial reporting purposes at the present value of future lease payments.

The assets acquired through capital lease are as follows:

	Internal Service Funds
Equipment	\$ 61,992
Less accumulated depreciation	(18,598)
Total	\$ 43,394

A schedule, by years, of future minimum lease payments under the lease agreement, together with the present value of the net minimum lease payments as of December 31, 2011, follows:

Year ending December 31, 2012	Equipment Lease
Total minimum lease payments	\$ 22,758
Less amounts representing interest	(2,162)
Present value of minimum lease payments	\$ 20,596

## NOTE 7. LONG-TERM DEBT

The following is a summary of long-term liability activity of the City for the year ended December 31, 2011:

### *Primary Government - City of Grand Junction:*

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds:					
<i>Ridges</i>	\$ 595,000	\$ -	\$ 185,000	\$ 410,000	\$ 200,000
Revenue bonds:					
<i>Parkway</i>	65,400,000	-	3,905,000	61,495,000	4,105,000
<i>Premium</i>	2,323,497	-	359,084	1,964,413	311,267
Capital Leases:					
<i>Certificates of Participation</i>	42,670,000	-	185,000	42,485,000	825,000
<i>Discount on Certificates of Participation</i>	(422,392)	14,424	-	(407,968)	(14,238)
<i>Lease Purchase Agreement</i>	39,235	-	18,639	20,596	20,596
Net pension obligation:					
<i>Police Defined Benefit Plan</i>	595,333	266,524	426,798	435,059	-
<i>Fire Defined Benefit Plan</i>	166,410	242,660	245,434	163,636	-
Claims payable	3,402,871	344,423	1,756,358	1,990,936	894,440
Compensated absences	3,517,949	4,730,682	4,504,422	3,744,209	223,492
Other Post Employment Benefits	652,719	553,500	308,042	898,177	-
Governmental activity long-term liabilities	<u>\$118,940,622</u>	<u>\$6,152,213</u>	<u>\$11,893,777</u>	<u>\$113,199,058</u>	<u>\$6,565,557</u>
<b>Business-Type Activities</b>					
Loans payable					
<i>Water Systems</i>	\$6,242,873	\$ -	\$340,511	\$5,902,362	\$333,309
Less deferred amounts:					
For loan discount	(41,823)	3,481	-	(38,342)	(3,490)
Compensated absences	<u>684,834</u>	<u>730,653</u>	<u>837,195</u>	<u>578,292</u>	<u>34,519</u>
Business-type activity long-term liabilities	<u>\$6,885,884</u>	<u>\$734,134</u>	<u>\$1,177,706</u>	<u>\$6,442,312</u>	<u>\$364,338</u>

### *Component Unit – Downtown Development Authority:*

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Tax increment bonds	\$6,310,000	\$ -	\$ 3,110,000	\$3,200,000	\$3,200,000
Compensated absences	<u>7,360</u>	<u>16,104</u>	<u>16,768</u>	<u>6,696</u>	<u>399</u>
Total	<u>\$6,317,360</u>	<u>\$ 16,104</u>	<u>\$ 3,126,768</u>	<u>\$3,206,696</u>	<u>\$3,200,399</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$428,078 of internal service funds compensated absences are included in the above amounts. For the governmental activities, compensated absences and net pension obligation are generally liquidated by the general fund.

Bonds, notes and loans payable as of December 31, 2011, are comprised of the following:

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

**GENERAL OBLIGATION BONDS:**

\$2,590,000 Ridges Metropolitan District General Obligation Refunding Bonds Series 1992 consisting of \$955,000 serial bonds bearing interest at 3.5% to 5.75% payable April 15 and October 15 annually through October 15, 2013, term bond of \$545,000 bearing interest of 6% payable on April 15 and October 15 through October 15, 2007, and term bond of \$1,090,000 bearing interest of 6.1% payable on April 15 and October 15 through October 15, 2013. Bonds maturing on or after October 15, 2013, are callable at the district's option on any interest paying date at par. Both term bonds are subject to mandatory redemption pursuant to a sinking fund agreement with the paying agent. There was \$410,000 unpaid principal at December 31, 2011, payable over the following term:

Year	Principal	Interest	Total
2012	\$200,000	\$25,010	\$225,010
2013	210,000	12,810	222,810
	<u>\$410,000</u>	<u>\$37,820</u>	<u>\$447,820</u>

**REVENUE BONDS:**

\$80,000,000 of approved General Fund Revenue Bonds Series 2004 and 2007 bearing interest at 2% to 5% payable March 1 and September 1 annually through March 1, 2024 were issued to finance the construction of the Riverside Parkway project. The principal and interest on the bonds is payable solely from pledged sales and use tax revenues. There was \$61,495,000 unpaid principal at December 31, 2011, payable over the following term:

Year	Principal	Interest	Total
2012	\$4,105,000	\$2,879,762	\$6,984,762
2013	4,315,000	2,669,262	6,984,262
2014	3,735,000	2,468,012	6,203,012
2015	3,925,000	2,276,512	6,201,512
2016	4,130,000	2,075,138	6,205,138
2017-2021	23,940,000	7,076,275	31,016,275
2022-2024	17,345,000	1,261,956	18,606,956
	<u>\$61,495,000</u>	<u>\$20,706,917</u>	<u>\$82,201,917</u>

**LOANS PAYABLE:**

The City of Grand Junction entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance improvements on the City's water system. The principal amount is \$3,566,522 at a net effective interest rate of 4.02%, payable February 1 and August 1 annually through 2022. The water system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the City with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2011 was \$2,295,073 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2012	\$177,787	\$99,530	\$277,317
2013	183,175	94,700	277,875
2014	188,562	89,554	278,116
2015	193,950	84,082	278,032
2016	199,337	78,273	277,610
2017-2021	1,093,662	286,455	1,380,117
2022	258,600	19,225	277,825
	<u>\$2,295,073</u>	<u>\$ 751,819</u>	<u>\$3,046,892</u>

The City of Grand Junction entered into a loan agreement dated February 2, 2010 with the Colorado Water Resources and Power Development Authority to finance improvements on the City's water system. The principal amount is \$3,800,000 at a net effective interest rate of 2.5%, payable May 1 and November 1 annually through 2030. The water system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the City with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2011 was \$3,607,289 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2012	\$155,522	\$89,216	\$244,738
2013	159,434	85,304	244,738
2014	163,445	81,293	244,738
2015	167,556	77,182	244,738
2016	171,772	72,966	244,738
2017-2021	925,890	297,800	1,223,690
2022-2026	1,048,359	175,331	1,223,690
2027-2030	815,311	41,272	856,583
	<u>\$3,607,289</u>	<u>\$ 920,364</u>	<u>\$4,527,653</u>

***Component Unit – Downtown Development Authority:***

***TAX INCREMENT BONDS:***

During 2009, the Downtown Development Authority issued \$10,000,000 Tax Increment Financing Bonds. The bonds bear an interest rate of 3% and are payable on June 15 and December 15 of each year through 2012. The unpaid principal at December 31, 2011 was \$3,200,000 payable over the following term:

Year	Principal	Interest	Total
2012	\$3,200,000	\$96,000	\$3,296,000
	<u>\$3,200,000</u>	<u>\$ 96,000</u>	<u>\$3,296,000</u>

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



**NOTE 8. BUDGET TO ACTUAL PRESENTATION - PROPRIETARY FUNDS**

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

	Budgeted Amounts		Expenditures Reported on the Basis of GAAP	Adjustment to Budgetary Basis	Expenditures on Budgetary Basis	Variance with Final Budget – Positive (Negative)
	Original	Final				
<b>Enterprise Funds:</b>						
Water	\$5,261,343	\$5,576,502	\$5,043,285	\$ 98,171	\$5,141,456	\$ 435,046
Solid Waste Removal	3,359,998	3,386,728	3,349,217	14,659	3,363,876	22,852
Two Rivers						
Convention Center	2,500,997	2,500,997	2,633,226	(220,485)	2,412,741	88,256
Swimming Pools	831,978	831,978	996,429	(179,440)	816,989	14,989
Golf Courses	2,216,575	2,216,575	2,270,953	(232,825)	2,038,128	178,447
Parking Authority	542,967	1,410,950	423,698	986,679	1,410,377	573
Irrigation	263,941	263,941	303,918	(80,697)	223,221	40,720
Ambulance Transport	2,243,699	2,243,699	2,337,112	(194,271)	2,142,841	100,858
<b>Internal Service Funds:</b>						
Data Processing	4,558,970	4,558,970	4,227,686	132,748	4,360,434	198,536
Equipment	4,884,904	5,696,100	4,159,319	1,144,573	5,303,892	392,208
Self-Insurance	3,115,716	3,115,716	1,071,555	817,779	1,889,334	1,226,382
Communications Center	7,819,026	7,819,026	5,575,234	(112,759)	5,462,475	2,356,551

**NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of December 31, 2011, is as follows:

**Due to/from other funds:**

	Due from Other Funds	Due to Other Funds
General Fund	\$2,068,559	\$ -
Community Development Special Revenue Fund to cover the cost of operations	-	72,046
Sales Tax Capital Projects Fund to cover the cost of capital	-	1,493,082
Grand Junction Public Finance Corp to cover debt service reserves	-	86,700
Parking Enterprise Fund to pay current portion of advance	-	189,257
Two River Convention Center Enterprise Fund to cover the cost of operations	-	92,881
Solid Waste Removal Enterprise Fund to pay current portion of advance	-	89,024
Tiara Rado Golf Course Enterprise Fund to pay current portion of advance	-	45,569
Total	\$2,068,559	\$2,068,559
Primary Government	\$3,164,181	\$ -
Component Unit to cover the cost of capital	-	3,164,181
Total	\$3,164,181	\$3,164,181

*Advances to/from other funds:*

	Advance to Other Funds	Advance from Other Funds
General Fund	\$7,961,340	\$ -
Solid Waste Removal Enterprise Fund to cover the cost of operations	-	923,403
Tiara Rado Golf Enterprise Fund to cover the cost of new irrigation system	-	3,593,198
Parking Enterprise Fund to cover partial cost of new parking garage	-	3,444,739
Total	<u>\$7,961,340</u>	<u>\$7,961,340</u>

*Interfund Transfers:*

Transfers Out:	General Fund	Sales Tax CIP	Major CIP Fund	General Debt Service Fund	Parkway Debt Retirement Fund	Two Rivers Conv Center	Golf Courses Fund	Nonmajor Gov Funds	Internal Service	Nonmajor Proprietary	Total
General Fund	\$ -	\$1,757,354	\$250,000	\$ -	\$3,876,039	\$ 22,054	\$65,955	\$ 100,000	\$ -	\$ 240,534	\$6,311,936
Sales Tax CIP	-	-	-	6,987,813	-	-	-	115,540	-	-	7,103,353
Major CIP	-	61,618	-	-	-	-	-	-	-	-	61,618
Nonmajor Governmental	65,409	8,257	8,750	-	-	105,555	-	230,214	1,558,874	-	1,977,059
Internal Service	12,690	-	-	-	-	-	-	-	168,000	-	180,690
Nonmajor Proprietary	349,858	-	-	-	-	-	-	-	-	-	349,858
Total Transfers In	<u>\$427,957</u>	<u>\$1,827,229</u>	<u>\$258,750</u>	<u>\$6,987,813</u>	<u>\$3,876,039</u>	<u>\$127,609</u>	<u>\$65,955</u>	<u>\$445,754</u>	<u>\$1,726,874</u>	<u>\$240,534</u>	<u>\$15,984,514</u>

Transfers into the General Fund were to assist with cemetery operations (\$8,641); to reimburse administrative costs of the Community Development Block Grant (\$56,768); capital purchases (\$12,690); and a fund equity transfer (\$349,858) to close the Ambulance Transport Fund. Transfers out of the General Fund were for economic development projects, capital construction, to subsidize pool operations, and to set aside dollars to repay the parkway debt.

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 (\$6,987,813).

Transfers into the Major Capital Projects Fund were for Stadium Improvements.

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

Transfers into the Golf Courses Fund were to subsidize operations.

Transfers into the Internal Service Fund of \$1,558,874 were for equipment upgrades funded by the E-911 surcharge.

Transfers of capital assets from proprietary funds to governmental funds are reported as a loss on disposition of property and equipment on the Combining Statement of Revenues, Expenses, and Changes in Net Assets. The loss on disposition of property and equipment in the Swimming Pools Fund (\$1,080,356) and the loss on disposition of property and equipment in the Ambulance Transport Fund (\$326,948) are reclassified as transfers in to governmental activities and transfers out of business-type activities on the Government-wide Statement of Activities. These transfers were to close the Swimming Pools Fund and the Ambulance Transport Fund.

## NOTE 10. RETIREMENT PLANS

### **A. DEFINED CONTRIBUTION PLANS**

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

Under City ordinances, substantially all full-time City employees, other than sworn police officers and fire fighters and elected officials, are covered by a mandatory contributory defined contribution retirement plan. The City of Grand Junction, Colorado, Employees Retirement Plan is administered by the International City Manager's Association Retirement Corporation (ICMA-RC). The plan provides for retirement benefits based upon an employee's vested account. A participant becomes 100% vested on completion of five years of service. Amounts forfeited by employees who leave employment before becoming fully vested are used to pay for administrative expenses of the plan. The City matches employees' required contributions of 6% of base salary. An employee may make voluntary contributions of up to an additional 10%. Total payroll for all City employees for the year ended December 31, 2011, was \$41,189,938. Covered wages and contributions in 2011 were as follows:

<u>General Employee Plan</u>	
Covered wages	\$23,055,842
City contribution	1,412,254
Employee contribution	1,412,254

Effective January 1, 1980, under state statutes, all fire fighters and police officers hired after April 8, 1978, are covered under fire and police defined contribution pension plans (new hire plans). Fire fighters and police officers hired prior to this date had the option to remain in the defined benefit plans (old hire plans) or to transfer to the applicable new plan. The new plans are administered by independent boards. The assets of the New Hire Police Money Purchase Pension Plan and the New Hire Fire Money Purchase Pension Plan are maintained by the International City Manager's Association Retirement Corporation (ICMA-RC). Vesting is accomplished over a five-year period. Amounts forfeited by employees who leave employment before becoming fully vested are retained by the plan for administrative expenses of the plan. The rate of contribution under the new plan is 10.65% of regular salary for the employee and the City. Covered wages and contributions in 2011 were as follows:

<u>New Hire – Police &amp; Fire</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Covered wages	\$6,755,646	\$6,266,188
City contribution	719,471	667,346
Employee contribution	719,471	667,346

In 1988, the City established supplemental defined contribution plans (new supplemental plans) for fire fighters and police officers hired before April 8, 1978, whom remained as participants in the defined benefit plans (old plans). The Old Hire Police Officers Rank Escalation Pension Plan and the Old Hire Firefighters Rank Escalation Pension Plan were established in exchange for a freeze in rank escalation benefits in the old plans at 1980 levels. The plans are administered by the International City Manager's Association Retirement Corporation (ICMA-RC). Under these new supplemental plans, the City contributes 6.65% of the employee's gross wages to the plan and the employee contributes .65%. Employees' balances became fully vested upon establishment of the plans. In 2011, there were no police officers or fire fighters participating in the defined benefit plans.

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

### **B. DEFINED BENEFIT PLANS**

*Plan Description.* The City, on behalf of certain full-time paid firefighters and police officers, contributes to the Fire Old Hire Pension Fund and the Police Old Hire Pension Fund, both defined benefit, single 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 300 participating employers in the State of Colorado. The plans provide retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of each plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plans. **FPPA issues a publicly available annual financial report that includes the assets of the plans, note disclosures related to the plan investments and policies, and separate biennial actuarial reports for each of the plans. The reports may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at 1-800-770-3772.**

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

*Funding Policy and Annual Pension Cost.* 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 2011, there were no active policemen covered by the Police Old Hire Plan and 17 retirees and beneficiaries receiving benefits. There were no active firefighters contributing to the Fire Old Hire Plan and 34 retirees and beneficiaries receiving benefits. The City and State of Colorado are required to contribute the remaining amounts necessary to fund the system. Contributions to the funds for the year ended December 31, 2011, were as follows:

	Police Old Hire Plan	Fire Old Hire Plan	Total
City contribution	\$426,798	\$245,434	\$672,232
State contribution	-	-	-
Total	<u>\$426,798</u>	<u>\$245,434</u>	<u>\$672,232</u>

The financial statements of the Police Old Hire Plan and the Fire Old Hire Plan are presented as pension trust funds in the City's financial statements and are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. 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. There are no investments in, loans to, or lease with parties related to the plans. State contributions on behalf of City employees are recognized as revenues and expenditures in the General Fund in accordance with GASB Statement 24. During 2001, the Fire Old Hire Plan was fully funded and the State of Colorado was no longer required to make contributions to the plan. In 2009, legislation was adopted to defer the State of Colorado contributions for certain affiliated local "Old Hire" plans for 2009 through 2011 and resuming in 2012 until 2015. In 2011, legislation was adopted to change the payment dates to 2012 until 2019.



The City's annual pension cost for the current year and related information for each plan is as follows:

	Police Old Hire Plan	Fire Old Hire Plan
Annual required contribution (ARC)	\$271,787	\$247,566
Interest on net pension obligation (NPO)	14,623	19,362
Adjustment to ARC	<u>(19,886)</u>	<u>(24,268)</u>
Annual pension cost	266,524	242,660
Contributions made	<u>426,798</u>	<u>245,434</u>
Increase (Decrease) in NPO	(160,274)	(2,774)
NPO – January 1, 2011	<u>595,333</u>	<u>166,410</u>
NPO – December 31, 2011	<u>\$435,059</u>	<u>\$163,636</u>
Actuarial valuation date	1/1/10	1/1/10
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, open	Level dollar, open
Remaining amortization period	16 years	19 years
Asset valuation method	3-Year Smoothed, FMV	3-Year Smoothed, FMV
Actuarial assumptions:		
Investment rate of return	8.00%	8.00%
Projected salary increases	4.75%	4.75%
Includes inflation at	3.50%	3.50%
Cost of living adjustment	3.00% - 4.00%	3.00% - 4.00%

Three-year trend information is as follows:

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Police Old Hire Plan	12/31/09	\$691,024	64.14%	\$707,668
	12/31/10	298,048	137.69%	595,333
	12/31/11	266,524	160.13%	435,059
Fire Old Hire Plan	12/31/09	\$180,046	114.13%	\$171,164
	12/31/10	179,999	102.64%	166,410
	12/31/11	242,660	101.14%	163,636

*Funded Status and Funding Progress.* Listed below is the required disclosure for the most recent actuarial valuation and the two preceding valuations:

Actuarial Valuation Date	Actuarial value of plan assets (a)	Actuarial accrued liability (b)	Unfunded actuarial liability (or funding excess) (c)	Funded ratio (a)/(b)
<b><i>Police Old Hire Plan</i></b>				
1/1/10	\$ 3,268,151	\$ 5,992,299	\$ 2,724,148	55%
1/1/08	3,368,995	6,540,220	3,171,225	52%
1/1/06	2,407,072	6,524,614	4,117,542	37%
<b><i>Fire Old Hire Plan</i></b>				
1/1/10	\$10,960,275	\$13,431,384	\$ 2,471,109	82%
1/1/08	13,001,110	14,753,919	1,752,809	88%
1/1/06	11,668,292	14,497,968	2,829,676	80%

The funding policy for the plans has been prescribed by state law in amounts that are expected to fully fund the plan by the year 2019. Both of these old-hire plans are being phased out with no new members added since 1978. No other factors are anticipated to significantly affect the trends in amounts reported.

