



Comprehensive Annual
Financial Report
Fiscal Year Ended December 31, 2005



City of Grand Junction, Colorado
Serving the Community Together



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

Prepared by:

*Department of Administrative
Services and Finance*

*Ronald M. Lappi
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Services and Finance*



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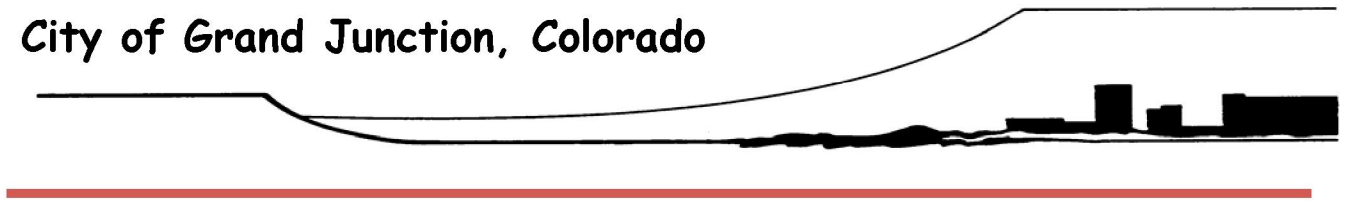
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City of Grand Junction, Colorado



Introductory Section



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Administrative Services Department

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June 16, 2006

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, 2005, 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, 2005, 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, 2005, 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, 2005, 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.

The comprehensive annual financial report is presented in four sections:

1. **The Introductory Section**, which is unaudited, includes this letter of transmittal and the City's organization chart.

2. *The Financial Section*, which includes the MD&A, the basic financial statements, and the independent auditor's report on the financial statements.
3. *The Statistical Section*, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.
4. *The Single Audit Section*, which includes all reports and schedules necessary in order for the City to comply with the Single Audit Act and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

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 and fire), public works (highways, streets, sanitation, and water), culture-recreation (parks, cemeteries, swimming pools, golf courses, convention center, and general recreation), community development, visitor and convention, and general administrative services. The relative department sizes are depicted in the chart in terms of personnel.

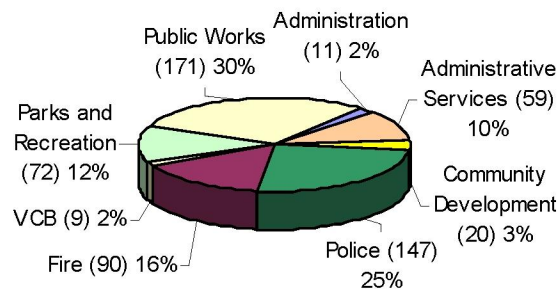
Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Ridges Metropolitan District, Grand Junction West Water and Sanitation District, and Grand Junction Public Finance 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 34.66 square miles and serves an estimated population of 49,503. The City of Grand Junction is empowered 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 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.

In addition to internal controls, the City maintains 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. 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 for control at the line item level. Department heads have the

2005 Fulltime Personnel Complement By Department



Total for 2005 = 579

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 36 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 69.

FACTORS AFFECTING FINANCIAL CONDITION

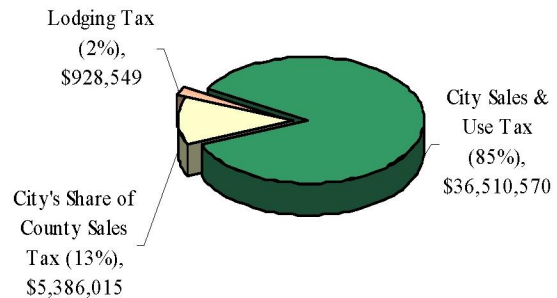
The City of Grand Junction is located on the I-70 corridor, about 250 miles west of Denver and 27 miles east of the Utah border. The City lies in a valley formed at the junction of the Gunnison and Colorado Rivers, surrounded by majestic mesas. As the largest city in western Colorado, Grand Junction is the major service center for western Colorado and eastern Utah. Commercial services, merchandising operations and health care services are in place to serve far more people than live in the valley. Major retail outlets have further augmented the regional service aspect of the City. The loss of economic activities in oil and gas exploration in the early nineteen eighties has been replaced by a diversity of industrial, recreational, and service activities. This new base, generated by community economic development and private enterprise marketing, has brought steady, consistent growth to the area. Natural and other disasters, occurring on the southern coastal areas of the United States, have also been a factor in the relocation of businesses and families to the valley.

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 extensive promotion of the Grand Valley.