## 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 free healthcare coverage at retirement for the employee who retires at age 50-64 with 15 years of service or more. Employee spouses and dependents that qualify for coverage must pay current C3 rates to participate. Coverage terminates for the employee and eligible dependents at age 65 when Medicare eligibility begins. Disabled employees with five years of service are also eligible to enroll in the plan.

*Funding Policy.* The contribution requirements of retirees and the City are established and may be amended by the City Council of the City. Retirees receiving benefits contributed \$144,033 or approximately 31.86 percent of the total premiums, through their required contribution of \$432.96 per month for spouse coverage and \$714.38 for family coverage. Only the retiree's premium is paid by the city. During 2011, there were 68 retirees and 22 dependents receiving benefits.

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty 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)	\$ 543,738
Interest on net OPEB obligation	32,048
Adjustment to ARC	<u>(22,286)</u>
Annual OPEB cost (expense)	553,500
Contributions made	<u>(308,042)</u>
Increase in net OPEB obligation	245,458
Net OPEB obligation – January 1, 2011	<u>652,719</u>
Net OPEB obligation – December 31, 2011	<u>\$ 898,177</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$448,405	43.63%	\$427,108
2010	\$547,623	58.80%	\$652,719
2011	\$553,500	55.65%	\$898,177

*Funded Status and Funding Progress.* As of June 30, 2010, the most recent actuarial valuation date, the plan was unfunded. The unfunded actuarial accrued liability (UAAL) for benefits was \$7.8 million. The covered payroll (annual payroll of active employees covered by the plan) was \$35,958,809 and the ratio of the UAAL to the covered payroll was 21.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future

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

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

In the June 30, 2010 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.91 percent 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 16 percent initially, reduced by decrements to an ultimate rate of 5 percent after five years. Both rates included a 5% percent inflation assumption. The UAAL is being amortized on a level-dollar, open basis. The remaining amortization period at December 31, 2011, was 30 years.

## NOTE 12. RELATED ENTITIES

### A. JOINT VENTURES

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

The City operates and manages the City of Grand Junction/Mesa County, Colorado, Joint Sewer System, a regional sewer system. The regional sewer system was organized by agreements made in 1979 and 1980 to provide sewer collection and treatment for the metropolitan area in the Grand Valley. The City contributed all assets which were included in its pre-existing Sewer Fund while Mesa County contributed its name through the issuance of revenue bonds, which are payable from and secured by revenue of the sewer system. After contribution of these assets, the City's pre-existing Sewer Fund was terminated. The City does not have a measurable present or future claim to the net resources of the Joint Sewer System, and therefore does not record an equity interest in its financial statements. The agreements provide that both the City and Mesa County approve the sewer system's annual appropriation budget. The City's utility department operates and manages the sewer system. The agreements provide that upon dissolution of the joint venture, ownership of the assets of the Joint Sewer system shall be determined by mutual agreement. Condensed financial statements of the sewer system at December 31, 2011 and for the year then ended, are as follows:

<u>Statement of Net Assets</u>	
<b>Assets:</b>	
Current assets	\$ 11,943,761
Noncurrent assets	554,972
Net property, plant, and equipment	<u>65,669,481</u>
<b>Total assets</b>	<b><u>\$ 78,168,214</u></b>
<b>Liabilities:</b>	
Current liabilities	\$ 1,821,179
Long-term debt	<u>10,370,666</u>
<b>Total liabilities</b>	<b><u>12,191,845</u></b>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	54,183,136
Unrestricted	<u>11,793,233</u>
<b>Total net assets</b>	<b><u>\$ 65,976,369</u></b>

**Statement of Revenue and Expenses**

Operating revenue	\$ 7,812,412
Operating expenses	<u>8,059,075</u>
<b>Operating income (loss)</b>	(246,663)
Net nonoperating revenue and expenses	(333,333)
Capital contributions	<u>1,969,547</u>
<b>Change in net assets</b>	1,389,551
<b>Total net assets - beginning</b>	<u>64,586,818</u>
<b>Total net assets - ending</b>	<u>\$ 65,976,369</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 \$10,913,408 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 \$2,270,730 of depreciation. Separately issued financial statements for the City of Grand Junction/Mesa County, Colorado, Joint Sewer System are available at the City of Grand Junction, 250 North Fifth Street, Grand Junction, Colorado 81501-2668.

Long-term debt of the Joint Sewer System consists of the following:

***LOAN PAYABLE***

The Joint Sewer System entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance the elimination of combined storm and sanitary sewer lines and septic system elimination. The principal amount is \$13,490,000 at a net effective interest rate of 3.62%, payable February 1 and August 1 annually through 2024. The sewer system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the Joint Sewer System with disbursements occurring upon receipt of a requisition executed by the City/County. The unpaid principal at December 31, 2011 was \$6,870,000 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2012	\$ 855,000	\$ 318,306	\$ 1,173,306
2013	885,000	290,202	1,175,202
2014	385,000	269,961	654,961
2015	395,000	257,305	652,305
2016	410,000	244,321	654,321
2017-2021	2,250,000	1,012,395	3,262,395
2022-2024	<u>1,690,000</u>	<u>267,116</u>	<u>1,957,116</u>
	<u>\$6,870,000</u>	<u>\$2,659,606</u>	<u>\$9,529,606</u>



### **BONDS PAYABLE**

The Joint Sewer System issued \$5,200,000 of approved revenue bonds (Direct Pay Build America Bonds Series 2009) bearing interest at 3.99% payable June 1 and December 1 annually through December 2019 to extend, better, otherwise improve and equip its joint wastewater system. The unpaid principal at December 31, 2011 was \$4,340,000 payable over the following term from *Business activities*:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$445,000	\$164,835	\$609,835
2013	450,000	155,103	605,103
2014	460,000	142,714	602,714
2015	470,000	128,671	598,671
2016	480,000	112,441	592,441
2017-2019	2,035,000	213,832	2,248,832
	<u>\$4,340,000</u>	<u>\$917,596</u>	<u>\$5,257,596</u>

### ***Downtown Housing Effort***

The Downtown Development Authority, a component unit of the City of Grand Junction, participates on a joint venture basis with the Housing Authority of the City of Grand Junction, Colorado, in the Downtown Housing Effort (DHE). The DHE was organized in 1983 to provide new and improved housing in the downtown Grand Junction, Colorado area. The Housing Authority has been given the responsibility for the day-to-day management of the DHE. The Downtown Development Authority does not have a measurable present or future claim to the net resources of the DHE, and therefore does not record an equity interest in its financial statements. Condensed financial statements of the Downtown Housing Effort at September 30, 2011, and for the year then ended are as follows:

<u><b>Balance Sheet</b></u>	
<b>Assets:</b>	
Cash	\$395,897
Loans receivable	32,712
Interest receivable	748
	<u><b>Total assets</b></u>
	<u><b>\$429,357</b></u>
<b>Fund equity:</b>	
Fund balance:	
Reserved for interest and loans receivable	\$ 82,240
Unreserved, undesignated	347,117
	<u><b>Total fund equity</b></u>
	<u><b>\$429,357</b></u>
 <u><b>Statement of Revenues and Expenditures</b></u>	
Interest and other income	\$ 2,415
Expenditures	-
<b>Excess of revenues over expenditures</b>	<u><b>\$ 2,415</b></u>

Separately issued financial statements for the Downtown Housing Effort are available from the Grand Junction Housing Authority, 1011 North 10<sup>th</sup> Street, Grand Junction, Colorado, 81501.

### **B. RELATED ORGANIZATIONS**

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

### ***Grand Junction Housing Authority***

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

### ***Horizon Drive Business Improvement District***

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

## **NOTE 13. CONTINGENCIES**

### **A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to employee health claims; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established the Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Internal Service Fund provides coverage for up to a maximum of \$400,000 per occurrence on each worker's compensation claim for police officers and firefighters and \$350,000 per occurrence on each worker's compensation claim for all other employees and up to \$150,000 for each general liability or property damage claim. The City purchases commercial insurance for claims in excess of coverage for worker's compensation and participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for claims in excess of coverage for general liability and property. The city's share of surplus contributions held by CIRSA at December 31, 2011 was \$206,299. Settled claims have not exceeded these coverages in any of the past three fiscal years.

All funds of the City and the Joint Sewer System participate in the program and make payments to the Self-Insurance Internal Service Fund at amounts that approximate amounts which would have been paid to outside insurance providers. The claims liability of \$1,990,936 in the Self-Insurance Internal Service Fund at December 31, 2011, 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 2010 and 2011 were:

	January 1 Claims Payable	Claims and Changes in Estimates	Claim Payments	December 31 Claims Payable
2010	\$2,126,930	\$2,622,708	\$ (1,346,767)	\$ 3,402,871
2011	\$ 3,402,871	\$ 344,423	\$(1,756,358)	\$1,990,936

### **B. GRANTS**

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

### **C. LITIGATION**

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

#### **NOTE 14. CONDUIT DEBT OBLIGATIONS**

The City has sponsored several industrial revenue and special assessment bond issues to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These issues do not constitute debt of the City of Grand Junction and the City assumes no financial obligation for these bond issues. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2011, there was a series of industrial revenue bonds outstanding with an original aggregate principal amount payable of \$3,555,000 and a series of private activity economic development bonds with an original aggregate principal amount payable of \$3,200,000.

Special Assessment Bonds were issued in 2003 for \$3,980,000 to fund improvements to the Rimrock Marketplace General Improvement District. The City is not liable for repayment of the debt, but the City Treasurer acts as agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if applicable.

#### **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.

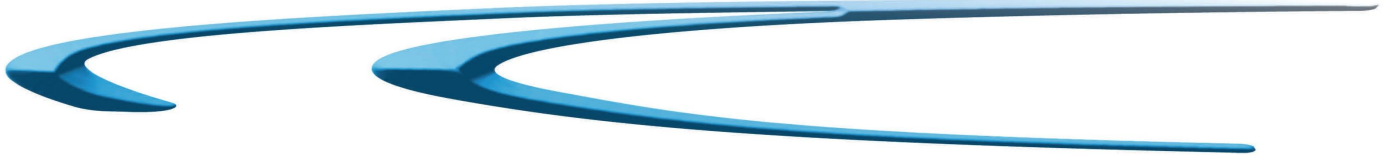
Future spending and revenue limits are determined based on the prior year's "Fiscal Year Spending" adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the 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, \$15,474,342 has been restricted for payment of the debt as of December 31, 2011.

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, 2011, totaling \$2,000,000 are presented as a reservation of fund balance in the General Fund. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

#### **NOTE 17. SUBSEQUENT EVENT**

In December, 2011, City Council approved the advance refunding of the outstanding 2004 General Fund Revenue Bonds. In March, 2012, the City issued \$30,645,000 of General Fund Revenue Refunding Bonds. Proceeds of the 2012 Bonds together with funds set aside in the Parkway Debt Retirement Fund were used to advance refund \$49,340,000 of the outstanding 2004 Bonds and to pay the costs of issuing the 2012 Bonds. Upon the issuance of the 2012 Bonds, the remaining outstanding principal of the 2004 Bonds was \$3,735,000. The effective interest rate on the 2012 Bonds is 2.29%, payable on March 1 and September 1 annually through 2024.



# **REQUIRED SUPPLEMENTARY INFORMATION**





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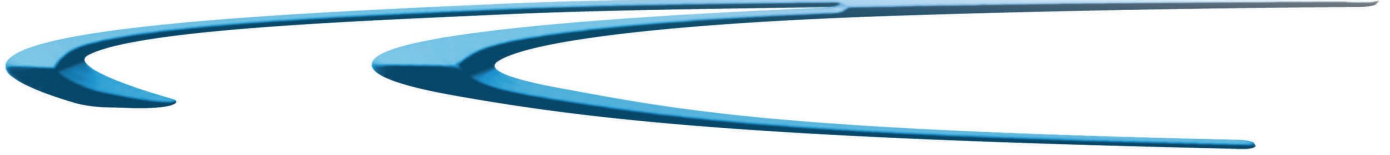
City of Grand Junction, Colorado  
Required Supplementary Information  
**SCHEDULE OF FUNDING PROGRESS**  
Post Employment Retiree Healthcare Plan

<u>Fiscal Year <sup>(1)</sup></u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>Total Unfunded Actuarial Accrued Liability (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2008	12/31/2008	-	5,605,779	5,605,779	0.0%	39,041,177	14.4%
2010	6/30/2010	-	7,816,003	7,816,003	0.0%	35,958,809	21.7%

<sup>(1)</sup> The City of Grand Junction implemented GASB 45 beginning in fiscal year ending December 31, 2008. Actuarial information is not available for prior periods. Actuarial studies will be performed biannually.



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# NON-MAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

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

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

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

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

**Conservation Trust Fund** ~ to account for lottery proceeds received from the State Government for the development or improvement of City parks.

**Community Development Fund** ~ to account for resources and expenditures of the community development block grant and other grants received for pass-thru to other agencies.

## Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**Sales Tax Capital Improvements Fund** ~ to account for the financing and construction of projects financed completely or partially with the 3/4 percent portion of the City's 2-3/4 percent sales and use tax. The 3/4 percent portion is currently dedicated to general capital improvements, economic development and debt service on the sales tax improvement bond issue and the public safety building certificates of participation issue.



## **Capital Projects Funds (Continued)**

**Major Capital Improvements Fund** ~ to account for the financing and construction of two major improvement projects, the Stadium Improvement Project and the Public Safety Building Improvement Project, funded completely or partially with proceeds from the issuance of certificates of participation.

**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.

**Facilities Capital Fund** ~ to account for the acquisition and construction of city facilities.

## **Debt Service Funds**

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

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

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

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

**Grand Junction Public Finance Corporation Debt Service Fund** ~ to account for debt service payments incurred in the financing of open space land.

## **Permanent Funds**

Permanent funds are used to report resources that are legally restricted to the extent that only earning, 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, 2011

	Special Revenue					
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Conservation Trust	Community Development	Total
<b>ASSETS</b>						
Cash and investments	\$ 517,650	\$ 3,169,811	\$ 755,327	\$ 587,753	\$ -	\$ 5,030,541
Accounts receivable	1,042	344,365	-	-	-	345,407
Taxes receivable	131,554	-	-	-	-	131,554
Intergovernmental receivable	-	3,060	-	-	72,064	75,124
Prepays	13,605	-	-	-	-	13,605
Total assets	<u>\$ 663,851</u>	<u>\$ 3,517,236</u>	<u>\$ 755,327</u>	<u>\$ 587,753</u>	<u>\$ 72,064</u>	<u>\$ 5,596,231</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities:						
Accounts payable	\$ 36,203	\$ 9,900	\$ -	\$ -	\$ 18	\$ 46,121
Accrued liabilities	15,798	-	-	-	-	15,798
Due to other funds	-	-	-	-	72,046	72,046
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>52,001</u>	<u>9,900</u>	<u>-</u>	<u>-</u>	<u>72,064</u>	<u>133,965</u>
Fund balances:						
Nonspendable:						
Inventories and prepaids	13,605	-	-	-	-	13,605
Permanent fund principal	-	-	-	-	-	-
Restricted for:						
Debt service	-	-	-	-	-	-
Parks and recreation	-	-	-	587,753	-	587,753
Public safety	-	3,507,336	-	-	-	3,507,336
Committed to:						
Open space	-	-	755,327	-	-	755,327
Street capacity expansion	-	-	-	-	-	-
Tourism and convention	598,245	-	-	-	-	598,245
Assigned to:						
Facility improvements	-	-	-	-	-	-
Total fund balances	<u>611,850</u>	<u>3,507,336</u>	<u>755,327</u>	<u>587,753</u>	<u>-</u>	<u>5,462,266</u>
Total liabilities and fund balances	<u>\$ 663,851</u>	<u>\$ 3,517,236</u>	<u>\$ 755,327</u>	<u>\$ 587,753</u>	<u>\$ 72,064</u>	<u>\$ 5,596,231</u>

Debt Service			Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJ Public Finance	Total	Storm Drainage Development	Street Assessment Capital Projects	Facilities Capital Projects	Total	Cemetery Perpetual Care	
\$ 165,003	\$ 86,700	\$ 251,703	\$ 1,873	\$ 881,774	\$ 437,828	\$ 1,321,475	\$ 1,289,091	\$ 7,892,810
8,746	-	8,746	-	123,253	-	123,253	881	478,287
162,727	-	162,727	-	-	-	-	-	294,281
-	-	-	-	10,124	-	10,124	-	85,248
-	-	-	-	-	-	-	-	13,605
<u>\$ 336,476</u>	<u>\$ 86,700</u>	<u>\$ 423,176</u>	<u>\$ 1,873</u>	<u>\$ 1,015,151</u>	<u>\$ 437,828</u>	<u>\$ 1,454,852</u>	<u>\$ 1,289,972</u>	<u>\$ 8,764,231</u>
\$ -	\$ -	\$ -	\$ 1,873	\$ 351,497	\$ -	\$ 353,370	\$ -	\$ 399,491
-	-	-	-	-	-	-	-	15,798
-	86,700	86,700	-	-	-	-	-	158,746
169,961	-	169,961	-	92,440	-	92,440	-	262,401
<u>169,961</u>	<u>86,700</u>	<u>256,661</u>	<u>1,873</u>	<u>443,937</u>	<u>-</u>	<u>445,810</u>	<u>-</u>	<u>836,436</u>
-	-	-	-	-	-	-	-	13,605
-	-	-	-	-	-	-	1,289,972	1,289,972
166,515	-	166,515	-	-	-	-	-	166,515
-	-	-	-	-	-	-	-	587,753
-	-	-	-	-	-	-	-	3,507,336
-	-	-	-	-	-	-	-	755,327
-	-	-	-	571,214	-	571,214	-	571,214
-	-	-	-	-	-	-	-	598,245
-	-	-	-	-	437,828	437,828	-	437,828
<u>166,515</u>	<u>-</u>	<u>166,515</u>	<u>-</u>	<u>571,214</u>	<u>437,828</u>	<u>1,009,042</u>	<u>1,289,972</u>	<u>7,927,795</u>
<u>\$ 336,476</u>	<u>\$ 86,700</u>	<u>\$ 423,176</u>	<u>\$ 1,873</u>	<u>\$ 1,015,151</u>	<u>\$ 437,828</u>	<u>\$ 1,454,852</u>	<u>\$ 1,289,972</u>	<u>\$ 8,764,231</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, 2011

	Special Revenue					
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Conservation Trust	Community Development	Total
<b>REVENUES</b>						
Taxes	\$ 1,771,253	\$ -	\$ -	\$ -	\$ -	\$ 1,771,253
Intergovernmental	-	-	-	508,761	309,155	817,916
Charges for services	41,200	2,485,276	-	-	-	2,526,476
Miscellaneous	323	-	108,007	-	-	108,330
Investment income	744	19,653	3,245	2,748	-	26,390
Total revenues	<u>1,813,520</u>	<u>2,504,929</u>	<u>111,252</u>	<u>511,509</u>	<u>309,155</u>	<u>5,250,365</u>
<b>EXPENDITURES</b>						
Current:						
General government	1,652,629	-	-	-	-	1,652,629
Urban development and housing	-	-	-	-	253,588	253,588
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>1,652,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>253,588</u>	<u>1,906,217</u>
Excess (deficiency) of revenues over (under) expenditures	160,891	2,504,929	111,252	511,509	55,567	3,344,148
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(105,555)	(1,558,874)	-	(238,964)	(65,025)	(1,968,418)
Total other financing sources (uses)	<u>(105,555)</u>	<u>(1,558,874)</u>	<u>-</u>	<u>(238,964)</u>	<u>(65,025)</u>	<u>(1,968,418)</u>
Net change in fund balance	55,336	946,055	111,252	272,545	(9,458)	1,375,730
Fund balances - beginning	556,514	2,561,281	644,075	315,208	9,458	4,086,536
Fund balances - ending	<u>\$ 611,850</u>	<u>\$ 3,507,336</u>	<u>\$ 755,327</u>	<u>\$ 587,753</u>	<u>\$ -</u>	<u>\$ 5,462,266</u>