As in the past, city management and leadership continue to finance current operations with current operating revenues. Debt has been kept to a minimum. The three-quarter percent 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 65% of its revenues (excluding capital transfers). These tax revenues increased by 9% from 2004 to 2005. 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 1996.

2005 Sales & Use Tax Collections

Total = \$42,825,134



Historical Sales & Use Tax Collections 1996 - 2005



The area has historically experienced economic cycles of about ten to fifteen years, moving from strong economic growth and prosperity to significant decline and deterioration of the business base. The valley has now experienced population growth averaging over 2% a year for ten years. This growth has positively impacted the area economy as evidenced by the growing gross metropolitan product (GMP), which was the 17th fastest growing in the nation during the

last decade. The area GMP more than doubled from \$1.76 billion in 1991 to \$3.91 billion in 2001. The average annual growth rate was 8.3%, more than three times the rate of population growth. GMP per capita increased 178% from \$18,335 in 1991 to \$32,780 in 2001.

Even with this favorable economic environment and anticipated continued stable performance, the City continues to face many challenges. During the fiscal year ended December 31, 2005, the retail face of the City's economy changed dramatically with the addition of several big box retailers and new regional and national chain restaurants. In addition, the City also saw the increase of competition for those retail dollars as our neighboring communities added more retail markets of their own. The City is meeting the challenges of the current growth and is seeking methods and means for future growth.

The City also continues to work toward diversifying its economic base and business climate and with the excellent quality of life offered in Grand Junction, which is critical to the attraction, motivation and retention of skilled and talented workers, it is attractive to business, individuals and tourists alike. Spectacular scenery and recreational opportunities, excellent climate and air quality, superb public school system and the newly expanded St. Mary's Medical Center make Grand Junction area an easy choice. Reasonable cost of living levels, low crime rates and a great choice of neighborhoods and residences also add to the Grand Junction's overall attractiveness, to both young and old.

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

- Phase I of the \$100 million Riverside Parkway project was successfully bid and construction was well underway by year end.
- The design and financial feasibility were preliminarily completed for the construction of a downtown parking structure to be completed by mid 2007.
- Voters in the downtown area approved the creation of a business improvement district to finance the promotion of the downtown business community.
- The largest ever biennial budget and capital plan for 2006 and 2007 was developed and approved by the City Council.
- A development plan for the vacant Jarvis property was completed.
- The City successfully continued Grand Junction 101, a citizen's academy geared towards teaching more about the operation of the City of Grand Junction by providing a behind-the-scenes, interactive view of everything the City does while also providing participants with many hands-on experiences.
- A EMS transport study and RFP process was initiated in 2005, with implementation scheduled in 2006.
- Grant funds were awarded to several neighborhoods as part of the newly implemented City of Grand Junction Neighborhood Program. Grant monies will be used for projects such as, neighborhood signs, historic renovation or improvement, clean up projects, landscaping and other physical improvements to the neighborhood.
- Joint facilities were planned for and implemented at two new public school sites for the development of recreation programs.
- Work continued on many elements of the two year strategic plan including the completion of the Colorado wage, benefit and cost of living comparison.

FUTURE OUTLOOK

The City remains committed to the maintenance and improvement of the quality of life in the valley. According to the results of the latest telephone survey of Grand Junction residents, elements of sound economic expansion including improvements to infrastructure, park and recreation enhancements, community development planning and policies remain key issues. The City's efforts in these areas strive to serve its citizenry in the long-term while maintaining a sound financial position.

Future plans include planned growth through the increase of city boundaries and continued economic development efforts. Ten-year plans and projections are utilized in budgeting and organizing city functions. These plans include the continuance of the funding policies, which have put the City on the sound financial footing it enjoys today.

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.

The purchase and development of the one hundred and three acre Canyon View Park was begun in 1996 and continued in 1999 with major softball and soccer facilities, as well as other amenities including a new weather station to help

operate the irrigation system more efficiently. Outside funding was used to construct a baseball field at Canyon View Park in 1998. Additional land at the large site has recently been developed at a cost of \$3.0 million. An additional site was purchased in 1996 for future development of a regional park. This site covers over two hundred and seven acres and will be 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.

With the successful opening of a second new hotel next door to the City's Two Rivers Convention Center, and a new parking structure scheduled for construction in 2006, the City's downtown is very vibrant and active. The Farmers Market which draws thousands of people to the downtown area has proved to be a very popular attraction during the summer growing season. The City also has plans for future capital improvements in the downtown area funded in part by an additional \$6 million in Tax Increment Bonds to be sold in 2006.

The City Council will work extensively in 2006 implementing the recently developed Strategic Plan, a plan aimed at identifying both the long term direction and nearer-term goals, objectives and action steps for the organization.