Debt Service			Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJ Public Finance	Total	Storm Drainage Development	Street Assessment Capital Projects	Facilities Capital Projects	Total	Cemetery Perpetual Care	
\$ 226,864	\$ -	\$ 226,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,998,117
-	-	-	-	-	-	-	-	817,916
-	-	-	-	834,071	-	834,071	20,245	3,380,792
-	300,000	300,000	12,877	-	-	12,877	-	421,207
295	-	295	-	-	-	-	4,662	31,347
<u>227,159</u>	<u>300,000</u>	<u>527,159</u>	<u>12,877</u>	<u>834,071</u>	<u>-</u>	<u>846,948</u>	<u>24,907</u>	<u>6,649,379</u>
4,444	1,505	5,949	-	-	-	-	-	1,658,578
-	-	-	-	-	-	-	-	253,588
185,000	185,000	370,000	-	-	-	-	-	370,000
36,295	344,219	380,514	-	-	-	-	-	380,514
-	-	-	33,000	996,897	22,955	1,052,852	-	1,052,852
<u>225,739</u>	<u>530,724</u>	<u>756,463</u>	<u>33,000</u>	<u>996,897</u>	<u>22,955</u>	<u>1,052,852</u>	<u>-</u>	<u>3,715,532</u>
1,420	(230,724)	(229,304)	(20,123)	(162,826)	(22,955)	(205,904)	24,907	2,933,847
-	230,214	230,214	20,123	195,417	-	215,540	-	445,754
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,641)</u>	<u>(1,977,059)</u>
-	230,214	230,214	20,123	195,417	-	215,540	(8,641)	(1,531,305)
1,420	(510)	910	-	32,591	(22,955)	9,636	16,266	1,402,542
165,095	510	165,605	-	538,623	460,783	999,406	1,273,706	6,525,253
<u>\$ 166,515</u>	<u>\$ -</u>	<u>\$ 166,515</u>	<u>\$ -</u>	<u>\$ 571,214</u>	<u>\$ 437,828</u>	<u>\$ 1,009,042</u>	<u>\$ 1,289,972</u>	<u>\$ 7,927,795</u>

City of Grand Junction, Colorado  
**VISITORS AND CONVENTION BUREAU SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2011

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 1,845,051	\$ 1,771,253	\$ (73,798)
Charges for services	16,600	41,200	24,600
Miscellaneous	-	323	323
Investment income	6,576	744	(5,832)
Total revenues	<u>1,868,227</u>	<u>1,813,520</u>	<u>(54,707)</u>
<b>EXPENDITURES</b>			
Current:			
General government:	<u>1,758,654</u>	<u>1,652,629</u>	<u>106,025</u>
Excess of revenues over expenditures	109,573	160,891	51,318
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(172,073)</u>	<u>(105,555)</u>	<u>66,518</u>
Net change in fund balance	(62,500)	55,336	117,836
Fund balances - beginning	556,514	556,514	-
Fund balances - ending	<u>\$ 494,014</u>	<u>\$ 611,850</u>	<u>\$ 117,836</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, 2011

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Charges for services	\$ 2,600,000	\$ 2,485,276	\$ (114,724)
Investment income	28,365	19,653	(8,712)
Total revenues	<u>2,628,365</u>	<u>2,504,929</u>	<u>(123,436)</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	2,628,365	2,504,929	(123,436)
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(3,186,450)</u>	<u>(1,558,874)</u>	<u>1,627,576</u>
Net change in fund balance	(558,085)	946,055	1,504,140
Fund balances - beginning	2,561,281	2,561,281	-
Fund balances - ending	<u>\$ 2,003,196</u>	<u>\$ 3,507,336</u>	<u>\$ 1,504,140</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ 181,000	\$ 80,000	\$ 108,007	\$ 28,007
Investment income	9,943	4,658	3,245	(1,413)
Total revenues	<u>190,943</u>	<u>84,658</u>	<u>111,252</u>	<u>26,594</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	190,943	84,658	111,252	26,594
Fund balances - beginning	644,075	644,075	644,075	-
Fund balances - ending	<u>\$ 835,018</u>	<u>\$ 728,733</u>	<u>\$ 755,327</u>	<u>\$ 26,594</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 485,000	\$ 485,000	\$ 508,761	\$ 23,761
Investment income	-	3,821	2,748	(1,073)
Total revenues	<u>485,000</u>	<u>488,821</u>	<u>511,509</u>	<u>22,688</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	485,000	488,821	511,509	22,688
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(229,219)</u>	<u>(251,364)</u>	<u>(238,964)</u>	<u>12,400</u>
Net change in fund balance	255,781	237,457	272,545	35,088
Fund balances - beginning	315,208	315,208	315,208	-
Fund balances - ending	<u>\$ 570,989</u>	<u>\$ 552,665</u>	<u>\$ 587,753</u>	<u>\$ 35,088</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, 2011

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 400,000	\$ 309,155	\$ (90,845)
<b>EXPENDITURES</b>			
Current:			
Urban development and housing	333,323	253,588	79,735
Excess of revenues over expenditures	66,677	55,567	(11,110)
<b>OTHER FINANCING USES</b>			
Transfers out	(66,677)	(65,025)	1,652
Net change in fund balance	-	(9,458)	(9,458)
Fund balances - beginning	9,458	9,458	-
Fund balances - ending	\$ 9,458	\$ -	\$ (9,458)

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, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 229,241	\$ 229,241	\$ 226,864	\$ (2,377)
Investment income	3,168	1,176	295	(881)
Total revenues	<u>232,409</u>	<u>230,417</u>	<u>227,159</u>	<u>(3,258)</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,036	4,686	4,444	242
Debt service:				
Principal retirement	185,000	185,000	185,000	-
Interest and fiscal charges	36,295	36,295	36,295	-
Total expenditures	<u>225,331</u>	<u>225,981</u>	<u>225,739</u>	<u>242</u>
Excess of revenues over expenditures	7,078	4,436	1,420	(3,016)
Fund balances - beginning	165,095	165,095	165,095	-
Fund balances - ending	<u>\$ 172,173</u>	<u>\$ 169,531</u>	<u>\$ 166,515</u>	<u>\$ (3,016)</u>

City of Grand Junction, Colorado  
**GRAND JUNCTION PUBLIC FINANCE CORPORATION DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
<b>REVENUES</b>				
Miscellaneous	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
<b>EXPENDITURES</b>				
Current:				
General government	-	1,505	1,505	-
Debt service:				
Principal retirement	185,000	185,000	185,000	-
Interest and fiscal charges	344,219	344,219	344,219	-
Total expenditures	529,219	530,724	530,724	-
Deficiency of revenues under expenditures	(229,219)	(230,724)	(230,724)	-
<b>OTHER FINANCING SOURCES</b>				
Transfers in	229,219	230,214	230,214	-
Net change in fund balance	-	(510)	(510)	-
Fund balances - beginning	510	510	510	-
Fund balances - ending	\$ 510	\$ -	\$ -	\$ -

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, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 769,252	\$ 769,252	\$ 769,252	\$ -
<b>EXPENDITURES</b>				
Current:				
General government	300	2,805	2,800	5
Debt service:				
Principal retirement	3,905,000	3,905,000	3,905,000	-
Interest and fiscal charges	5,478,143	5,478,143	5,478,143	-
Total expenditures	<u>9,383,443</u>	<u>9,385,948</u>	<u>9,385,943</u>	<u>5</u>
Deficiency of revenues under expenditures	(8,614,191)	(8,616,696)	(8,616,691)	5
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>8,614,191</u>	<u>6,987,818</u>	<u>6,987,813</u>	<u>(5)</u>
Net change in fund balance	-	(1,628,878)	(1,628,878)	-
Fund balances - beginning	1,628,878	1,628,878	1,628,878	-
Fund balances - ending	<u>\$ 1,628,878</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2011

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final				
<b>REVENUES</b>						
Investment income	\$ 156,692	\$ 116,918	\$ 102,486	\$ 12,272	\$ 114,758	\$ (2,160)
<b>EXPENDITURES</b>	-	-	-	-	-	-
Excess of revenues over expenditures	156,692	116,918	102,486	12,272	114,758	(2,160)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	4,130,834	4,130,834	3,876,039	-	3,876,039	(254,795)
Net change in fund balance	4,287,526	4,247,752	3,978,525	12,272	3,990,797	(256,955)
Fund balances - beginning	15,012,905	15,012,905	15,100,529	(87,624)	15,012,905	-
Fund balances - ending	\$ 19,300,431	\$ 19,260,657	\$ 19,079,054	\$ (75,352)	\$ 19,003,702	\$ (256,955)



City of Grand Junction, Colorado  
**SALES TAX CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the year ended December 31, 2011

	Original and Final Budgeted Amounts	Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>					
Taxes	\$ 11,153,075	\$ 11,657,149	\$ 91,754	\$ 11,748,903	\$ 595,828
Intergovernmental	2,060,000	1,467,897	-	1,467,897	(592,103)
Special assessments	25,000	32,868	-	32,868	7,868
Investment income	-	10,818	-	10,818	10,818
Charges for Service	-	39,192	-	39,192	39,192
Total revenues	<u>13,238,075</u>	<u>13,207,924</u>	<u>91,754</u>	<u>13,299,678</u>	<u>61,603</u>
<b>EXPENDITURES</b>					
Capital outlay:					
Construction	<u>8,447,159</u>	<u>8,017,697</u>	<u>-</u>	<u>8,017,697</u>	<u>429,462</u>
Excess of revenues over expenditures	4,790,916	5,190,227	91,754	5,281,981	491,065
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	2,289,814	1,827,229	-	1,827,229	(462,585)
Transfers out	<u>(7,080,730)</u>	<u>(7,103,353)</u>	<u>-</u>	<u>(7,103,353)</u>	<u>(22,623)</u>
Total other financing sources (uses)	<u>(4,790,916)</u>	<u>(5,276,124)</u>	<u>-</u>	<u>(5,276,124)</u>	<u>(485,208)</u>
Net change in fund balance	-	(85,897)	91,754	5,857	5,857
Fund balances - beginning	(5,857)	106,626	(112,483)	(5,857)	-
Fund balances - ending	<u>\$ (5,857)</u>	<u>\$ 20,729</u>	<u>\$ (20,729)</u>	<u>\$ -</u>	<u>\$ 5,857</u>

City of Grand Junction, Colorado  
**MAJOR CAPITAL PROJECTS IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the year ended December 31, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 500,737	\$ 300,000	\$ (200,737)
Investment income	-	44,695	44,695
Total revenues	<u>500,737</u>	<u>344,695</u>	<u>(156,042)</u>
<b>EXPENDITURES</b>			
Capital outlay:			
Construction	<u>20,620,000</u>	<u>17,056,406</u>	<u>3,563,594</u>
Deficiency of revenues under expenditures	(20,119,263)	(16,711,711)	3,407,552
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	250,000	258,750	8,750
Transfers out	<u>(1,628,878)</u>	<u>(61,618)</u>	<u>1,567,260</u>
Total other financing sources (uses)	<u>(1,378,878)</u>	<u>197,132</u>	<u>1,576,010</u>
Net change in fund balance	(21,498,141)	(16,514,579)	4,983,562
Fund balances - beginning	39,972,035	39,972,035	-
Fund balances - ending	<u>\$ 18,473,894</u>	<u>\$ 23,457,456</u>	<u>\$ 4,983,562</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous:				
Development fees	\$ 15,000	\$ 15,000	\$ 12,877	\$ (2,123)
<b>EXPENDITURES</b>				
Capital outlay:				
Construction	15,000	33,000	33,000	-
Deficiency of revenues under expenditures	-	(18,000)	(20,123)	(2,123)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	18,000	20,123	2,123
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

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, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
REVENUES				
Miscellaneous:				
Development fees	\$ 750,000	\$ 786,000	\$ 834,071	\$ 48,071
Investment income	28,340	-	-	-
Total revenues	<u>778,340</u>	<u>786,000</u>	<u>834,071</u>	<u>48,071</u>
EXPENDITURES				
Capital outlay:				
Construction	<u>1,012,000</u>	<u>1,176,515</u>	<u>996,897</u>	<u>179,618</u>
Deficiency of revenues under expenditures	(233,660)	(390,515)	(162,826)	227,689
OTHER FINANCING SOURCES				
Transfers In	<u>95,417</u>	<u>195,417</u>	<u>195,417</u>	<u>-</u>
Net change in fund balance	(138,243)	(195,098)	32,591	227,689
Fund balances - beginning	538,623	538,623	538,623	-
Fund balances - ending	<u>\$ 400,380</u>	<u>\$ 343,525</u>	<u>\$ 571,214</u>	<u>\$ 227,689</u>

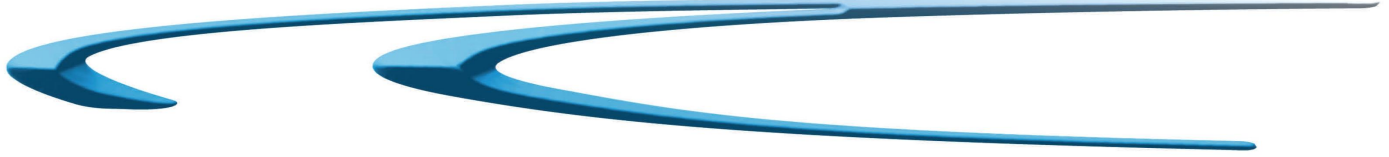
City of Grand Junction, Colorado  
**FACILITIES CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 10,257	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Capital outlay:				
Construction	-	25,000	22,955	2,045
Deficiency of revenues under expenditures	10,257	(25,000)	(22,955)	2,045
Fund balances - beginning	460,783	460,783	460,783	-
Fund balances - ending	\$ 471,040	\$ 435,783	\$ 437,828	\$ 2,045



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, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Perpetual care revenue	\$ 16,000	\$ 20,245	\$ 4,245
Investment income	16,173	4,662	(11,511)
Total revenues	<u>32,173</u>	<u>24,907</u>	<u>(7,266)</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	32,173	24,907	(7,266)
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(16,173)</u>	<u>(8,641)</u>	<u>7,532</u>
Net change in fund balance	16,000	16,266	266
Fund balances - beginning	1,273,706	1,273,706	-
Fund balances - ending	<u>\$ 1,289,706</u>	<u>\$ 1,289,972</u>	<u>\$ 266</u>



# NON-MAJOR PROPRIETARY FUNDS

## Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Solid Waste Removal Fund** ~ to account for the revenues and expenses associated with refuse collection within the city.

**Swimming Pools Fund** ~ to account for the revenues and expenses associated with the maintenance of all municipally-owned swimming pools. This fund's equity was transferred to the General Fund at the end of 2011.

**Irrigation Fund** ~ to account for the resources and expenses associated with the operation of City-owned and leased parking facilities, as well as the enforcement of City parking regulations.

**Ambulance Transport Fund** ~ to account for the revenues and expenses associated with the operation of ambulance transport services within Mesa County. This fund's equity was transferred to the General Fund at the end of 2011.

## Internal Service Funds

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

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

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

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

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

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR PROPRIETARY FUNDS**  
December 31, 2011

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 444,876	\$ 109,875	\$ 554,751
Accounts receivable, net of allowance	382,523	35,402	417,925
Total current assets	<u>827,399</u>	<u>145,277</u>	<u>972,676</u>
Noncurrent assets:			
Capital assets:			
Buildings, improvements, plant and system	114,852	3,375,059	3,489,911
Equipment	1,247,899	5,297	1,253,196
Construction in progress	-	30,939	30,939
Less accumulated depreciation	<u>(872,370)</u>	<u>(2,446,968)</u>	<u>(3,319,338)</u>
Total capital assets (net of accumulated depreciation)	<u>490,381</u>	<u>964,327</u>	<u>1,454,708</u>
Total noncurrent assets	<u>490,381</u>	<u>964,327</u>	<u>1,454,708</u>
Total assets	<u>1,317,780</u>	<u>1,109,604</u>	<u>2,427,384</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	85,549	4,287	89,836
Accrued liabilities	18,230	1,995	20,225
Compensated absences payable	8,149	511	8,660
Due to other funds	89,024	-	89,024
Total current liabilities	<u>200,952</u>	<u>6,793</u>	<u>207,745</u>
Noncurrent liabilities:			
Compensated absences payable	128,375	8,053	136,428
Advances from other funds - general fund	923,403	-	923,403
Total noncurrent liabilities	<u>1,051,778</u>	<u>8,053</u>	<u>1,059,831</u>
Total liabilities	<u>1,252,730</u>	<u>14,846</u>	<u>1,267,576</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	490,381	964,327	1,454,708
Unrestricted	(425,331)	130,431	(294,900)
Total net assets	<u>\$ 65,050</u>	<u>\$ 1,094,758</u>	<u>\$ 1,159,808</u>

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**NONMAJOR PROPRIETARY FUNDS**  
For the year ended December 31, 2011

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Swimming Pools	Irrigation
<b>Operating revenues:</b>			
Charges for sales and services, net of allowances	\$ 3,324,152	\$ 532,456	\$ 219,367
<b>Operating expenses:</b>			
Personal services	1,028,348	518,542	92,549
Costs of sales and services	2,256,673	285,746	127,064
Depreciation and amortization	64,196	192,141	84,305
Total operating expenses	3,349,217	996,429	303,918
Operating income (loss)	(25,065)	(463,973)	(84,551)
<b>Nonoperating revenues (expenses):</b>			
Intergovernmental	-	44,000	-
Investment income	1,355	-	383
Gain (loss) on disposition of property and equipment	-	(1,080,356)	-
Interest expense	-	-	-
Total nonoperating revenues (expenses)	1,355	(1,036,356)	383
<b>Income (loss) before contributions and transfers</b>	(23,710)	(1,500,329)	(84,168)
Capital contributions - tap fees	-	-	260
Transfers in	-	240,534	-
Transfers out	-	-	-
Change in net assets	(23,710)	(1,259,795)	(83,908)
Total net assets - beginning	88,760	1,259,795	1,178,666
Total net assets - ending	\$ 65,050	\$ -	\$ 1,094,758



Ambulance Transport	Total
\$ 2,117,997	\$ 6,193,972
1,648,510	3,287,949
241,542	2,911,025
89,307	429,949
1,979,359	6,628,923
138,638	(434,951)
-	44,000
248	1,986
(326,948)	(1,407,304)
(7,895)	(7,895)
(334,595)	(1,369,213)
(195,957)	(1,804,164)
-	260
-	240,534
(349,858)	(349,858)
(545,815)	(1,913,228)
545,815	3,073,036
\$ -	\$ 1,159,808

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
For the year ended December 31, 2011