One of the major priorities in the Strategic Plan is maintaining the quality of life including the preservation and improvement of the infrastructure. The City's continuing infrastructure improvements are funded to a great extent by the increased sales tax rate in 1988. The three-quarter percent is allocated to the Sales Tax Capital Improvement Fund and used to fund budgeted capital improvements. This has clarified the revenue stream for the long-range capital planning efforts. As part of our long-range financial planning process, these funds are projected and allocated to specific projects; while maintaining flexibility for future City Councils.

In 2003, the voters of the City of Grand Junction gave approval for the City to issue \$80 million in general revenue bonds to construct the Riverside Parkway. This is the most significant transportation project in the history of the City. The project entails building a loop around the City that extends from 24 Road/Redlands Parkway to the intersection of 29 Road and D Road. The lower section of the Parkway extends from 4th Avenue to the intersection of 27 ½ and D Road. The final connection will extend from Highway 50 on Orchard Mesa across the Colorado River and over I-70B and the Union Pacific Railroad tracks and connect to a new interchange at I-70. With the approval to issue general revenue debt, the City will be able to complete the entire project within 7 years, 13 years ahead of the original 20 year completion time. The City is also planning several other significant capital improvement projects including improvements to 7th Street, development of the facility master plan, and various water and storm drainage system improvements.

The City continues to take the lead in promotion and funding for economic development for the area. Incentives and area promotion have brought numerous businesses to the valley. The City plans to continue the support and funding of this process to maintain and stabilize growth. In 2005, the City committed \$500,000 to match funds developed by the Mesa State College for future expansion of the college to go along with \$2.5 million already pledged by the City since 1996. A portion of these funds is allocated from the economic development resources. The City of Grand Junction and Mesa County have successfully negotiated the transfer of the Department of Energy Complex from the federal government to Riverview Technology Corporation in an effort to retain and create jobs for the displaced employees. The 3% lodging tax for the Visitors and Convention Bureau (VCB), is making an impact on increasing visitors to the Valley. The VCB has and will continue to take advantage of special events. One such event is the annual Junior College Baseball World Series which begins the summer in conjunction with the Memorial Day weekend. The tournament, held since 1957 in Grand Junction, has a permanent home in the City. Stadium seating has been increased to accommodate the growing crowds and now seats approximately 7,300 baseball fans. Another special event began in 1992. "Country Jam USA", a country music festival of four days in mid-summer, draws spectators and performers from all over the country to the Grand Valley.

The City has remained on the cutting edge of communication and technology. The City Parks Department implemented an automated voice registration system making registering for recreation programs more convenient and various meetings, including City Council meetings, are televised. The City has also been recognized for its state-of-the-art interactive web site.

In 1992, the City issued its first biennial budget report, covering budgets for 1992 and 1993. The award-winning document continues to be a communication tool for the community, and a working document for goal measurement and reporting. There is a continuing effort to make the budget and financial reports more understandable for all users, especially the general public. A pamphlet sized "Budget in Brief" was published for the first time in 1993 and distributed as an easy reference book and communication tool. This publication is increasingly popular and is now published in biennial form in conjunction with the budget report every two years.

The City continues to improve alliances and increase communication with other governmental agencies and community groups. Joint planning with Mesa County is maintained for the urbanizing area from 19 Road to 35 Road to develop a vision of the development for the next fifteen to twenty years. The City assists Mesa County in the support of the new

Grand Valley Transit system, a limited fixed route “circulator” which began servicing the core areas of the valley and the outlying municipalities in 2000. Through the cooperative efforts of the Grand Junction City Council, Mesa County, Mesa State College, School District 51, and the Grand Junction Chamber of Commerce, a committee of 10 to 12 citizens from throughout the community was appointed to build a “vision” 2020 for the Grand Valley. Once this project was successfully completed the City undertook and completed its own Strategic Plan for the next 5 to 10 years, which is updated every two years. The City has also built alliances with the creation of the Western Colorado Drug Task Force, a collaborative effort between the Grand Junction Police Department, the Mesa County Sheriff's Office and the Federal Drug Enforcement Agency. The Task Force’s function is intelligence, search warrants, interdiction, prescription fraud, traffic interdiction, and most recently, the emphasis in seizures of methamphetamine drug labs and trafficking.

COMPLIANCE WITH THE TAXPAYER BILL OF RIGHTS

The Colorado Constitutional Amendment passed in November 1992 (known as the TABOR – Taxpayer Bill of Rights amendment), restricts growth in governmental revenues and property tax revenues to amounts adjusted for inflation and a local growth factor. In 2005, the City did not exceed the overall revenue limitation, but will have to refund \$459,044 in property taxes collected. 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.

CASH MANAGEMENT

Cash temporarily idle during the year is invested in accordance with the City’s investment policy. The City is also responsible for managing and investing the City of Grand Junction/Mesa County Joint Sewer System cash. The City Council has formally established an investment policy which includes steps to properly manage the risk, safety, and life of investments, and specifically allows investment of longer than five years and in mutual funds (composed of U.S. Government and agency obligations) and collateralized mortgage obligations.

The investment policy provides general guidelines for cash management of all funds. It identifies the scope, objectives, priorities, investment officers, permitted investments, safekeeping, and reporting requirements. A working, adjustable investment strategy has also been established.

Investment income increased in 2005 due to higher yields. The net average yield on investments was 3.8% up from 3.0% in 2004.

RISK MANAGEMENT

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 with a per claim retention of \$300,000. The per claim retention is now at \$500,000. As a 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. Self-retention limits on property and liability have been increased to \$150,000 to reduce premium expenditures. During the year the self insurance fund designated \$500,000 of its resources for the new risk sharing medical insurance program.

PENSION BENEFITS PROVIDED

During 2005, like previous years, the City of Grand Junction participated in six different qualified pension plans. Two old hire Police and Fire Pension Plans are Defined Benefit Plans administered by the Colorado FPPA, with only two active firemen working at this time. The other four plans are single employer defined contribution plans and cover all of our full time/part time permanent employees totaling approximately 650. Both City and employee contributions are invested at the direction of employees and no unfunded liability can ever exist for these plans. The two old hire plans are actuarially studied at least every two years and the unfunded liability they both have are being amortized no longer than 20 years.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2004. This was the twenty-first consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

The GFOA presented an award for Distinguished Budget Presentation to the City of Grand Junction for its biennial budget for the fiscal years beginning January 1, 2004 and January 1, 2005. This was the eighth time that the City has received this coveted award, covering sixteen budget years.

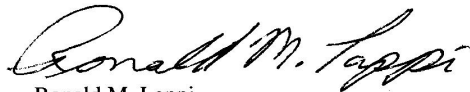
In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications medium.

ACKNOWLEDGEMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Administrative Services Department. I would like to express my appreciation of all members of the Department who assisted 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 appreciated. I also 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, 2005.

Respectfully Submitted,



Ronald M. Lappi
Director of Finance and Administrative Services

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, 2004

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.