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Swimming Pools	Irrigation
<b>Cash flows from operating activities:</b>			
Cash received from customers and users	\$ 3,424,099	\$ 533,268	\$ 213,508
Cash paid to interfund	(1,096,385)	(61,540)	(24,323)
Cash paid to suppliers	(1,159,260)	(231,365)	(99,750)
Cash paid to employees	(1,019,966)	(540,949)	(95,657)
Net cash provided (used) by operating activities	<u>148,488</u>	<u>(300,586)</u>	<u>(6,222)</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers from other funds	-	240,534	-
Transfers to other funds	-	-	-
Increase (decrease) in amount due other funds	2,340	(16,686)	-
Intergovernmental receipts	-	76,738	-
Net cash provided (used) by noncapital financing activities	<u>2,340</u>	<u>300,586</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>			
Tap fees	-	-	260
Repayment of interfund capital loans	(89,024)	-	-
Interest paid	-	-	-
Purchase of capital assets	-	-	-
Net cash provided (used) in capital and related financing activities	<u>(89,024)</u>	<u>-</u>	<u>260</u>
<b>Cash flows from investing activities:</b>			
Investment income received	1,355	-	383
Net cash provided (used) by investing activities	<u>1,355</u>	<u>-</u>	<u>383</u>
Net increase (decrease) in cash and cash equivalents	63,159	-	(5,579)
Cash and cash equivalents, January 1	381,717	-	115,454
Cash and cash equivalents, December 31	<u>\$ 444,876</u>	<u>\$ -</u>	<u>\$ 109,875</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (25,065)	\$ (463,973)	\$ (84,551)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	64,196	192,141	84,305
(Increase) decrease in accounts receivable	99,947	812	(5,859)
Increase (decrease) in allowance for uncollectible accounts	-	-	-
Increase (decrease) in accounts payable	1,028	(7,159)	2,991
Increase (decrease) in accrued liabilities and compensated absences payable	8,382	(22,407)	(3,108)
(Increase) decrease in accounts payable due to the purchase of fixed assets on account	-	-	-
Total adjustments	<u>173,553</u>	<u>163,387</u>	<u>78,329</u>
Net cash provided (used) by operating activities	<u>\$ 148,488</u>	<u>\$ (300,586)</u>	<u>\$ (6,222)</u>
<b>Noncash Investing, Capital and Financing Activities</b>			
Transfer of non-cash assets to other funds	\$ -	\$ 1,080,356	\$ -

Ambulance Transport		Total	
\$	3,166,832	\$	7,337,707
	(119,869)		(1,302,117)
	(142,108)		(1,632,483)
	(1,762,516)		(3,419,088)
	<u>1,142,339</u>		<u>984,019</u>
	-		240,534
	(349,858)		(349,858)
	(778,204)		(792,550)
	-		76,738
	<u>(1,128,062)</u>		<u>(825,136)</u>
	-		260
	-		(89,024)
	(7,895)		(7,895)
	(6,630)		(6,630)
	<u>(14,525)</u>		<u>(103,289)</u>
	248		1,986
	<u>248</u>		<u>1,986</u>
	-		57,580
	-		497,171
\$	<u>-</u>	\$	<u>554,751</u>
\$	138,638	\$	(434,951)
	89,307		429,949
	1,444,815		1,539,715
	(395,980)		(395,980)
	(27,065)		(30,205)
	(114,006)		(131,139)
	6,630		6,630
	<u>1,003,701</u>		<u>1,418,970</u>
\$	<u>1,142,339</u>	\$	<u>984,019</u>
\$	326,948	\$	1,407,304

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
December 31, 2011

	Data Processing	Equipment	Self- Insurance	Communications Center	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 1,622,330	\$ 4,104,080	\$ 3,097,720	\$ 970,674	\$ 9,794,804
Accounts receivable, net of allowance	-	1,629	580,114	35,151	616,894
Intergovernmental receivable	9	7,905	-	4,985	12,899
Prepaid items	44,630	-	-	-	44,630
Total current assets	<u>1,666,969</u>	<u>4,113,614</u>	<u>3,677,834</u>	<u>1,010,810</u>	<u>10,469,227</u>
Noncurrent assets:					
Capital assets:					
Buildings and improvements	-	2,224,056	-	1,305,010	3,529,066
Equipment	3,821,922	18,842,693	-	7,793,457	30,458,072
Construction in progress	108,687	44,339	-	2,165,905	2,318,931
Less accumulated depreciation	<u>(1,507,017)</u>	<u>(14,052,613)</u>	<u>-</u>	<u>(5,211,575)</u>	<u>(20,771,205)</u>
Total capital assets (net of accumulated depreciation)	<u>2,423,592</u>	<u>7,058,475</u>	<u>-</u>	<u>6,052,797</u>	<u>15,534,864</u>
Total assets	<u>4,090,561</u>	<u>11,172,089</u>	<u>3,677,834</u>	<u>7,063,607</u>	<u>26,004,091</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	145,233	103,069	53,547	16,669	318,518
Accrued liabilities	34,116	11,790	3,148	64,720	113,774
Compensated absences payable	9,565	3,015	1,757	11,214	25,551
Claims payable	-	-	894,440	-	894,440
Current portion capital leases payable	-	-	-	20,596	20,596
Deferred revenue	-	-	-	108,810	108,810
Total current liabilities	<u>188,914</u>	<u>117,874</u>	<u>952,892</u>	<u>222,009</u>	<u>1,481,689</u>
Noncurrent liabilities					
Compensated absences payable	150,677	47,502	27,685	176,663	402,527
Claims payable	-	-	1,096,496	-	1,096,496
Total noncurrent liabilities	<u>150,677</u>	<u>47,502</u>	<u>1,124,181</u>	<u>176,663</u>	<u>1,499,023</u>
Total liabilities	<u>339,591</u>	<u>165,376</u>	<u>2,077,073</u>	<u>398,672</u>	<u>2,980,712</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	2,423,592	7,058,475	-	6,032,201	15,514,268
Restricted for:					
Public safety	115,537	-	-	-	115,537
Unrestricted	1,211,841	3,948,238	1,600,761	632,734	7,393,574
Total net assets	<u>\$ 3,750,970</u>	<u>\$ 11,006,713</u>	<u>\$ 1,600,761</u>	<u>\$ 6,664,935</u>	<u>\$ 23,023,379</u>

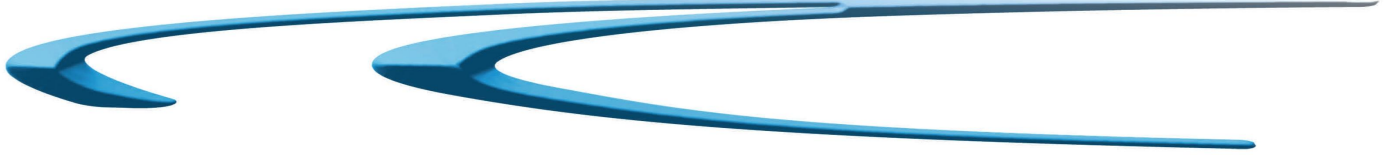
City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
For the year ended December 31, 2011

	Data Processing	Equipment	Self- Insurance	Communications Center	Total
<b>Operating revenues:</b>					
Charges for sales and services:	\$ 4,745,338	\$ 3,802,098	\$ 1,359,402	\$ 3,879,542	\$ 13,786,380
Miscellaneous	-	-	628,968	7,448	636,416
Total operating revenues	<u>4,745,338</u>	<u>3,802,098</u>	<u>1,988,370</u>	<u>3,886,990</u>	<u>14,422,796</u>
<b>Operating expenses:</b>					
Personal services	1,967,092	717,323	177,138	3,645,534	6,507,087
Costs of sales and services	1,809,212	2,060,903	881,727	1,222,816	5,974,658
Depreciation and amortization	451,382	1,213,093	-	702,766	2,367,241
Total operating expenses	<u>4,227,686</u>	<u>3,991,319</u>	<u>1,058,865</u>	<u>5,571,116</u>	<u>14,848,986</u>
Operating income (loss)	<u>517,652</u>	<u>(189,221)</u>	<u>929,505</u>	<u>(1,684,126)</u>	<u>(426,190)</u>
<b>Nonoperating revenues (expenses):</b>					
Intergovernmental	-	529,366	-	68,764	598,130
Miscellaneous	-	150,000	-	33,876	183,876
Investment income (loss)	7,380	6,372	(5,240)	3,554	12,066
Interest expense	-	-	-	(4,118)	(4,118)
Gain (loss) on disposition of property and equipment	-	(25,654)	-	(4,141)	(29,795)
Total nonoperating revenues (expenses)	<u>7,380</u>	<u>660,084</u>	<u>(5,240)</u>	<u>97,935</u>	<u>760,159</u>
Income (loss) before transfers	<u>525,032</u>	<u>470,863</u>	<u>924,265</u>	<u>(1,586,191)</u>	<u>333,969</u>
Transfers in	168,000	-	-	1,558,874	1,726,874
Transfers out	-	(168,000)	(12,690)	-	(180,690)
Change in net assets	<u>693,032</u>	<u>302,863</u>	<u>911,575</u>	<u>(27,317)</u>	<u>1,880,153</u>
Total net assets - beginning	<u>3,057,938</u>	<u>10,703,850</u>	<u>689,186</u>	<u>6,692,252</u>	<u>21,143,226</u>
Total net assets - ending	<u>\$ 3,750,970</u>	<u>\$ 11,006,713</u>	<u>\$ 1,600,761</u>	<u>\$ 6,664,935</u>	<u>\$ 23,023,379</u>



City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2011

	Data Processing	Equipment	Self - Insurance	Communications Center	Total
<b>Cash flows from operating activities:</b>					
Cash received from interfund	\$ 4,634,096	\$ 3,752,840	\$ 1,359,402	\$ 2,242,712	\$ 11,989,050
Cash received from customers and users	121,058	44,297	-	1,636,504	1,801,859
Cash paid to interfund	(11,096)	(137,523)	(9,613)	(664,673)	(822,905)
Cash paid to suppliers	(1,733,486)	(1,918,640)	(2,225,945)	(601,631)	(6,479,702)
Cash paid to employees	(1,944,779)	(717,191)	(177,019)	(3,607,883)	(6,446,872)
Miscellaneous receipts	-	-	48,854	7,448	56,302
Net cash provided (used) by operating activities	<u>1,065,793</u>	<u>1,023,783</u>	<u>(1,004,321)</u>	<u>(987,523)</u>	<u>97,732</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers from other funds	168,000	-	-	1,558,874	1,726,874
Transfers to other funds	-	(168,000)	(12,690)	-	(180,690)
Net cash provided (used) by noncapital financing activities	<u>168,000</u>	<u>(168,000)</u>	<u>(12,690)</u>	<u>1,558,874</u>	<u>1,546,184</u>
<b>Cash flows from capital and related financing activities:</b>					
Intergovernmental receipts	-	725,291	-	695,749	1,421,040
Miscellaneous receipts	-	150,000	-	-	150,000
Principal payments:					
Capital leases	-	-	-	(18,639)	(18,639)
Interest Paid	-	-	-	(4,118)	(4,118)
Proceeds from disposition of capital assets	-	137,297	-	-	137,297
Purchase of capital assets	(600,743)	(2,439,442)	-	(685,699)	(3,725,884)
Net cash used in capital and related financing activities	<u>(600,743)</u>	<u>(1,426,854)</u>	<u>-</u>	<u>(12,707)</u>	<u>(2,040,304)</u>
<b>Cash flows from investing activities:</b>					
Investment income (loss) received	<u>7,380</u>	<u>6,372</u>	<u>(5,240)</u>	<u>3,554</u>	<u>12,066</u>
Net cash provided (used) by investing activities	<u>7,380</u>	<u>6,372</u>	<u>(5,240)</u>	<u>3,554</u>	<u>12,066</u>
Net increase in cash and cash equivalents	640,430	(564,699)	(1,022,251)	562,198	(384,322)
Cash and cash equivalents, January 1	981,900	4,668,779	4,119,971	408,476	10,179,126
Cash and cash equivalents, December 31	<u>\$ 1,622,330</u>	<u>\$ 4,104,080</u>	<u>\$ 3,097,720</u>	<u>\$ 970,674</u>	<u>\$ 9,794,804</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>					
Operating income (loss)	\$ 517,652	\$ (189,221)	\$ 929,505	\$ (1,684,126)	\$ (426,190)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	451,382	1,213,093	-	702,766	2,367,241
(Increase) decrease in accounts receivable	9,816	(4,961)	(580,114)	(326)	(575,585)
(Increase) decrease in prepaid items	(32,505)	-	102,803	-	70,298
Increase (decrease) in accounts payable	102,153	(76,943)	(44,699)	(136,303)	(155,792)
Increase (decrease) in claims payable	-	-	(1,411,935)	-	(1,411,935)
Increase (decrease) in accrued wages and compensated absences payable	22,313	132	119	37,651	60,215
(Increase) decrease in accounts payable due to purchase of capital assets on account	(5,018)	81,683	-	92,815	169,480
Total adjustments	<u>548,141</u>	<u>1,213,004</u>	<u>(1,933,826)</u>	<u>696,603</u>	<u>523,922</u>
Net cash provided (used) by operating activities	<u>\$ 1,065,793</u>	<u>\$ 1,023,783</u>	<u>\$ (1,004,321)</u>	<u>\$ (987,523)</u>	<u>\$ 97,732</u>
<b>Noncash Investing, Capital and Financing Activities</b>					
Purchase of capital assets on account	\$ 22,545	\$ 450	\$ -	\$ 600	\$ 23,595
Net book value of capital assets traded in on capital assets acquired	-	295,995	-	-	295,995
Trade in value of disposed assets	-	145,040	-	-	145,040



## 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 Pension Trust, Private-Purpose Trust, Investment Trust and Agency Funds. Since the City has only one Investment Trust Fund, it is presented in the Basic Financial section of this report.

### **Private Purpose Trust Funds**

**Mesa County Valley School District 51 SLD Fee Fund** ~ to account for revenues and expenditures not included in other trust funds for which uses have been specified by parties outside the City government.

**General Trust Fund** ~ to account for revenues and expenditures not included in other trust funds for which uses have been specified by parties outside City government.

### **Pension Trust Funds**

**Police Old Hire Pension Trust Fund** ~ to account for assets for the Police Old Hire Defined Benefit Pension Plan invested in and administered by the Fire and Police Pension Association of Colorado for qualified firefighter retirees.

**Fire Old Hire Pension Trust Fund** ~ to account for assets for the Fire Old Hire Defined Benefit Pension Plan invested in and administered by the Fire and Police Pension Association of Colorado for qualified firefighter retirees.

### **Agency Funds**

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

**Sewer and Water Districts Clearing Account Fund** ~ to provide the billing and collection of charges for some districts outside the city.

**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 STATEMENTS OF NET ASSETS**  
**PENSION TRUST FUNDS**  
December 31, 2011

---

	Police Old Hire	Fire Old Hire	Total
<b>ASSETS</b>			
Cash and investments	\$ 2,934,301	\$ 8,901,668	\$ 11,835,969
<b>LIABILITIES</b>			
	-	-	-
<b>NET ASSETS HELD IN TRUST FOR:</b>			
Pension benefits	\$ 2,934,301	\$ 8,901,668	\$ 11,835,969

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PENSION TRUST FUNDS**  
For the year ended December 31, 2011

	Police Old Hire	Fire Old Hire	Total
<b>ADDITIONS</b>			
Contributions:			
City	\$ 426,798	\$ 247,566	\$ 674,364
Investment income:			
Net appreciation (depreciation) in fair value of investments	(25,591)	(70,580)	(96,171)
Interest	65,629	204,835	270,464
Net investment income	40,038	134,255	174,293
Total additions	466,836	381,821	848,657
<b>DEDUCTIONS</b>			
Benefits	546,836	1,105,842	1,652,678
Administrative expense	23,190	72,164	95,354
Total deductions	570,026	1,178,006	1,748,032
Change in net assets	(103,190)	(796,185)	(899,375)
<b>Net assets - beginning</b>	3,037,491	9,697,853	12,735,344
<b>Net assets - ending</b>	\$ 2,934,301	\$ 8,901,668	\$ 11,835,969

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**  
December 31, 2011

---

	Mesa County Valley School District 51 SLD Fee	General Trust	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and investments	\$ 67,693	\$ 468	\$ 68,161
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>LIABILITIES</b>	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>NET ASSETS HELD IN TRUST FOR</b>			
Individuals, organizations and others	\$ 67,693	\$ 468	\$ 68,161
	<u>                    </u>	<u>                    </u>	<u>                    </u>

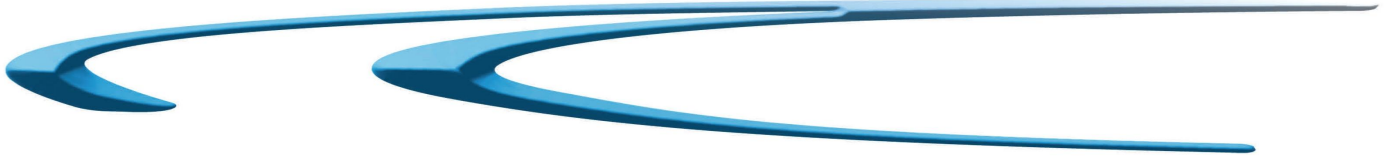
City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**  
For the year ended December 31, 2011

	Mesa County Valley School District 51 SLD Fee	General Trust	Total
<b>ADDITIONS</b>			
Additions by participants	\$ 112,700	\$ -	\$ 112,700
Investment income	341	-	341
Total additions	<u>113,041</u>	<u>-</u>	<u>113,041</u>
<b>DEDUCTIONS</b>			
Distributions to participants	85,362	-	85,362
Administrative expense	<u>2,640</u>	<u>-</u>	<u>2,640</u>
Total deductions	<u>88,002</u>	<u>-</u>	<u>88,002</u>
Change in net assets	25,039	-	25,039
Net assets - beginning	42,654	468	43,122
Net assets - ending	<u>\$ 67,693</u>	<u>\$ 468</u>	<u>\$ 68,161</u>



City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
For the year ended December 31, 2011

	Balance Beginning	Additions	Deletions	Balance Ending
<b><u>PARK IMPROVEMENT ADVISORY BOARD</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 344,255	\$ 141,422	\$ 330,183	\$ 155,494
Accounts receivable, net of allowance	600	94,300	94,900	-
Total assets	<u>\$ 344,855</u>	<u>\$ 235,722</u>	<u>\$ 425,083</u>	<u>\$ 155,494</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 344,855</u>	<u>\$ 235,722</u>	<u>\$ 425,083</u>	<u>\$ 155,494</u>
<b><u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u></b>				
<b>ASSETS</b>				
Cash and investments	<u>\$ 423,704</u>	<u>\$ 244,777</u>	<u>\$ 222,763</u>	<u>\$ 445,718</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 423,704</u>	<u>\$ 244,777</u>	<u>\$ 222,763</u>	<u>\$ 445,718</u>
<b><u>SEWER AND WATER DISTRICTS CLEARING</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 93,626	\$ 1,126,792	\$ 1,128,259	\$ 92,159
Accounts receivable, net of allowance	159,904	975,875	1,003,170	132,609
Total assets	<u>\$ 253,530</u>	<u>\$ 2,102,667</u>	<u>\$ 2,131,429</u>	<u>\$ 224,768</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 93,899	\$ 1,126,770	\$ 1,128,244	\$ 92,425
Due to other governments	159,631	975,897	1,003,185	132,343
Total liabilities	<u>\$ 253,530</u>	<u>\$ 2,102,667</u>	<u>\$ 2,131,429</u>	<u>\$ 224,768</u>
<b><u>DOWNTOWN BUSINESS IMPROVEMENT DISTRICT</u></b>				
<b>ASSETS</b>				
Cash and investments	<u>\$ 119,694</u>	<u>\$ 183,686</u>	<u>\$ 176,726</u>	<u>\$ 126,654</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 6,784	\$ 81,493	\$ 86,484	\$ 1,793
Due to other governments	112,910	102,193	90,242	124,861
Total liabilities	<u>\$ 119,694</u>	<u>\$ 183,686</u>	<u>\$ 176,726</u>	<u>\$ 126,654</u>
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 981,279	\$ 1,696,677	\$ 1,857,931	\$ 820,025
Accounts receivable, net of allowance	160,504	1,070,175	1,098,070	132,609
Total assets	<u>\$ 1,141,783</u>	<u>\$ 2,766,852</u>	<u>\$ 2,956,001</u>	<u>\$ 952,634</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 100,683	\$ 1,208,263	\$ 1,214,728	\$ 94,218
Due to other governments	1,041,100	1,558,589	1,741,273	858,416
Total liabilities	<u>\$ 1,141,783</u>	<u>\$ 2,766,852</u>	<u>\$ 2,956,001</u>	<u>\$ 952,634</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 reported on the Government-wide Financial Statement. However, since it does not issue its own financial report, the following fund information for the DDA is provided.