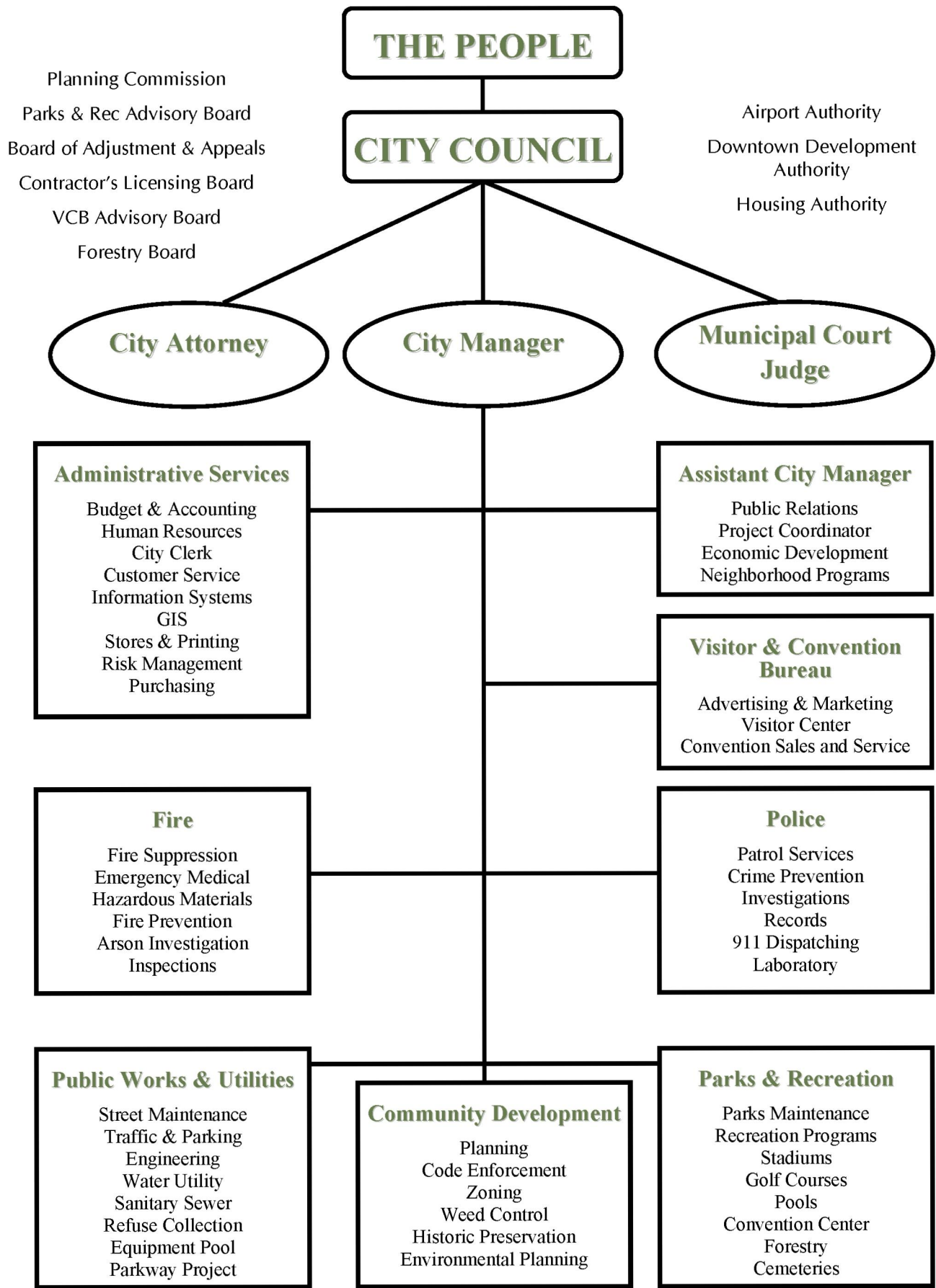


Carla E. Perry

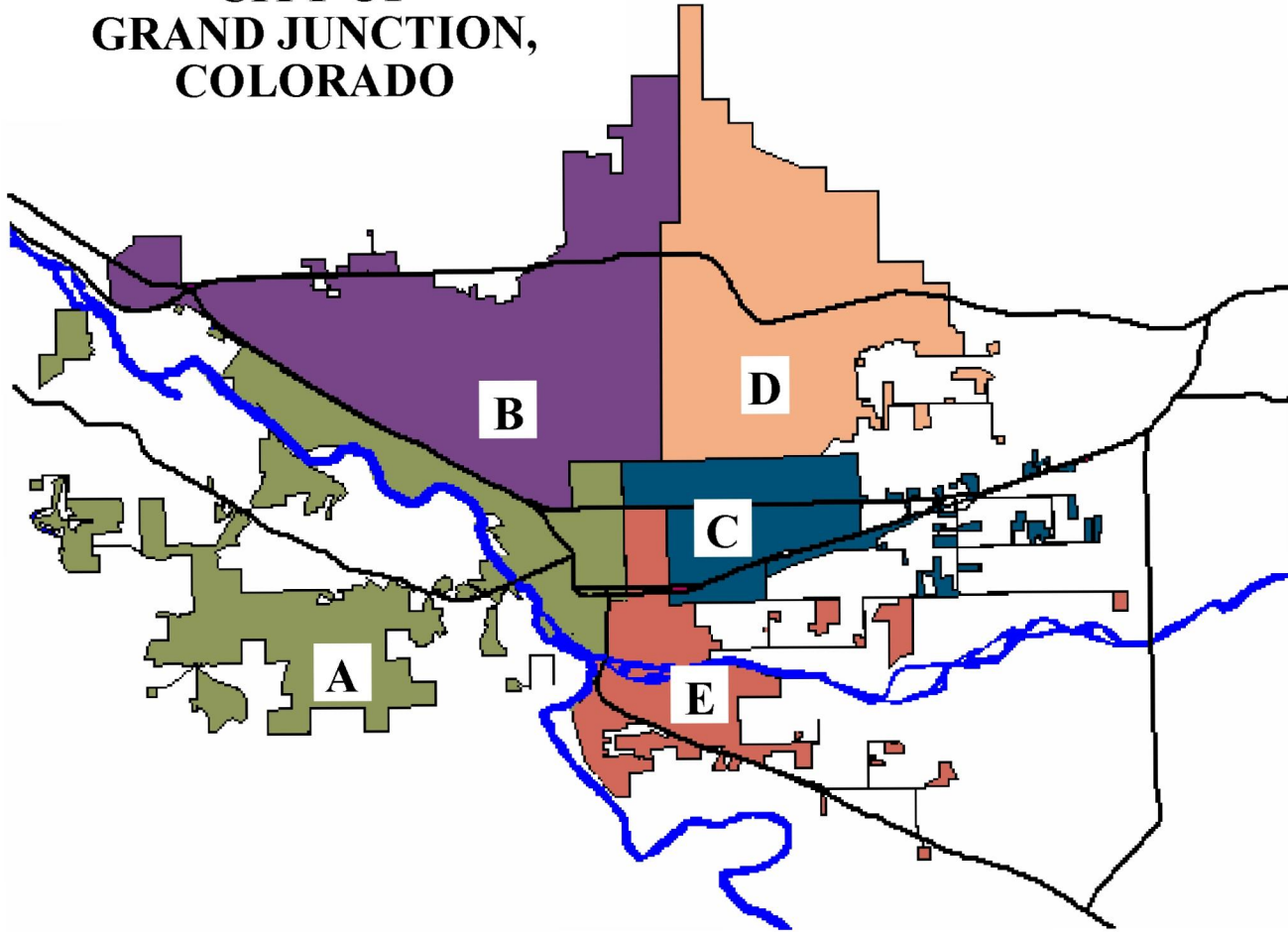
President

Jeffrey R. Egan

Executive Director



CITY OF GRAND JUNCTION, COLORADO



ELECTED OFFICIALS

City Council	Expires
Jim Doody, Mayor – District A.....	May 2009
Bonnie Beckstein – Mayor Pro Tem – District D	May 2009
Jim Spehar - District B.....	May 2007
Gregg Palmer - District C	May 2007
Teresa Coons – District E	May 2009
Bruce Hill – At Large	May 2007
Doug Thomason - At Large	May 2009

ELECTION DISTRICT BOUNDARIES

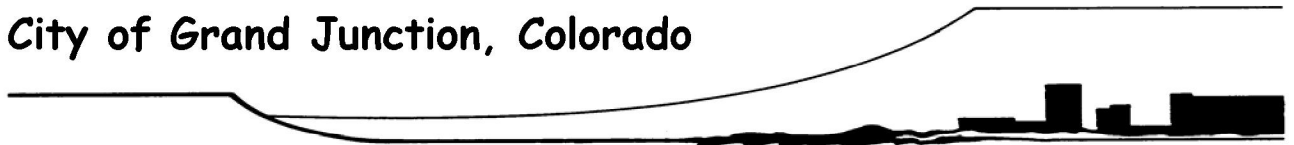
APPOINTED OFFICIALS

Kelly E. Arnold	City Manager
David A. Varely	Assistant City Manager
John P. Shaver	City Attorney
Jamie Krieling	Assistant City Attorney
David Palmer	Municipal Judge

DEPARTMENT DIRECTORS

Ron Lappi	Administrative Services
Sheryl Trent	Interim Community Development
James Bright	Interim Fire Chief
Joe Stevens	Parks & Recreation
Bill Gardner	Police Chief
Mark Relph	Public Works & Utilities
Debbie Kovalik	Visitor and Convention

City of Grand Junction, Colorado



Financial Section



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MANAGEMENT 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, 2005. Please read it in conjunction with the transmittal letter on page 3 and the City's financial statements, which begin on page 29.

FINANCIAL HIGHLIGHTS

- The City of Grand Junction remains in strong financial condition.
- The assets of the City of Grand Junction exceeded its liabilities at the close of 2005 by \$350 million (net assets). Of this amount \$55.7 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- Sales and use tax revenues increased by 9% over 2004, primarily due to a relatively healthy economy and some new retail activity.
- At the end of 2005, the unreserved and undesignated fund balance for the General Fund was \$16.2 million, or 38.9% of the total General Fund expenditures. This is up \$3.8 million from 2004 which was 29.7% of General Fund expenditures.
- The Sales Tax Capital Improvement Fund ended the year with a fund balance of \$9.6 million to assist next year's capital plan and the Parkway Project Capital Fund spent \$17.9 million towards the completion of the Riverside Parkway.
- General Fund revenues grew by 6% in 2005 mostly due to combined tax collections. In total, General Fund revenues of \$48.2 million, were highest ever collected.

OVERVIEW OF FINANCIAL STATEMENTS

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, and Irrigation.

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 29 through 31 of this report.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City 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 eighteen governmental funds of which (as determined by generally accepted accounting principles) the only major funds are the General Fund, Sales Tax Capital Improvement Fund, and Parkway Project Capital Fund. The balances of the other fifteen 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 page 32 through 36 of this report. All other required budgetary comparisons including the Sales Tax Capital Improvement Fund and Parkway Project Capital Fund are with the combining statements which can be found on pages 76 through 92 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 and Irrigation.

As determined by generally accepted accounting principles, the Water and Two Rivers Convention Center 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, central stores operations, 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 37 through 39.

2. **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 40 through 41.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43 through 68 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 Local Highway Finance Report. This supplementary information can be found on page 155 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 72 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 \$350.3 million at the close of fiscal year 2005.

By far the largest portion (82.5%) 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	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$103,747	\$110,958	\$ 6,796	\$ 6,266	\$110,543	\$117,224
Capital assets	285,426	235,879	36,996	36,622	322,422	272,501
Total assets	<u>389,173</u>	<u>346,837</u>	<u>43,792</u>	<u>42,888</u>	<u>432,965</u>	<u>389,725</u>
Long-term debt outstanding	66,891	68,880	4,269	4,022	71,160	72,902
Other liabilities	10,956	9,312	539	538	11,495	9,850
Total liabilities	<u>77,847</u>	<u>78,192</u>	<u>4,808</u>	<u>4,560</u>	<u>82,655</u>	<u>82,752</u>
Net assets:						
Invested in capital assets, net of related debt	256,935	224,544	33,697	34,071	290,632	258,616
Restricted	3,944	3,837	-	905	3,944	4,742
Unrestricted	50,448	40,264	5,286	3,352	55,734	43,615
Total net assets	<u>\$ 311,327</u>	<u>\$ 268,645</u>	<u>\$38,983</u>	<u>\$38,328</u>	<u>\$350,310</u>	<u>\$306,973</u>

An additional portion of the City of Grand Junction's net assets 1.5% represents resources that are subject to external restrictions on how they may be used.

Changes in Net Assets

The City's total revenues of \$112.0 million exceeded program expenses of \$68.7 million for an increase in net assets of \$43.3 million.

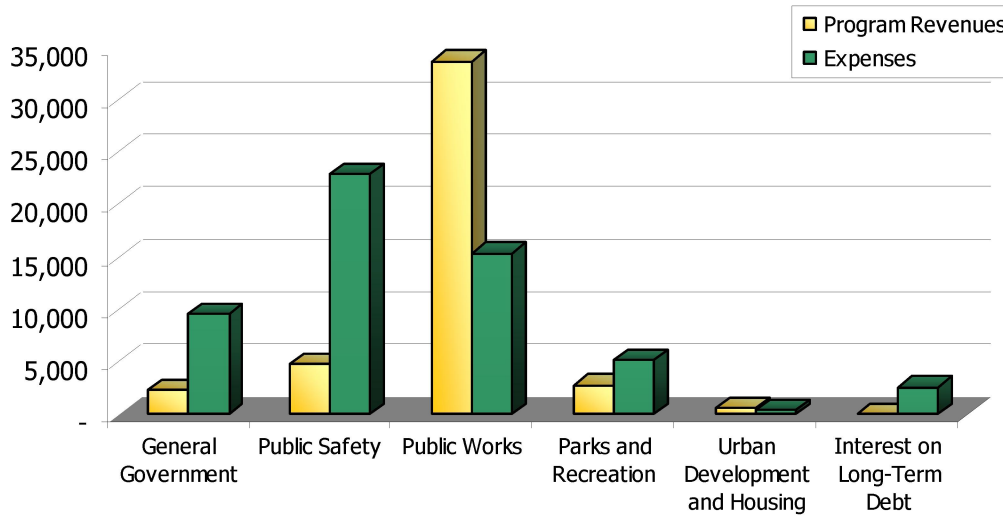
CHANGES IN NET ASSETS
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 9,233	\$ 8,668	\$ 11,954	\$ 10,832	\$ 21,187	\$ 19,500
Operating grants	718	492	-	159	718	651
Capital grants	34,105	20,629	238	110	34,343	20,739
General revenues:						
Property taxes	4,723	4,620	-	-	4,723	4,620
Sales and use taxes	42,825	39,298	-	-	42,825	39,298
Other taxes	6,054	6,273	-	-	6,054	6,273
Other general revenues	1,988	2,055	168	137	2,156	2,192
Total revenues	99,646	82,035	12,360	11,238	112,006	93,273
Expenses:						
General government	9,597	9,549	-	-	9,597	9,549
Public safety	22,905	23,823	-	-	22,905	23,823
Public works	15,387	10,223	-	-	15,387	10,223
Parks and recreation	5,175	6,684	-	-	5,175	6,684
Urban development and housing	415	347	-	-	415	347
Interest on long-term debt	2,572	2,302	-	-	2,572	2,302
Water	-	-	4,222	4,159	4,222	4,159
Convention Center	-	-	2,641	2,130	2,641	2,130
Solid Waste Removal	-	-	2,340	2,302	2,340	2,302
Swimming pools	-	-	920	827	920	827
Golf	-	-	1,899	2,041	1,899	2,041
Parking	-	-	321	245	321	245
Irrigation systems	-	-	274	279	274	279
Total expenses	56,051	52,928	12,617	11,983	68,668	64,911
Excess before transfers	43,595	29,107	-257	-745	43,338	28,362
Transfers	-913	-746	913	746	-	-
Increase in net assets	42,682	28,361	656	1	43,338	28,362
Net assets 1/1/05	268,645	240,284	38,328	38,327	306,972	278,610
Net assets 12/31/05	\$311,327	\$268,645	\$38,984	\$38,328	\$350,310	\$306,972