### **Special Revenue Funds**

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

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

**DDA Tax Increment Special Revenue Fund** ~ to account for property tax revenues from the Downtown Tax Increment Financing District used principally to reduce debt incurred for downtown improvements.

### **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 Debt Service Fund** ~ to account for those resources which are being accumulated for Long-term debt, principal and interest payments on Downtown Development Authority Tax Increment Bonds maturing in future years.

### **Capital Project Funds**

**Capital Projects Funds** are used to account for financial resources to be used for the acquisition of Construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**DDA TIF Capital Improvements Fund** ~ to account for capital improvements within the boundaries of the Downtown Development Authority (DDA), financed with the proceeds of Tax Increment Financing (TIF) Bonds.

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2011

	DDA Tax Increment	DDA Operations Special Revenue Fund	TIF Capital Improvements Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 669,570	\$ 603,500	\$ 69,987	\$ 1,343,057
Property taxes receivable	1,597,359	188,764	-	1,786,123
Accounts receivable	-	2,555	-	2,555
Prepaid items	-	25,525	100	25,625
Total assets	<u>2,266,929</u>	<u>820,344</u>	<u>70,087</u>	<u>3,157,360</u>
<b>LIABILITIES</b>				
Accounts payable	-	10,730	69,892	80,622
Accrued liabilities	-	2,166	174	2,340
Deferred revenue	1,584,277	186,148	-	1,770,425
Compensated absences payable	-	378	21	399
Total liabilities	<u>1,584,277</u>	<u>199,422</u>	<u>70,087</u>	<u>1,853,786</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories and prepaids	-	25,525	100	25,625
Restricted for:				
Debt service	682,652	-	-	682,652
Legends historical sculptures project	-	111,425	-	111,425
Urban development and housing	-	483,972	-	483,972
Unassigned:	-	-	(100)	(100)
Total fund balances	<u>682,652</u>	<u>620,922</u>	<u>-</u>	<u>1,303,574</u>
Total liabilities and fund balances	<u>\$ 2,266,929</u>	<u>\$ 820,344</u>	<u>\$ 70,087</u>	

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

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

5,075,180

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	\$ (3,200,000)	
Due to Primary Government	(3,164,181)	
Deferred charge for issue costs (to be amortized over life of debt)	28,918	
Accrued Interest payable	(4,000)	
Compensated absences	<u>(6,297)</u>	<u>(6,345,560)</u>

Total net assets -Component Unit - Downtown Development Authority. (page 31) \$ 33,194

**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, 2011

	DDA Tax Increment	DDA Operations Special Revenue Fund	DDA Debt Service Fund	TIF Capital Improvements Capital Project Fund	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 1,952,186	\$ 251,067	\$ -	\$ -	\$ 2,203,253
Intergovernmental	538,978	-	-	-	538,978
Charges for services	-	4,798	-	-	4,798
Miscellaneous	-	209,198	-	-	209,198
Investment income (loss)	(18,411)	1,100	-	(4,536)	(21,847)
Total revenues	<u>2,472,753</u>	<u>466,163</u>	<u>-</u>	<u>(4,536)</u>	<u>2,934,380</u>
<b>EXPENDITURES</b>					
Current:					
Urban development and housing	35,237	366,621	-	-	401,858
Debt service:					
Principal retirement	-	-	3,110,000	-	3,110,000
Interest and fiscal charges	-	-	189,400	-	189,400
Capital outlay	-	75,298	-	3,579,707	3,655,005
Total expenditures	<u>35,237</u>	<u>441,919</u>	<u>3,299,400</u>	<u>3,579,707</u>	<u>7,356,263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,437,516</u>	<u>24,244</u>	<u>(3,299,400)</u>	<u>(3,584,243)</u>	<u>(4,421,883)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	3,299,400	-	3,299,400
Transfers out	(2,620,486)	-	-	(678,914)	(3,299,400)
Loan proceeds	-	-	-	3,164,181	3,164,181
Sale of capital assets	-	-	-	608,385	608,385
Total other financing sources (uses)	<u>(2,620,486)</u>	<u>-</u>	<u>3,299,400</u>	<u>3,093,652</u>	<u>3,772,566</u>
Net change in fund balances	(182,970)	24,244	-	(490,591)	(649,317)
Fund balances - beginning	865,622	596,678	-	490,591	1,952,891
Fund balances - ending	<u>\$ 682,652</u>	<u>\$ 620,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,303,574</u>

Amounts reported for Component Unit - Downtown Development Authority in the statement of activities (page 33) are different because:

Net change in fund balances - total governmental funds (above) \$ (649,317)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$3,409,374 exceeded depreciation (\$228,926) in the current period. 3,180,448

The net effect of transactions involving the sale of capital assets. (4,169,199)

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 assets. Also, governmental funds report the effect of issuance costs 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	\$ (3,164,181)
Debt principal payments	3,110,000
Deferred charge for bond issuance costs	(28,947)
Decrease in accrued interest	<u>3,888</u>
	(79,240)

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. 530

Change in net assets of the Component Unit - Downtown Development Authority (page 33) \$ (1,716,778)

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DDA TAX INCREMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2011

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 2,020,103	\$ 1,952,186	\$ (67,917)
Intergovernmental	435,000	538,978	103,978
Investment income (loss)	33,518	(18,411)	(51,929)
Total revenues	<u>2,488,621</u>	<u>2,472,753</u>	<u>(15,868)</u>
<b>EXPENDITURES</b>			
Current:			
Urban development and housing	<u>36,402</u>	<u>35,237</u>	<u>1,165</u>
Excess of revenues over expenditures	2,452,219	2,437,516	(14,703)
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(3,333,018)</u>	<u>(2,620,486)</u>	<u>712,532</u>
Net change in fund balance	(880,799)	(182,970)	697,829
Fund balances - beginning	865,622	865,622	-
Fund balances - ending	<u>\$ (15,177)</u>	<u>\$ 682,652</u>	<u>\$ 697,829</u>

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DOWNTOWN DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2011

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 238,242	\$ 251,067	\$ 12,825
Charges for services	4,000	4,798	798
Miscellaneous	60,000	209,198	149,198
Investment income	11,257	1,100	(10,157)
Total revenues	<u>313,499</u>	<u>466,163</u>	<u>152,664</u>
<b>EXPENDITURES</b>			
Current:			
Urban development and housing	450,738	366,621	84,117
Capital projects	-	75,298	(75,298)
Total expenditures	<u>450,738</u>	<u>441,919</u>	<u>8,819</u>
Excess (deficiency) of revenues over (under) expenditures	(137,239)	24,244	161,483
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>33,518</u>	<u>-</u>	<u>(33,518)</u>
Net change in fund balance	(103,721)	24,244	127,965
Fund balances - beginning	596,678	596,678	-
Fund balances - ending	<u>\$ 492,957</u>	<u>\$ 620,922</u>	<u>\$ 127,965</u>



**DOWNTOWN DEVELOPMENT AUTHORITY**

A Component Unit of the City of Grand Junction, Colorado

**DDA DEBT SERVICE FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**

For the year ended December 31, 2011

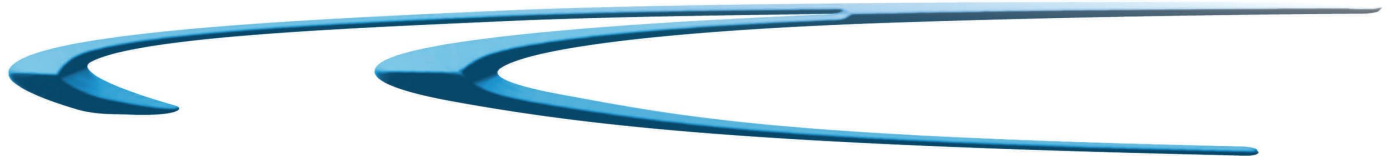
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement	3,110,000	3,110,000	-
Interest and fiscal charges	189,500	189,400	100
Total expenditures	3,299,500	3,299,400	100
Deficiency of revenues under expenditures	(3,299,500)	(3,299,400)	100
<b>OTHER FINANCING SOURCES</b>			
Transfers in	3,299,500	3,299,400	(100)
Net change in fund balance	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DDA TIF CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the year ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Investment income (loss)	\$ -	\$ -	\$ (4,536)	\$ (4,536)
<b>EXPENDITURES</b>				
Capital projects	3,657,896	3,780,096	3,579,707	200,389
Deficiency of revenues under expenditures	(3,657,896)	(3,780,096)	(3,584,243)	195,853
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out	-	(871,456)	(678,914)	192,542
Loan proceeds	3,167,305	3,552,576	3,164,181	(388,395)
Sale of capital assets	-	608,385	608,385	-
Total other financing sources (uses)	3,167,305	3,289,505	3,093,652	(195,853)
Net change in fund balance	(490,591)	(490,591)	(490,591)	-
Fund balances - beginning	490,591	490,591	490,591	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -



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## 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.

<b>Contents</b>	<b>Pages</b>
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the City's financial condition has changed over time.	127-131
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the City's largest revenue source, sales tax.	132-135
<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.	136-140
<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.	141-142
<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.	143-144



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TABLE 1

City of Grand Junction, Colorado  
**NET ASSETS**  
 Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ 181,892,248	\$ 201,219,442	\$ 224,544,344	\$ 256,934,469	\$ 326,336,540	\$ 408,037,121	\$ 498,158,781	\$ 529,106,956	\$ 555,543,770	\$ 581,854,487
Restricted	5,756,358	7,094,471	5,325,181	5,598,639	7,504,598	4,548,128	15,726,010	18,544,790	21,495,852	30,951,878
Unrestricted	33,324,371	31,969,627	38,775,377	48,793,618	59,672,122	61,478,559	41,253,609	28,979,443	29,044,796	27,494,296
Total governmental activities net assets	<u>\$ 220,972,977</u>	<u>\$ 240,283,540</u>	<u>\$ 268,644,902</u>	<u>\$ 311,326,726</u>	<u>\$ 393,513,260</u>	<u>\$ 474,063,808</u>	<u>\$ 555,138,400</u>	<u>\$ 576,631,189</u>	<u>\$ 606,084,418</u>	<u>\$ 640,300,661</u>
<b>Business-type Activities</b>										
Invested in capital assets, net of related debt	\$ 34,219,616	\$ 33,495,032	\$ 34,071,610	\$ 33,697,216	\$ 36,518,897	\$ 39,673,423	\$ 44,539,563	\$ 46,087,527	\$ 47,807,739	\$ 45,541,828
Restricted	3,500,000	1,787,120	905,137	-	610,844	-	-	-	-	-
Unrestricted	68,770	3,044,687	3,350,735	5,286,462	4,114,096	4,176,474	(271,321)	(2,881,656)	(4,987,177)	(4,277,701)
Total business-type activities net assets	<u>\$ 37,788,386</u>	<u>\$ 38,326,839</u>	<u>\$ 38,327,482</u>	<u>\$ 38,983,678</u>	<u>\$ 41,243,837</u>	<u>\$ 43,849,897</u>	<u>\$ 44,268,242</u>	<u>\$ 43,205,871</u>	<u>\$ 42,820,562</u>	<u>\$ 41,264,127</u>
<b>Primary Government</b>										
Invested in capital assets, net of related debt	\$ 216,111,864	\$ 234,714,474	\$ 258,615,954	\$ 290,631,685	\$ 362,855,437	\$ 447,710,544	\$ 542,698,344	\$ 575,194,483	\$ 603,351,509	\$ 627,396,315
Restricted	9,256,358	8,881,591	6,230,318	5,598,639	8,115,442	4,548,128	15,726,010	18,544,790	21,495,852	30,951,878
Unrestricted	33,393,141	35,014,314	42,126,112	54,080,080	63,786,218	65,655,033	40,982,288	26,097,787	24,057,619	23,216,595
Total primary governmental net assets	<u>\$ 258,761,363</u>	<u>\$ 278,610,379</u>	<u>\$ 306,972,384</u>	<u>\$ 350,310,404</u>	<u>\$ 434,757,097</u>	<u>\$ 517,913,705</u>	<u>\$ 599,406,642</u>	<u>\$ 619,837,060</u>	<u>\$ 648,904,980</u>	<u>\$ 681,564,788</u>
<b>Component Unit:</b>										
Invested in capital assets, net of related debt	\$ 3,118,738	\$ 2,312,416	\$ 877,836	\$ 2,196,484	\$ 1,873,613	\$ 1,968,943	\$ 5,999,915	\$ 6,222,119	\$ 5,697,948	\$ 4,870,916
Restricted	1,415,487	270,910	850,062	1,340,387	1,325,219	834,551	3,334,219	2,810,117	1,462,300	1,278,049
Unrestricted	(1,278,466)	(8,030)	1,948,887	1,341,467	2,213,997	34,939	(5,713,208)	(5,061,019)	(5,410,276)	(6,115,771)
Total component unit net assets	<u>\$ 3,255,759</u>	<u>\$ 2,575,296</u>	<u>\$ 3,676,785</u>	<u>\$ 4,878,338</u>	<u>\$ 5,412,829</u>	<u>\$ 2,838,433</u>	<u>\$ 3,620,926</u>	<u>\$ 3,971,217</u>	<u>\$ 1,749,972</u>	<u>\$ 33,194</u>

Source: Current and prior years' financial statements



TABLE 2

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$ 10,397,825	\$ 8,276,802	\$ 9,548,713	\$ 9,596,763	\$ 8,775,975	\$ 12,412,910	\$ 16,143,424	\$ 14,022,155	\$ 11,591,395	\$ 12,583,783
Public Safety	17,966,339	19,871,283	23,823,248	22,904,850	24,638,801	28,167,497	32,088,791	32,884,135	33,423,757	33,105,266
Public Works	12,220,526	12,780,174	10,223,079	15,386,497	19,400,979	15,521,625	19,680,247	21,353,413	20,728,384	6,512,483
Parks and Recreation	4,740,433	5,318,756	6,684,183	5,175,343	4,743,303	7,419,519	7,955,933	8,924,292	8,771,342	8,425,816
Urban Development and Housing	720,043	622,802	347,218	415,306	110,694	565,373	545,715	572,726	561,457	645,572
Interest of Long-Term Debt	295,421	234,037	2,301,710	2,571,874	2,503,750	3,106,206	3,378,440	3,234,231	3,327,080	5,501,830
<b>Total Governmental Activities Expense</b>	<b>46,340,587</b>	<b>47,103,854</b>	<b>52,928,151</b>	<b>56,050,633</b>	<b>60,173,502</b>	<b>67,193,130</b>	<b>79,792,550</b>	<b>80,990,952</b>	<b>78,403,415</b>	<b>66,774,750</b>
<b>Business-Type Activities:</b>										
Water	3,826,901	4,009,508	4,158,777	4,222,594	4,349,852	4,671,765	5,067,168	5,283,655	5,419,125	4,881,038
Convention Center	1,828,188	1,988,176	2,130,427	2,641,066	2,805,768	2,968,119	3,514,396	3,396,100	2,857,866	2,600,896
Solid Waste Removal	2,160,155	2,190,000	2,302,588	2,340,292	2,632,219	2,820,253	2,907,325	4,196,468	3,462,854	3,113,744
Swimming Pools	829,676	815,682	826,992	919,684	1,015,665	991,685	1,014,976	1,025,401	1,038,563	983,212
Golf	1,896,274	1,919,148	2,040,033	1,898,642	1,966,353	2,123,769	2,285,777	2,472,997	2,266,394	2,181,540
Cemeteries	333,865	339,191	-	-	-	-	-	-	-	-
Parking	220,257	272,728	244,869	321,282	693,381	402,916	1,829,547	531,711	480,383	415,355
Irrigation Systems	248,603	250,073	279,556	273,642	298,439	289,528	318,708	300,130	306,572	298,694
Ambulance Transport	-	-	-	-	865,138	2,252,275	2,350,943	2,308,421	2,173,362	1,961,509
<b>Total Business-Type Activities Expense</b>	<b>11,343,919</b>	<b>11,784,506</b>	<b>11,983,242</b>	<b>12,617,202</b>	<b>14,626,815</b>	<b>16,520,310</b>	<b>19,288,840</b>	<b>19,514,883</b>	<b>18,005,119</b>	<b>16,435,988</b>
<b>Total Primary Government Expenses</b>	<b>\$ 57,684,506</b>	<b>\$ 58,888,360</b>	<b>\$ 64,911,393</b>	<b>\$ 68,667,835</b>	<b>\$ 74,800,317</b>	<b>\$ 83,713,440</b>	<b>\$ 99,081,390</b>	<b>\$ 100,505,835</b>	<b>\$ 96,408,534</b>	<b>\$ 83,210,738</b>
<b>Total Component Unit Expenses</b>	<b>\$ 569,356</b>	<b>\$ 1,213,309</b>	<b>\$ 464,709</b>	<b>\$ 386,262</b>	<b>\$ 1,378,932</b>	<b>\$ 4,633,804</b>	<b>\$ 2,117,208</b>	<b>\$ 2,549,296</b>	<b>\$ 4,855,605</b>	<b>\$ 4,651,158</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charge for Service:										
General Government	\$ 4,040,068	\$ 1,707,755	\$ 2,072,365	\$ 2,201,868	\$ 2,350,160	\$ 5,451,358	\$ 2,929,275	\$ 2,639,601	\$ 3,274,890	\$ 3,224,426
Public Safety	2,806,777	4,194,882	4,270,121	4,636,026	4,503,743	4,774,346	5,895,984	6,406,830	7,104,163	8,071,588
Public Works	344,444	668,873	1,137,608	1,100,555	2,595,528	3,325,868	5,554,332	1,884,073	2,659,523	1,895,207
Parks and Recreation	750,033	799,011	1,187,450	1,294,737	1,070,852	3,199,673	2,286,100	1,423,145	1,461,584	1,456,400
Operating Grants and Contributions	1,104,192	733,500	492,464	718,425	565,044	1,182,795	1,548,954	1,661,118	2,184,680	3,608,414
Capital Grants and Contributions	24,345,898	16,358,934	20,628,819	34,104,271	66,735,306	56,633,477	63,431,598	23,963,787	26,800,939	12,816,892
<b>Total Governmental Activities Program Revenues</b>	<b>33,391,412</b>	<b>24,462,955</b>	<b>29,788,827</b>	<b>44,055,882</b>	<b>77,820,633</b>	<b>74,567,517</b>	<b>81,646,243</b>	<b>37,978,554</b>	<b>43,485,779</b>	<b>31,072,927</b>
<b>Business-Type Activities:</b>										
Water	4,673,955	4,746,675	4,397,730	4,476,728	4,670,635	4,987,126	5,293,379	5,527,333	5,231,378	4,913,952
Convention Center	1,171,731	1,315,342	1,603,083	2,114,443	2,437,970	2,544,726	2,840,966	2,657,327	2,322,730	2,279,695
Solid Waste Removal	2,218,985	2,234,155	2,260,492	2,427,094	2,500,954	2,841,130	3,051,483	2,976,883	3,251,274	3,324,152
Swimming Pools	440,721	431,336	394,625	628,073	691,810	697,770	680,496	760,756	590,332	532,456
Golf	1,606,520	1,641,313	1,648,009	1,802,903	1,956,584	2,106,921	2,221,204	2,147,161	1,901,601	1,949,258
Cemeteries	167,763	173,935	-	-	-	-	-	-	-	-
Parking	326,772	384,785	355,546	326,381	338,286	343,471	504,766	540,054	412,578	487,517
Irrigation Systems	170,415	170,378	172,016	178,709	179,837	191,854	204,956	212,043	219,820	219,367
Ambulance Transport	-	-	-	-	1,107,880	2,313,432	2,461,174	2,315,001	2,027,458	2,117,997
Operating Grants and Contributions	106,727	109,551	159,346	-	-	-	-	-	595,361	148,215
Capital Grants and Contributions	87,870	201,921	110,044	237,705	654,170	1,998,637	523,422	406,834	496,259	211,850
<b>Total Business-Type Activities Program Revenues</b>	<b>10,971,459</b>	<b>11,409,391</b>	<b>11,100,891</b>	<b>12,192,036</b>	<b>14,538,126</b>	<b>18,025,067</b>	<b>17,781,846</b>	<b>17,543,392</b>	<b>17,048,791</b>	<b>16,184,459</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 44,362,871</b>	<b>\$ 35,872,346</b>	<b>\$ 40,889,718</b>	<b>\$ 56,247,918</b>	<b>\$ 92,358,759</b>	<b>\$ 92,592,584</b>	<b>\$ 99,428,089</b>	<b>\$ 55,521,946</b>	<b>\$ 60,534,570</b>	<b>\$ 47,257,386</b>
<b>Total Component Unit Program Revenues</b>	<b>\$ 397,380</b>	<b>\$ 319,453</b>	<b>\$ 298,779</b>	<b>\$ 247,614</b>	<b>\$ 315,417</b>	<b>\$ 411,870</b>	<b>\$ 712,232</b>	<b>\$ 601,094</b>	<b>\$ 439,960</b>	<b>\$ 752,974</b>
<b>Net (Expense)/ Revenue</b>										
Governmental Activities	\$ (12,949,175)	\$ (22,640,899)	\$ (23,139,324)	\$ (11,994,751)	\$ 17,647,131	\$ 7,374,387	\$ 1,853,693	\$ (43,012,398)	\$ (34,917,636)	\$ (35,701,823)
Business-Type Activities	(372,460)	(375,115)	(882,351)	(425,166)	(88,689)	1,504,757	(1,506,994)	(1,971,491)	(956,328)	(251,529)
<b>Total Primary Government Net Expense</b>	<b>\$ (13,321,635)</b>	<b>\$ (23,016,014)</b>	<b>\$ (24,021,675)</b>	<b>\$ (12,419,917)</b>	<b>\$ 17,558,442</b>	<b>\$ 8,879,144</b>	<b>\$ 346,699</b>	<b>\$ (44,983,889)</b>	<b>\$ (35,873,964)</b>	<b>\$ (35,953,352)</b>
<b>Total Component Unit Net Expense</b>	<b>\$ (171,976)</b>	<b>\$ (893,856)</b>	<b>\$ (165,930)</b>	<b>\$ (138,648)</b>	<b>\$ (1,063,515)</b>	<b>\$ (4,221,934)</b>	<b>\$ (1,404,976)</b>	<b>\$ (1,948,202)</b>	<b>\$ (4,415,645)</b>	<b>\$ (3,898,184)</b>

TABLE 2 (Continued)

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities:</b>										
Taxes										
Sales & Use Taxes	\$ 35,463,226	\$ 37,422,678	\$ 39,298,456	\$ 42,825,135	\$ 50,373,971	\$ 56,583,254	\$ 59,447,697	\$ 46,856,622	\$ 47,424,012	\$ 50,312,521
Property Taxes	4,397,354	4,351,646	4,619,651	4,722,839	5,618,112	5,926,469	8,440,775	8,701,650	10,146,009	10,608,818
Franchise Taxes	1,379,459	1,595,864	1,804,821	2,008,706	2,159,287	2,147,224	2,456,659	2,432,704	2,527,530	2,572,877
Highway Users Tax	1,519,438	1,436,453	1,537,963	1,519,215	1,763,231	1,732,774	1,718,004	1,940,291	2,262,898	2,261,503
Other Taxes	1,268,484	954,621	2,930,290	2,525,925	3,544,629	3,388,467	5,978,962	4,024,160	1,907,422	2,403,354
Investment Income	1,606,784	824,981	2,000,765	1,961,415	3,093,381	4,185,692	2,789,072	1,299,123	635,807	435,929
Gain (Loss) on Sale of Capital Assets	-	-	54,451	26,713	81,053	88,000	85,329	75,592	-	-
Transfers	(1,116,803)	(832,468)	(745,711)	(913,373)	(2,094,261)	(875,719)	(1,695,599)	(824,955)	(532,813)	1,323,064
<b>Total Governmental Activities</b>	<b>44,517,942</b>	<b>45,753,775</b>	<b>51,500,686</b>	<b>54,676,575</b>	<b>64,539,403</b>	<b>73,176,161</b>	<b>79,220,899</b>	<b>64,505,187</b>	<b>64,370,865</b>	<b>69,918,066</b>
<b>Business-Type Activities:</b>										
Investment Income	194,767	81,100	142,378	167,989	254,587	225,584	229,740	84,165	38,206	18,158
Gain (Loss) on Sale of Capital Assets	16,181	-	(5,095)	-	-	-	-	-	-	-
Transfers	1,116,803	832,468	745,711	913,373	2,094,261	875,719	1,695,599	824,955	532,813	(1,323,064)
<b>Total Business-Type Activities</b>	<b>1,327,751</b>	<b>913,568</b>	<b>882,994</b>	<b>1,081,362</b>	<b>2,348,848</b>	<b>1,101,303</b>	<b>1,925,339</b>	<b>909,120</b>	<b>571,019</b>	<b>(1,304,906)</b>
<b>Total Primary Government Activities</b>	<b>\$ 45,845,693</b>	<b>\$ 46,667,343</b>	<b>\$ 52,383,680</b>	<b>\$ 55,757,937</b>	<b>\$ 66,888,251</b>	<b>\$ 74,277,464</b>	<b>\$ 81,146,238</b>	<b>\$ 65,414,307</b>	<b>\$ 64,941,884</b>	<b>\$ 68,613,160</b>
<b>Component Unit Activities:</b>										
Property Taxes	1,121,855	1,172,239	1,167,670	1,327,496	1,445,856	1,498,752	2,081,840	2,179,436	2,192,121	2,203,253
Investment Income (Loss)	54,205	42,640	99,749	58,474	152,150	198,530	105,629	119,057	57,279	(21,847)
Gain (Loss) on Sale of Capital Assets	-	-	-	(45,769)	-	(49,744)	-	-	-	-
<b>Total Component Unit Activities</b>	<b>\$ 1,176,060</b>	<b>\$ 1,214,879</b>	<b>\$ 1,267,419</b>	<b>\$ 1,340,201</b>	<b>\$ 1,598,006</b>	<b>\$ 1,647,538</b>	<b>\$ 2,187,469</b>	<b>\$ 2,298,493</b>	<b>\$ 2,249,400</b>	<b>\$ 2,181,406</b>
<b>Change In Net Assets</b>										
Governmental Activities	\$ 31,568,767	\$ 23,112,876	\$ 28,361,362	\$ 42,681,824	\$ 82,186,534	\$ 80,550,548	\$ 81,074,592	\$ 21,492,789	\$ 29,453,229	\$ 34,216,243
Business-Type Activities	955,291	538,453	643	656,196	2,260,159	2,606,060	418,345	(1,062,371)	(385,309)	(1,556,435)
<b>Total Primary Government</b>	<b>\$ 32,524,058</b>	<b>\$ 23,651,329</b>	<b>\$ 28,362,005</b>	<b>\$ 43,338,020</b>	<b>\$ 84,446,693</b>	<b>\$ 83,156,608</b>	<b>\$ 81,492,937</b>	<b>\$ 20,430,418</b>	<b>\$ 29,067,920</b>	<b>\$ 32,659,808</b>
<b>Total Component Unit: Downtown Development Authority</b>	<b>\$ 1,004,084</b>	<b>\$ 321,023</b>	<b>\$ 1,101,489</b>	<b>\$ 1,201,553</b>	<b>\$ 534,491</b>	<b>\$ (2,574,396)</b>	<b>\$ 782,493</b>	<b>\$ 350,291</b>	<b>\$ (2,166,245)</b>	<b>\$ (1,716,778)</b>

Source: Current and prior year's financial statements

TABLE 3

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 368,258
Restricted	-	-	-	-	-	-	-	-	-	14,787,251
Committed	-	-	-	-	-	-	-	-	-	10,506
Assigned	-	-	-	-	-	-	-	-	-	1,792,369
Unassigned	-	-	-	-	-	-	-	-	-	13,193,886
Reserved	488,060	2,064,060	2,146,185	2,105,728	6,391,927	7,958,173	9,135,472	9,589,625	11,740,961	-
Unreserved	11,345,770	11,175,753	13,084,091	17,146,236	20,157,996	26,430,185	18,320,471	9,573,798	14,916,902	-
Total General Fund	11,833,830	13,239,813	15,230,276	19,251,964	26,549,923	34,388,358	27,455,943	19,163,423	26,657,863	30,152,270
<b>All Other Governmental Funds</b>										
Nonspendable, reported in:										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,605
Permanent Funds	-	-	-	-	-	-	-	-	-	1,289,972
Capital Projects Funds	-	-	-	-	-	-	-	-	-	20,157
Restricted, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	4,095,089
Debt Service Funds	-	-	-	-	-	-	-	-	-	19,245,569
Capital Projects Funds	-	-	-	-	-	-	-	-	-	23,437,299
Committed, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	1,353,572
Capital Projects Funds	-	-	-	-	-	-	-	-	-	571,214
Assigned, reported in:										
Capital Projects Funds	-	-	-	-	-	-	-	-	-	458,557
Reserved	3,741,227	3,803,737	54,425,376	37,456,559	6,659,252	1,517,413	10,916,914	14,581,790	18,168,718	-
Unreserved, reported in:										
Special Revenue Funds	3,972,738	4,089,208	3,447,242	4,362,767	5,640,048	4,716,567	5,378,544	4,569,216	4,086,536	-
Debt Service Funds	-	-	-	-	-	150	(3,420)	-	-	-
Capital Projects Funds	5,186,322	6,525,614	12,818,435	15,981,722	19,384,444	11,513,358	2,482,529	1,532,966	41,078,067	-
Total All Other Governmental Funds	12,900,287	14,418,559	70,691,053	57,801,048	31,683,744	17,747,488	18,774,567	20,683,972	63,333,321	50,485,034
<b>Total Governmental Funds</b>	<u>\$ 24,734,117</u>	<u>\$ 27,658,372</u>	<u>\$ 85,921,329</u>	<u>\$ 77,053,012</u>	<u>\$ 58,233,667</u>	<u>\$ 52,135,846</u>	<u>\$ 46,230,510</u>	<u>\$ 39,847,395</u>	<u>\$ 89,991,184</u>	<u>\$ 80,637,304</u>

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

Source: Current and prior year's financial statements.

TABLE 4

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Taxes	\$ 43,675,042	\$ 45,761,262	\$ 50,191,182	\$ 53,601,820	\$ 63,459,234	\$ 69,778,188	\$ 78,042,097	\$ 63,955,427	\$ 64,267,871	\$ 68,159,073
Licenses, Fees, and Permits	111,935	118,616	111,452	114,921	101,165	113,224	129,993	121,783	118,128	116,930
Intergovernmental	1,983,885	1,961,442	3,065,737	2,002,220	3,535,141	4,260,519	12,009,672	4,955,308	4,476,793	5,131,948
Charges for Services	4,810,031	5,488,457	5,884,254	6,077,290	11,513,267	8,633,619	8,997,208	8,311,362	9,923,697	9,940,383
Fines and Forfeitures	486,548	564,294	701,941	546,162	1,001,569	1,152,790	1,094,388	945,666	1,234,810	1,296,959
Special Assessments	101,142	34,230	148,289	65,949	75,103	146,610	24,493	92,198	49,372	32,868
Investment Earnings	938,331	488,268	1,547,469	1,622,584	2,982,954	3,270,125	1,968,465	984,031	553,700	423,863
Other Income	1,463,642	2,012,121	1,237,322	2,646,942	1,185,987	902,798	283,116	136,935	130,638	47,399
Other Contributions	82,571	11,891	192,283	49,232	70,874	1,063,174	873,869	196,833	176,607	456,452
<b>Total Revenues</b>	<b>53,653,127</b>	<b>56,440,581</b>	<b>63,079,929</b>	<b>66,727,120</b>	<b>83,925,294</b>	<b>89,321,047</b>	<b>103,423,301</b>	<b>79,699,543</b>	<b>80,931,616</b>	<b>85,605,875</b>
<b>Expenditures</b>										
General Government	\$ 8,332,174	\$ 8,288,652	\$ 8,716,681	\$ 9,207,102	\$ 10,404,115	\$ 12,336,103	\$ 15,596,506	\$ 13,793,482	\$ 10,301,970	\$ 10,692,566
Public Safety	17,350,391	18,553,410	19,977,861	20,490,870	22,930,060	25,791,977	29,657,426	29,092,018	27,193,471	28,691,061
Public Works	7,333,200	7,564,156	8,049,960	8,185,303	8,865,640	9,562,091	10,779,300	9,954,111	9,686,215	10,035,622
Parks and Recreation	4,385,230	4,731,828	5,378,915	5,302,211	5,795,820	6,432,863	7,273,190	7,347,609	7,067,698	7,083,898
Urban Development and Housing	720,042	622,802	347,218	593,786	249,847	565,373	545,715	572,726	561,457	645,572
Debt Service										
Principal Retirement	788,891	826,281	869,787	1,914,672	2,216,032	2,584,661	3,907,232	3,883,479	4,073,479	4,275,000
Interest	304,665	239,118	1,538,367	2,829,739	2,757,618	3,254,707	3,693,947	3,508,632	3,317,358	5,858,657
Bond Issuance Costs	-	-	723,626	-	-	-	-	-	364,048	-
Capital Outlay: Construction	8,860,186	10,555,511	19,983,688	25,615,550	46,927,452	55,331,874	36,484,253	16,879,724	9,916,907	26,126,955
<b>Total Expenditures</b>	<b>48,074,779</b>	<b>51,381,758</b>	<b>65,586,103</b>	<b>74,139,233</b>	<b>100,146,584</b>	<b>115,859,649</b>	<b>107,937,569</b>	<b>85,031,781</b>	<b>72,482,603</b>	<b>93,409,331</b>
<b>Other Financing Sources (Uses)</b>										
Transfers In	3,071,622	3,787,288	8,278,967	7,907,490	13,272,934	25,222,052	41,941,154	24,695,090	15,000,174	13,823,542
Transfers Out	(5,296,866)	(5,921,856)	(7,949,841)	(9,651,371)	(16,525,848)	(28,794,574)	(43,974,059)	(25,745,967)	(15,652,330)	(15,453,966)
Revenue Bonds Issued	-	-	57,075,000	-	654,860	22,925,000	-	-	-	-
Bond Premium	-	-	3,652,683	-	-	997,936	-	-	-	-
Certificates of Participation Issued	-	-	-	-	-	-	-	-	42,670,000	-
Discount on Certificates of Participation	-	-	-	-	-	-	-	-	(422,392)	-
Sale of Capital Assets	-	-	-	-	-	90,367	641,837	-	99,324	80,000
<b>Total Other Financing Sources(Uses)</b>	<b>(2,225,244)</b>	<b>(2,134,568)</b>	<b>61,056,809</b>	<b>(1,743,881)</b>	<b>(2,598,054)</b>	<b>20,440,781</b>	<b>(1,391,068)</b>	<b>(1,050,877)</b>	<b>41,694,776</b>	<b>(1,550,424)</b>
<b>Net Change In Fund Balances</b>	<b>\$ 3,353,104</b>	<b>\$ 2,924,255</b>	<b>\$ 58,550,635</b>	<b>\$ (9,155,994)</b>	<b>\$ (18,819,344)</b>	<b>\$ (6,097,821)</b>	<b>\$ (5,905,336)</b>	<b>\$ (6,383,115)</b>	<b>\$ 50,143,789</b>	<b>\$ (9,353,880)</b>
Debt Service as a Percentage of Noncapital Expenditures	2.8%	2.6%	5.3%	9.8%	9.3%	9.7%	10.8%	10.9%	11.9%	18.7%

Source: Current and prior year's financial statements.

TABLE 5

City of Grand Junction, Colorado  
**SALES TAX REVENUE BY TYPE OF INDUSTRY**<sup>1</sup>  
 Last Ten Fiscal Years

Fiscal Year	Auto & Campers	Building Materials	Clothing/ Department Stores	Drug Stores	Furniture & Appliances	Grocery Stores	Liquor Stores	Motels & Hotels	Other	Restaurants	Service Stations	Total Sales Tax	Total Direct Tax Rate
2002	3,384,024	2,708,008	7,347,604	185,425	813,360	681,550	518,996	829,077	9,667,415	2,965,515	255,338	29,356,312	2.75%
2003	3,477,295	3,640,993	7,213,733	169,377	743,664	744,133	558,225	793,845	9,644,774	3,053,336	237,627	30,277,002	2.75%
2004	4,281,235	3,813,959	7,109,518	139,758	398,699	606,240	580,068	811,876	11,230,952	3,274,269	247,399	32,493,973	2.75%
2005	4,588,778	4,075,360	7,531,171	147,299	481,625	599,540	627,954	940,652	12,097,267	3,526,455	294,708	34,910,809	2.75%
2006	5,671,555	4,847,206	8,340,443	193,003	533,528	636,540	699,893	1,083,818	14,843,131	3,817,821	340,162	41,007,100	2.75%
2007	6,330,907	5,850,932	8,976,739	259,764	566,242	694,839	790,822	1,335,710	16,074,066	4,242,729	366,202	45,488,952	2.75%
2008	6,413,694	5,867,638	8,876,297	258,197	497,265	737,283	885,924	1,502,984	17,004,461	4,548,239	434,299	47,026,281	2.75%
2009	4,864,852	4,073,914	7,879,172	211,381	358,332	728,805	919,756	1,169,215	13,363,210	4,287,052	377,156	38,232,845	2.75%
2010	5,231,731	3,631,602	7,861,591	177,262	326,914	733,309	919,192	1,123,008	14,303,709	4,173,373	328,080	38,809,771	2.75%
2011	5,208,289	3,814,687	8,158,366	185,270	421,465	834,335	952,648	1,171,954	14,422,094	4,334,807	386,957	39,890,872	2.75%

<sup>1</sup> Excludes use tax and the city's share of county sales tax. Refer to Table 8 for total sales and use tax collections.

Source: City Financial Operations Division: Sales Tax Reports

### 2011 Sales Tax Revenue by Type of Industry

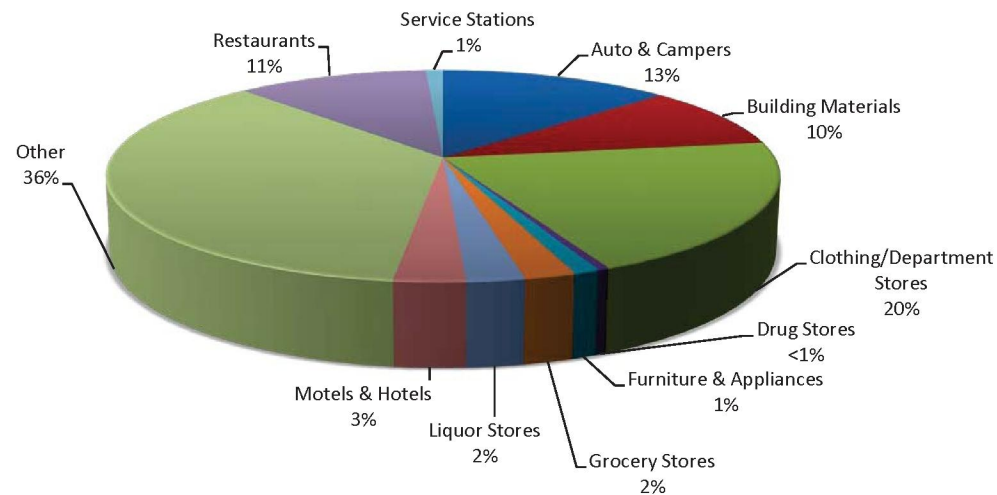




TABLE 6

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

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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	
2002	2.75%	2.75%	2.00%	2.90%	7.65%
2003	2.75%	2.75%	2.00%	2.90%	7.65%
2004	2.75%	2.75%	2.00%	2.90%	7.65%
2005	2.75%	2.75%	2.00%	2.90%	7.65%
2006	2.75%	2.75%	2.00%	2.90%	7.65%
2007	2.75%	2.75%	2.00%	2.90%	7.65%
2008	2.75%	2.75%	2.00%	2.90%	7.65%
2009	2.75%	2.75%	2.00%	2.90%	7.65%
2010	2.75%	2.75%	2.00%	2.90%	7.65%
2011	2.75%	2.75%	2.00%	2.90%	7.65%

Notes:           The City's sales tax rate may be increased only by a majority vote of the City's residents.

Source:           City Financial Operations Division: Sales Tax Reports

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TABLE 7

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Aggregate Top Ten Filers <sup>1,2</sup>	\$ 8,778,808	\$ 8,081,004	\$ 8,587,499	\$ 9,200,730	\$ 10,330,320	\$ 10,843,864	\$ 11,216,552	\$ 9,889,256	\$ 9,964,913	\$ 9,809,972
Aggregate All Other Filers <sup>2</sup>	20,577,504	22,195,998	23,906,474	25,710,079	30,676,780	34,645,088	35,809,729	28,343,589	28,844,858	30,080,900
Total Sales Tax	<u>\$ 29,356,312</u>	<u>\$ 30,277,002</u>	<u>\$ 32,493,973</u>	<u>\$ 34,910,809</u>	<u>\$ 41,007,100</u>	<u>\$ 45,488,952</u>	<u>\$ 47,026,281</u>	<u>\$ 38,232,845</u>	<u>\$ 38,809,771</u>	<u>\$ 39,890,872</u>
Top Ten Filers as a Percentage of Total Sales Tax	29.90%	26.69%	26.43%	26.35%	25.19%	23.84%	23.85%	25.87%	25.68%	24.59%

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

<sup>2</sup> Excludes use tax and the city's share of county sales tax. Refer to Table 8 for total sales and use tax collections.

Source: City Financial Operations Division: Sales Tax Reports

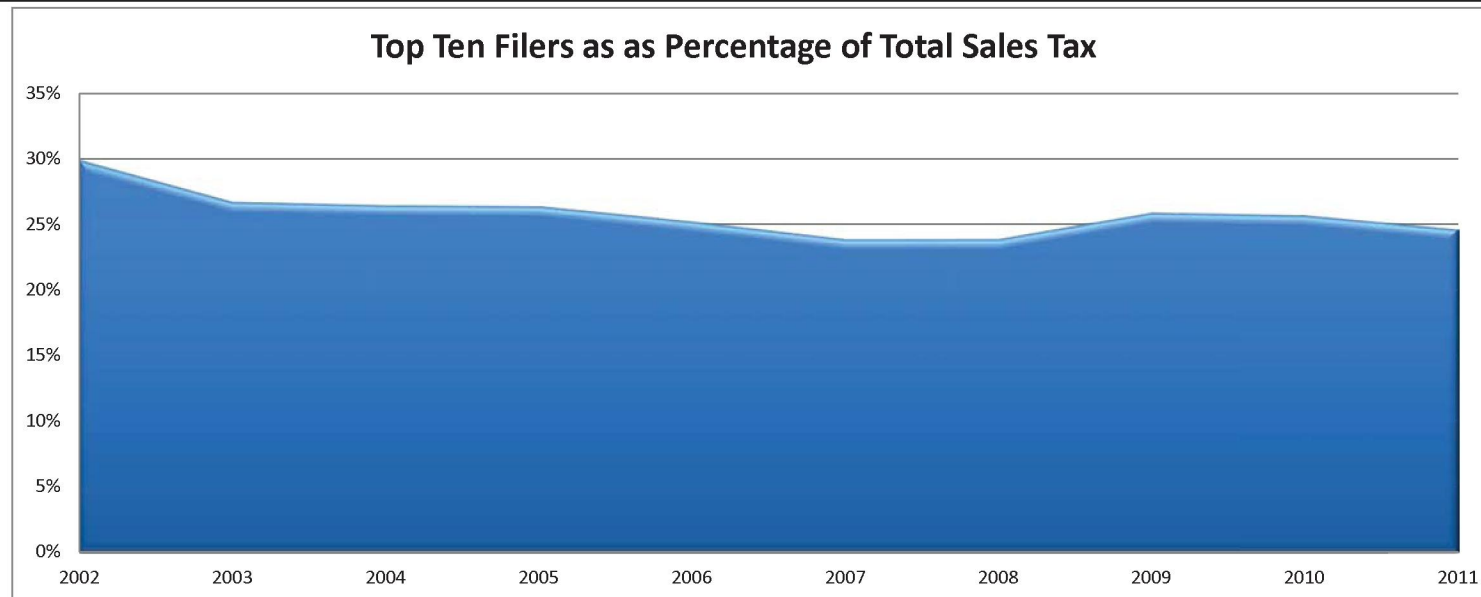


TABLE 8

City of Grand Junction, Colorado  
**SALES AND USE TAX COLLECTIONS**  
 Last Ten Fiscal Years

Fiscal Year	City Sales Tax	City Use Tax	City Share of County Sales Tax	Lodging Tax	Total
2002	29,356,312	920,312	4,401,660	784,942	35,463,226
2003	30,277,002	1,780,922	4,594,439	770,315	37,422,678
2004	32,493,973	1,183,845	4,830,477	790,161	39,298,456
2005	34,910,809	1,599,762	5,386,015	928,549	42,825,135
2006	41,007,100	2,165,095	6,120,684	1,081,096	50,373,975
2007	45,488,952	2,690,355	7,080,141	1,323,806	56,583,254
2008	47,026,281	3,696,770	7,216,665	1,507,981	59,447,697
2009	38,232,845	1,711,356	5,721,514	1,190,907	46,856,622
2010	38,809,771	2,110,934	5,354,386	1,148,921	47,424,012
2011	39,890,872	3,560,160	5,727,861	1,133,628	50,312,521

Source: City Financial Operations Division: Sales Tax Reports

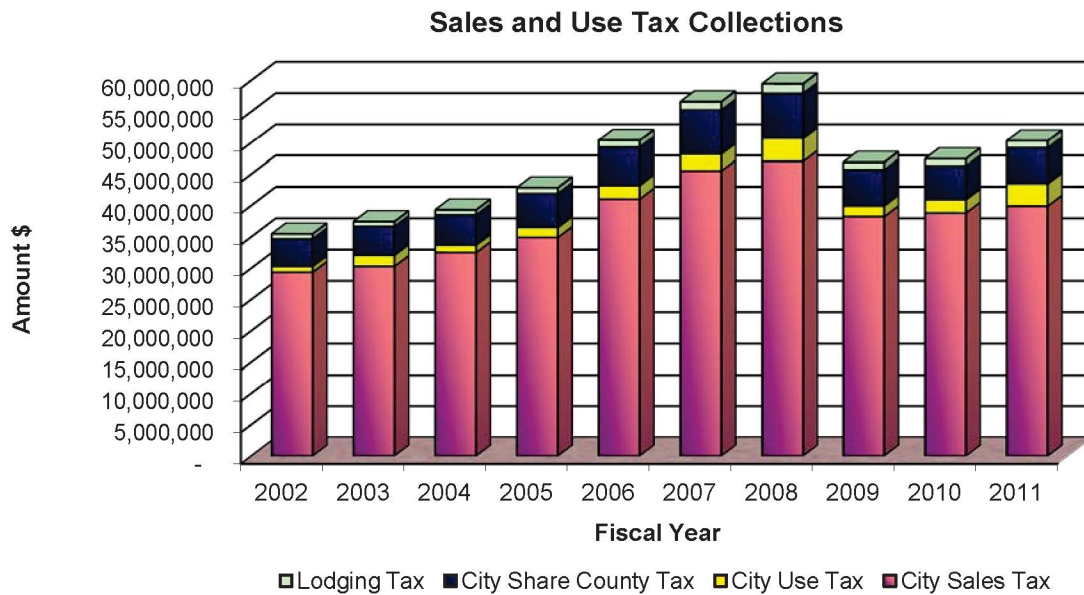


TABLE 9

City of Grand Junction, Colorado  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**TO PERSONAL INCOME AND OUTSTANDING DEBT PER CAPITA<sup>1</sup>**  
 Last Ten Fiscal Years

Fiscal Year	Popu- lation <sup>A</sup>	Personal Income In Thousands <sup>C</sup>	Governmental Activities				Business-Type Activities		Total Primary Government	Ratio of Outstanding Debt to Personal Income	Outstanding Debt Per Capita
			General Obligation Bonds <sup>1</sup>	Revenue Bonds	Promissory Notes	Capital Leases	Promissory Notes	Loan Payable			
2002	45,698	1,165,025	2,396,600	-	182,921	2,460,093	123,215	3,500,233	8,663,062	0.54%	137
2003	46,861	1,209,108	2,171,383	-	159,213	1,882,737	115,474	3,490,034	7,818,841	0.47%	121
2004	48,325	1,318,403	1,927,348	60,604,780	133,134	1,283,063	107,346	3,347,672	67,403,343	4.97%	1,355
2005	49,420	1,425,965	1,668,791	59,359,891	104,448	655,636	98,812	3,200,316	65,087,894	4.45%	1,283
2006	51,569	1,656,035	1,389,950	57,867,070	72,893	-	89,850	3,052,921	62,472,684	3.69%	1,184
2007	53,662	1,874,682	1,090,000	79,664,693	38,181	-	80,441	2,900,164	83,773,479	4.41%	1,541
2008	55,189	2,060,868	935,000	75,815,801	-	-	70,561	2,747,362	79,568,724	3.82%	1,425
2009	56,446	1,963,813	770,000	71,838,039	-	-	-	2,589,193	75,197,232	3.79%	1,319
2010	58,566	2,084,423	595,000	67,723,497	-	42,286,843	-	6,201,050	116,806,390	5.58%	1,984
2011	58,702	<sup>B</sup> 2,038,310 <sup>D</sup>	410,000	63,459,413	-	42,097,628	-	5,864,020	111,831,061	5.47%	1,898

<sup>1</sup> 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 levys on property within these Districts only.

Source: Current and prior year's financial statements

<sup>A</sup> Colorado DOLA Demography Section - All other City Financial Operations Division

<sup>B</sup> Estimate, Colorado Department of Local Affairs, State Demography Office

<sup>C</sup> Bureau of Economic Analysis

<sup>D</sup> 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<sup>1</sup>**  
 Last Ten Fiscal Years

Fiscal Year	Popu- lation <sup>A</sup>	Personal Income in Thousands <sup>C</sup>	Revenue Bonded Debt	Debt Service Monies Avail- able	Debt Payable From Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Personal Income	Bonded Debt Per Capita
2002	45,698	1,165,025	-	-	-	-	0.00%	-
2003	46,861	1,209,108	-	-	-	-	0.00%	-
2004	48,325	1,318,403	60,727,683	52,948,731	-	7,778,952	0.59%	161
2005	49,420	1,425,965	59,359,891	36,917,477	-	22,442,414	1.57%	454
2006	51,569	1,656,035	57,867,070	6,240,215	-	51,626,855	3.12%	1,001
2007	53,662	1,874,682	79,664,693	3,568,205	-	76,096,488	4.06%	1,418
2008	55,189	2,060,868	75,815,801	-	-	75,815,801	3.68%	1,374
2009	56,446	1,963,813	71,838,039	-	-	71,838,039	3.66%	1,273
2010	58,566	2,084,423	67,723,497	-	-	67,723,497	3.25%	1,156
2011	58,702 <sup>B</sup>	2,038,310 <sup>D</sup>	63,459,413	-	-	63,459,413	3.11%	1,081

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

The general obligation bonds consist of Ridges Metropolitan District debt and the Grand Junction West Water and Sanitation District debt which are excluded because they are to be paid with special property tax levys on property within these Districts only.

Source:

- <sup>A</sup> Colorado DOLA Demography Section - All other City Financial Operations Division
- <sup>B</sup> 2010 Census, Colorado Department of Local Affairs, State Demography Office
- <sup>C</sup> Bureau of Economic Analysis
- <sup>D</sup> 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, 2011

Estimated actual value as determined by Assessor <sup>A</sup>		\$ <u>6,588,644,230</u>
Debt limit - 3% of actual value		\$ 197,659,327
Total General Obligation Debt <sup>B</sup>	\$ 410,000	
Less: Ridges Metropolitan District bonds supported by a special tax levy paid only within the District <sup>B</sup>	<u>(410,000)</u>	
Total amount of debt applicable to debt limit		<u>-</u>
Legal debt margin		\$ <u>197,659,327</u>
Source:		
<sup>A</sup> Mesa County Assessor		
<sup>B</sup> City Financial Operations Division		

TABLE 12

City of Grand Junction, Colorado  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT <sup>1</sup>**  
 December 31, 2011

<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 <sup>A</sup>	\$ 61,495,000	100.00%	\$ 61,495,000
Overlapping:			
Mesa County Valley School District No. 51 <sup>B</sup>	108,165,000	49.91%	53,989,020
			<hr/>
Total			\$ 115,484,020 <hr/>

## Notes:

<sup>1</sup> Computation of overlapping debt includes only the three major governmental units and excludes several special districts that partially overlap the City.

<sup>2</sup> Mesa County has outstanding sales tax revenue bonds which are payable from sales tax revenues and are not a general obligation of the property taxpayers of the County. The County also has outstanding jail lease purchase certificates which are not general obligations.

## Source:

<sup>A</sup> City Financial Operations Division

<sup>B</sup> Mesa County Valley School District No. 51 Finance Department



TABLE 13

City of Grand Junction, Colorado  
**REVENUE BOND COVERAGE**  
**WATER BONDS**  
 Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2002	4,833,602	3,252,288	1,581,314	-	-	-	-
2003	4,811,215	3,285,692	1,525,523	-	-	-	-
2004	4,507,115	3,369,394	1,137,721	-	-	-	-
2005	4,616,835	3,444,021	1,172,814	-	-	-	-
2006	5,003,881	3,506,330	1,497,551	-	-	-	-
2007	5,319,132	3,794,036	1,525,096	-	-	-	-
2008	5,950,066	4,129,193	1,820,873	-	-	-	-
2009	5,977,671	4,299,638	1,678,033	-	-	-	-
2010	5,771,565	4,283,596	1,487,969	-	-	-	-
2011	5,241,766	3,860,748	1,381,018	-	-	-	-

Source: City Financial Operations Division

TABLE 14

City of Grand Junction, Colorado  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Fiscal Years

Fiscal Year	City <sup>A</sup> Population	County <sup>A</sup> Population	Personal Income in Thousands <sup>C</sup>	Per Capita Income <sup>C</sup>	School <sup>B</sup> Enrollment	Unemployment Rate <sup>D, E</sup>	
						Grand Junction MSA	State of Colorado
2002	45,698	122,463	1,165,025	25,494	20,035	5.0%	5.7%
2003	46,861	125,072	1,209,108	25,802	20,170	5.6%	6.1%
2004	48,325	127,808	1,318,403	27,282	20,207	5.5%	5.6%
2005	49,420	129,630	1,425,965	28,854	20,660	5.0%	5.1%
2006	51,569	135,468	1,656,035	32,113	20,877	4.0%	4.3%
2007	53,662	140,416	1,874,682	34,935	21,396	3.2%	3.8%
2008	55,189	144,440	2,060,868	37,342	22,272	3.9%	4.8%
2009	56,446	147,522	1,963,813	34,791	22,147	9.3%	8.1%
2010	58,566	146,723	2,084,423	35,591	22,203	10.7%	8.9%
2011	58,702 <sup>F</sup>	149,556 <sup>F</sup>	2,038,310	34,723 <sup>G</sup>	22,531	9.6%	8.3%

Note:

School enrollment is for Mesa County Valley School District No. 51 which includes the majority of Mesa County.

Source:

- <sup>A</sup> US Census Bureau and Colorado DOLA Demography Office
- <sup>B</sup> Mesa County Valley School District No. 51 - District wide enrollment
- <sup>C</sup> Bureau of Economic Analysis
- <sup>D</sup> US Department of Labor, Bureau of Labor Statistics, Non Seasonally Adjusted
- <sup>E</sup> 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
- <sup>F</sup> Colorado Department of Local Affairs, State Demography Office
- <sup>G</sup> Estimate, based on prior year data and Bureau of Economic Analysis

## Population, Income and School Enrollment Trend

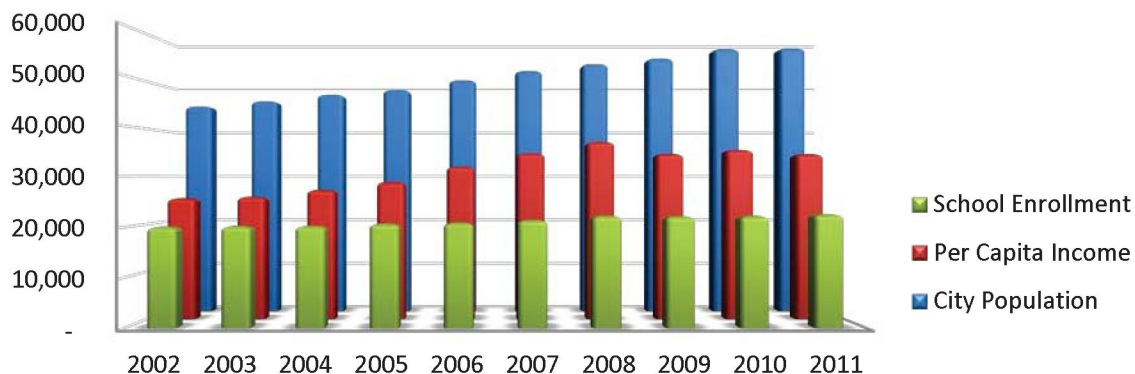


TABLE 15

City of Grand Junction, Colorado  
**TOP 10 PRINCIPAL EMPLOYERS**  
 December 31, 2011  
 Last Nine Fiscal Years

Employer	Type of Business	Prior to 2003	Number of Employees 2003 <sup>A</sup>	Percentage of Total 2003	Number of Employees 2004 <sup>A</sup>	Percentage of Total 2004	Number of Employees 2005 <sup>A</sup>	Percentage of Total 2005	Number of Employees 2006 <sup>B</sup>	Percentage of Total 2006	Number of Employees 2007 <sup>A</sup>	Percentage of Total 2007	Number of Employees 2008 <sup>B</sup>	Percentage of Total 2008	Number of Employees 2009 <sup>B</sup>	Percentage of Total 2009	Number of Employees 2010 <sup>B</sup>	Percentage of Total 2010	Number of Employees 2011 <sup>B</sup>	Percentage of Total 2011
School District #51	Schools	N/A	2,846	4.20%	2,786	4.32%	2,429	3.62%	2,600	3.61%	3,133	4.10%	3,200	4.06%	3,000	4.08%	3,000	4.29%	2,554	3.53%
City Markets, Inc.	Retail	N/A	600	0.95%	600	0.93%	400	0.60%	589	0.82%	590	0.77%	650	0.82%	677	0.92%	565	0.81%	1,656	2.29%
St. Mary's Hospital	Medical	N/A	2,073	3.29%	1,985	3.08%	2,014	3.00%	2,000	2.78%	2,235	2.93%	2,235	2.83%	2,191	2.98%	2,068	2.96%	1,494	2.07%
State of Colorado	Government	N/A	580	0.92%	922	1.43%	969	1.45%	982	1.37%	982	1.29%	1,197	1.52%	1,212	1.65%	995	1.42%	973	1.35%
Mesa County	Government	N/A	869	1.38%	872	1.35%	927	1.38%	925	1.29%	977	1.28%	982	1.24%	978	1.33%	980	1.40%	962	1.33%
Halliburton Energy	Services	N/A		0.00%		0.00%	415	0.62%	700	0.97%	800	1.05%	977	1.24%		0.00%	700	1.00%	855	1.18%
Walmart	Retail	N/A	1,000	1.59%	860	1.33%	865	1.29%	910	1.27%	865	1.13%	860	1.09%	980	1.33%	859	1.23%	775	1.07%
City of Grand Junction	Government	N/A	570	0.90%	1,015	1.57%	900	1.34%	808	1.12%	968	1.27%	1,202	1.52%	1,219	1.66%	672	0.96%	625	0.86%
VA Medical Center	Medical																		600	0.83%
Community Hospital	Medical	N/A	420	0.67%	415	0.64%	414	0.62%					574	0.73%	588	0.80%			583	0.81%
Star Tek USA	Services	N/A	550	0.87%					600	0.83%	625	0.82%			595	0.81%	600	0.86%		
Colorado Mesa University	Schools	N/A	1,194	1.90%	1,440	2.23%	1,177	1.76%	1,250	1.74%	1,440	1.89%	1,259	1.60%	718	0.98%	699	1.00%		
Rocky Mountain Health Plans	Insurance	N/A			386	0.60%														
Other			52,485	83.33%	53,259	82.52%	56,523	84.32%	60,571	84.20%	63,729	83.48%	65,767	83.35%	61,306	83.45%	58,786	84.07%	61,255	84.69%
Total of All Employees <sup>B</sup>		N/A	62,987		64,540		67,033		71,935		76,344		78,903		73,464		69,924		72,332	

Source:

<sup>A</sup> Grand Junction Chamber of Commerce (Includes Part-Time and Seasonal Employees)  
<sup>B</sup> Grand Junction Economic Partnership (Includes Part-Time and Seasonal Employees)  
 N/A Data Not Available

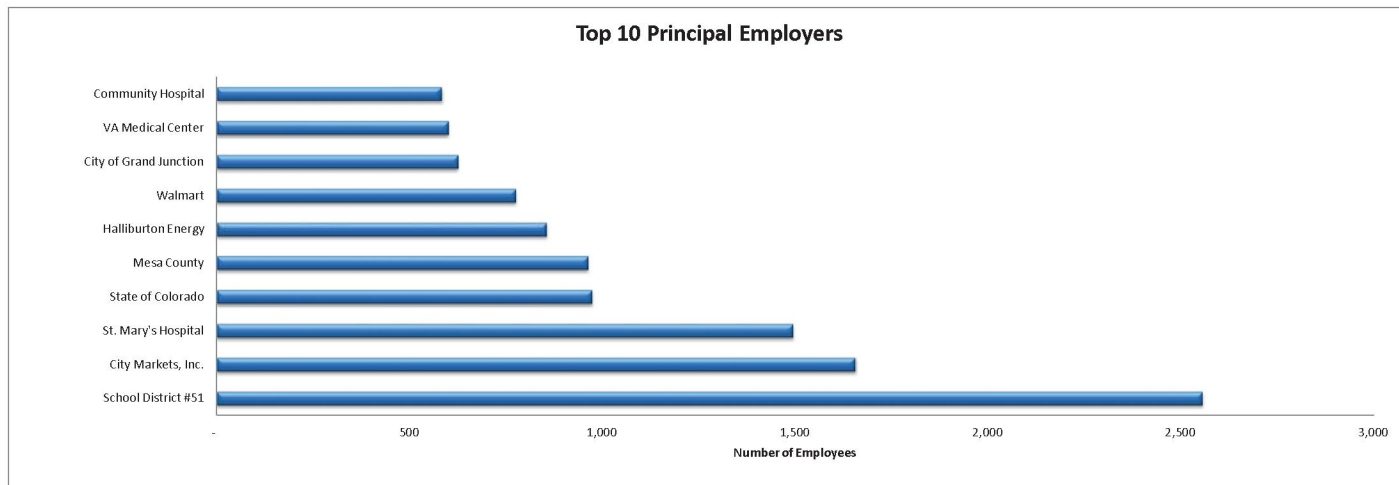


TABLE 16

City of Grand Junction, Colorado  
**MISCELLANEOUS STATISTICS**  
 Last Ten Fiscal Years

Date of incorporation: July 19, 1882 <sup>A</sup>

Date charter adopted: September 14, 1909 <sup>A</sup>

Form of government: Council/Manager <sup>A</sup>

City of Grand Junction Employees By Function (FTE's) <sup>E</sup>

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	90	100	101	102	119	113	116	122	115	114
Fire Protection	75	79	79	83	98	98	99	99	95	96
Parks and Recreation	68	71	72	70	70	74	87	73	67	68
Police Protection										
Sworn	83	85	81	83	91	100	102	107	90	102
Non-Sworn	58	63	62	60	70	65	78	80	82	69
Public Works	172	172	175	170	161					
Public Works and Planning <sup>1</sup>						71	77	72	48	47
Utility and Street Systems <sup>1</sup>						116	120	115	112	106
Total	546	570	570	568	609	637	679	668	609	602

Building permits: <sup>B</sup>

Year	# Issued	Value
2002	2,012	143,644,397
2003	2,068	163,176,153
2004	2,080	158,746,233
2005	2,250	234,133,308
2006	2,205	286,484,081
2007	2,183	323,358,687
2008	1,762	254,912,474
2009	984	89,935,667
2010	929	128,551,321
2011	881	96,498,756

Elections: <sup>A</sup>

Year	Number of Registered Voters	Number of Votes in last General Election	Percentage
2002	28,810	8,256	28.66%
2003	19,890	8,256	41.51%
2004	25,780	8,417	32.65%
2005	25,650	8,417	32.81%
2006	21,677	8,756	40.39%
2007	21,677	8,756	40.39%
2008	34,774	27,508	79.11%
2009	27,977	8,579	30.66%
2010	24,558	21,463	87.40%
2011	23,928	13,786	57.61%

Education:

Type	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Mesa County Valley School District No. 51 Enrollment: <sup>C</sup>										
Elementary	9,192	9,232	9,274	9,482	10,153	10,147	10,783	10,710	10,753	10,857
Middle	4,558	4,664	4,765	4,872	4,751	4,729	4,882	4,868	4,860	4,946
High	5,872	5,817	6,168	6,306	5,973	6,520	6,607	6,569	6,590	6,728
Colorado Mesa University Enrollment: <sup>I</sup>	5,555	5,725	5,725	6,235	5,938	6,127	6,205	6,665	7,746	8,826

<sup>1</sup> The City of Grand Junction reorganized its department structure in 2007

Source:

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

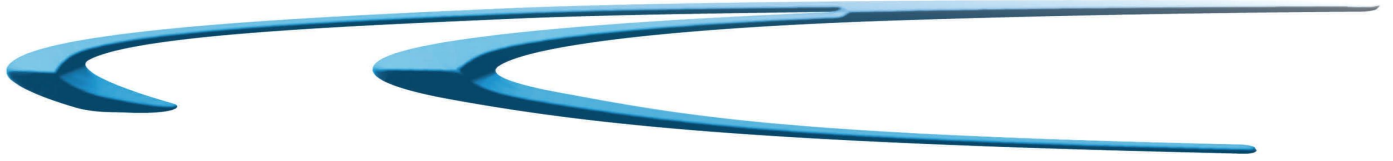
TABLE 17

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

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police <sup>B</sup>										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicular Patrol Units	30	30	30	30	31	33	35	38	39	39
Canine Units	4	4	3	3	3	3	3	3	3	3
Motorcycles Units	4	4	4	4	6	6	6	8	8	8
Bicycles (Attached to Patrol Units)	13	18	18	18	23	23	26	20	17	22
Fire Stations <sup>C</sup>	4	4	5	5	5	5	5	5	5	5
Public Works <sup>A</sup>										
Area (Sq Miles)	32.87	33.12	34.25	34.65	35.47	36.9	37.46	37.84	38.05	39.1
Paved Streets (Centerline Miles)	275	284	304.1	318.5	333.5	342.6	353.7	357.1	360.6	361.8
Unpaved Streets (Centerline Miles)	4	3.4	3.7	3.7	3.8	3.5	4.2	4.2	4.2	5.4
Total Streets (Lane Miles)	279	287.4	307.8	322.2	337.3	346.1	357.9	361.3	364.8	367.2
Parks and Recreation <sup>D</sup>										
Developed Parks (Acres)	357.72	357.72	365.22	365.22	365.22	365.22	365.22	365.22	365.22	365.22
Undeveloped Parks (Acres)	396.5	396.5	389	389	389	389	389	389	389	389
Total Parks (Acres)	754.22	754.22	754.22	754.22	754.22	754.22	754.22	754.22	754.22	754.22
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Waterslides	1	1	1	1	1	1	2	2	2	2
Tennis Courts	10	10	16	16	16	16	22	22	22	22
Shelters	13	18	18	18	18	18	18	18	18	18
Baseball Stadiums(Lighted)	1	1	1	1	1	1	1	1	1	2
Baseball Stadiums(Unlighted)	1	1	1	1	1	1	1	1	1	0
Football/Track Stadium (Lighted)	1	1	1	1	1	1	1	1	1	1
Softball Fields(Lighted)	6	6	6	6	6	6	6	6	6	6
Softball Fields(Unlighted)	2	2	2	2	2	2	2	2	2	2
Golf Courses	2	2	2	2	2	2	2	2	2	2
Golf Courses (Acres)	156	156	156	156	156	156	156	156	156	156
Outdoor Basketball Courts (Lighted)	1	1	1	1	1	1	1	1	1	1
Outdoor Basketball Courts (Unlighted)	6	7	7	7	7	7	10	10	10	10
Multi-purpose Fields (Lighted)				1	1	1	1	1	1	1
Multi-purpose Fields (Unlighted)				12	12	12	12	12	12	12
Auditorium	1	1	1	1	1	1	1	1	1	1
Senior Recreation Center	1	1	1	1	1	1	1	1	1	1
Riverfront Trail (Miles)	14.8	14.8	14.8	14.8	14.8	14.8	18.7	18.7	19.07	19.07
Skateparks	2	2	2	2	2	2	2	2	2	2
Activity Center					1	1	1	1	1	1
Utilities <sup>E</sup>										
Storm sewers (Miles)	60	88	136	166.83	135.24	216.07	138.57	161.37	185.03	186.63
Sanitary sewer (Miles)	488	498	589	316.14	502.57	537.64	589.7	597.81	595.27	601.08

Source:

<sup>A</sup> City Administration GIS Department<sup>B</sup> City Police Department<sup>C</sup> City Fire Department<sup>D</sup> City Parks and Recreation Department<sup>E</sup> City Public Works Department



# **SINGLE AUDIT**





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INDEPENDENT AUDITOR'S REPORT  
ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 25, 2012

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, 2011, and have issued our report thereon dated June 25, 2012. These basic financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grand Junction, Colorado's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*



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City of Grand Junction, Colorado  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended December 31, 2011

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Award Amount	2011 Amount of Award Expended
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Community Development Block Grants/ Entitlement Grants	14.218	\$ 1,047,544	\$ 309,155
<b>U.S.DEPARTMENT OF ENERGY</b>			
Energy Efficiency and Conservation Block Grant-ARRA Passed Through the Colorado Governor's Energy Office	81.128	229,800	15,231
Energy Efficiency and Conservation Block Grant-ARRA Passed Through the Colorado Governor's Energy Office	81.128	78,114	41,639
State Energy Program	81.041	288,000	<u>288,000</u>
Total U.S. Department of Energy			344,870
<b>U.S.DEPARTMENT OF JUSTICE</b>			
Public Safety Partnership and Community Policing Grants	16.710	998,368	17,040
Public Safety Partnership and Community Policing Grants-ARRA	16.710	1,319,660	374,449
Bulletproof Vest Partnership Program	16.607	7,690	7,690
Passed Through the Colorado Department of Revenue Enforcing Underage Drinking Laws Program	16.727	40,000	3,861
Passed Through the Colorado Division of Criminal Justice Edward Byrne Memorial Justice Asst. Grant	16.738	50,629	<u>2,961</u>
Total U.S. Department of Justice			406,001
<b>U.S.DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Early Retiree Reinsurance Program	93.546	127,611	40,518
Passed Through Mesa County, Colorado The Drug Free Community Support Program	93.276	44,851	<u>44,851</u>
Total U.S. Department of Health and Human Services			85,369
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed Through the Colorado Department of Transportation Highway Planning and Construction	20.205	828,000	112,135
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Assistance to Firefighters Grant	97.044	922,007	<u>633,284</u>
Total Federal Award Expenditures			<u>\$ 1,890,814</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, 2011

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**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – SUB-RECIPIENTS**

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

<u>Program Title</u>	<u>CFDA #</u>	<u>Amount Provided to Sub-recipient</u>
Community Development Block Grants/ Entitlement Grants	14.218	\$ 248,671
Assistance to Firefighters Grant	97.044	\$ 407,657





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

June 25, 2012

To the City Council  
City of Grand Junction, Colorado

We have audited the 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 as of and for the year ended December 31, 2011, which collectively comprise the City of Grand Junction, Colorado's basic financial statements and have issued our report thereon dated June 25, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 a 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



To the City Council  
City of Grand Junction, Colorado  
June 25, 2012

Compliance and Other Matters

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 direct and 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*.

This report is intended solely for the information and use of the City Council, management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Chadwick, Steinhilber, Davis & Co., P.C.*



REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE  
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133

June 25, 2012

To the City Council  
City of Grand Junction, Colorado

Compliance

We have audited the compliance of the City of Grand Junction, Colorado with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. The City of Grand Junction, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Grand Junction, Colorado's management. Our responsibility is to express an opinion on the City of Grand Junction, Colorado's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Grand Junction, Colorado'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. Our audit does not provide a legal determination of the City of Grand Junction, Colorado's compliance with those requirements.

In our opinion, the City of Grand Junction, Colorado complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

To the City Council  
City of Grand Junction, Colorado  
June 25, 2012

Internal Control over Compliance

The management of the City of Grand Junction, Colorado is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Grand Junction, Colorado's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 over compliance 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 requirement 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

*Chadwick, Steinhilber, Davis & Co., P.C.*

City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2011

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified

not considered to be material weaknesses?

\_\_\_\_\_ yes ✓ none reported

Noncompliance material to financial statements  
noted?

\_\_\_\_\_ yes ✓ no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified

not considered to be material weaknesses?

\_\_\_\_\_ yes ✓ none reported

Type of auditor's report issued on compliance  
for major programs:

Unqualified Opinion

Any audit findings disclosed that are required  
to be reported in accordance with  
Circular A-133, Section .510(a)?

\_\_\_\_\_ yes ✓ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

81.041

State Energy Program

16.710

Public Safety Partnership and Community Policing Grants - ARRA

97.044

Assistance to Firefighters Grant

Dollar threshold used to distinguish between

Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

✓ yes \_\_\_\_\_ no

City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2011

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SECTION II - FINANCIAL STATEMENT FINDINGS

There are no financial statement findings.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are findings or no questioned costs required to be reported under OMB Circular A-133.

City of Grand Junction, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2011

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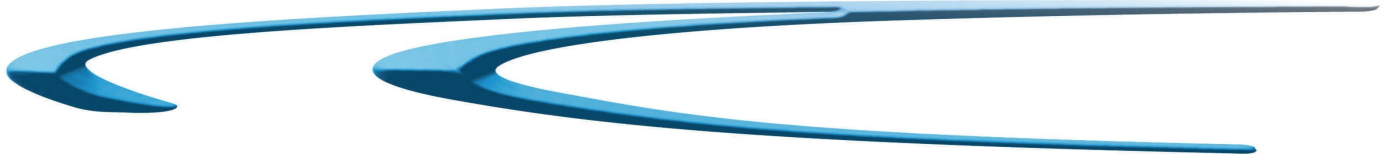
Prior year findings:

There were no prior year findings.





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# **OTHER SUPPLEMENTAL INFORMATION**



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON OTHER SUPPLEMENTAL INFORMATION

June 25, 2012

To the City Council  
City of Grand Junction, Colorado

We have audited the basic financial statements of the City of Grand Junction, Colorado for the year ended December 31, 2011, and have issued our report thereon dated June 25, 2012. Our audit of such financial statements was made in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grand Junction, Colorado's basic financial statements. The accompanying Supplemental Local Highway Finance Report is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Supplemental Local Highway Finance Report is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*



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The public report burden for this information collection is estimated to average 380 hours annually.

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County:
		City of Grand Junction
		YEAR ENDING : December 2011
This Information From The Records Of (example - City of _ or County of	Prepared By:	Aeron White
	Phone:	*(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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	10,550,828
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,921,114
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	927,690
2. General fund appropriations	15,504,227	b. Snow and ice removal	122,140
3. Other local imposts (from page 2)	1,447,616	c. Other	
4. Miscellaneous local receipts (from page 2)	957,414	d. Total (a. through c.)	1,049,830
5. Transfers from toll facilities		4. General administration & miscellaneous	238,482
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	14,760,254
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	3,080,013
7. Total (1 through 6)	17,909,257	b. Redemption	3,905,000
<b>B. Private Contributions</b>		c. Total (a. + b.)	6,985,013
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	3,723,875	a. Interest	
<b>D. Receipts from Federal Government</b>		b. Redemption	
(from page 2)	112,135	c. Total (a. + b.)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	21,745,267	3. Total (1.c + 2.c)	6,985,013
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	21,745,267

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	65,400,000	0	3,905,000	61,495,000
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	21,745,267	21,745,267		0

Notes and Comments:



<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2011	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	32,072	a. Interest on investments	10,819
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	38,192
5. Specific Ownership &/or Other	1,415,544	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,415,544	h. Other	908,403
c. Total (a. + b.)	1,447,616	i. Total (a. through h.)	957,414
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,261,503	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	224,059	d. Federal Transit Admin	
d. Other (Specify)	1,238,313	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	112,135
f. Total (a. through e.)	1,462,372	g. Total (a. through f.)	112,135
4. Total (1. + 2. + 3.f)	3,723,875	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs	26,433	343,353	369,786
c. Construction:			
(1). New Facilities		9,393,056	9,393,056
(2). Capacity Improvements	723,111	773	723,884
(3). System Preservation		44,157	44,157
(4). System Enhancement & Operation	7,379	12,566	19,945
(5). Total Construction (1) + (2) + (3) + (4)	730,490	9,450,552	10,181,042
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	756,923	9,793,905	10,550,828
			(Carry forward to page 1)

**Notes and Comments:**



# Colorado's Wine Country





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