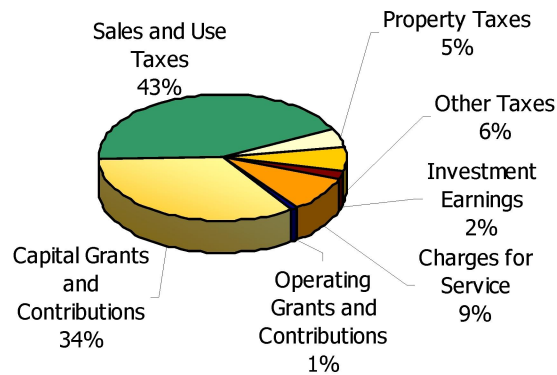
Governmental Activities

Governmental Activities increased the City of Grand Junction's net assets by \$42.7 million. Following are illustrative summaries of Governmental Activities breaking out revenues and expenses.

**EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES
(in Thousands)**



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Sales and use tax revenue increased by 9.0% during the year. The majority of growth is attributed to a healthy economy and impacts of new retail outlets.

Property tax revenue increased by \$103 thousand, or 2.2%, during the year. This growth was attributed to increasing valuations of existing properties and additional construction. The mill levy has remained constant since 1992.

Business-type Activities

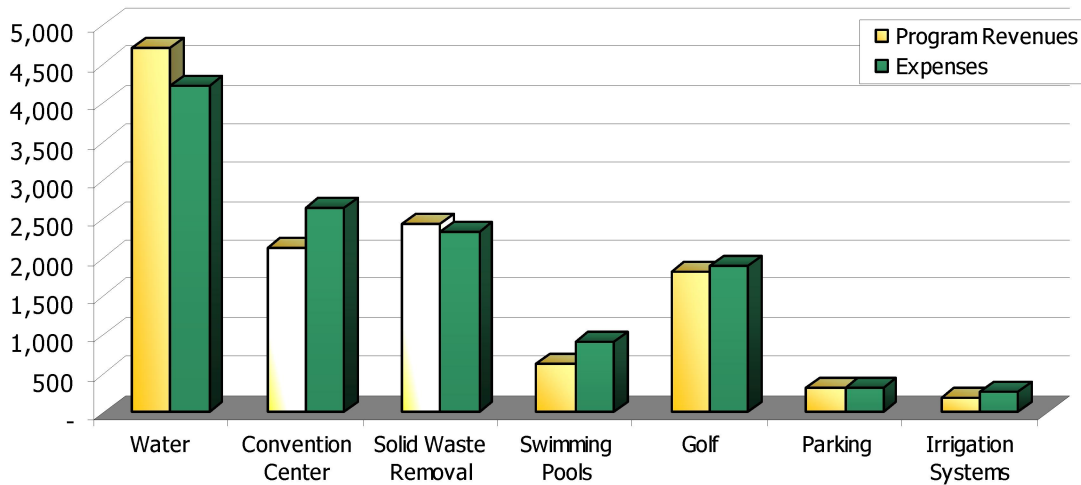
Net assets in Business-type activities increased by \$656 thousand. Business-type activities include Water, Convention Center, Solid Waste, Pools, Golf Courses, Parking, and Irrigation.

Increased system development fees for the Water Fund resulted in higher than anticipated revenues.

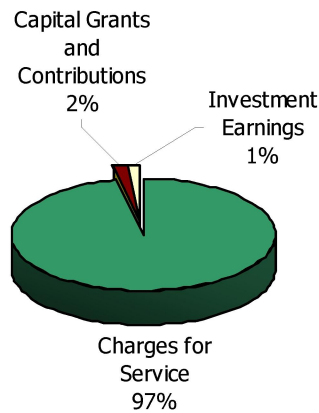
The Two Rivers Convention Center, and the Pools Funds all received transfers from the General Fund to subsidize operations.

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

EXPENSE AND PROGRAM REVENUES – BUSINESS TYPE ACTIVITES



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.

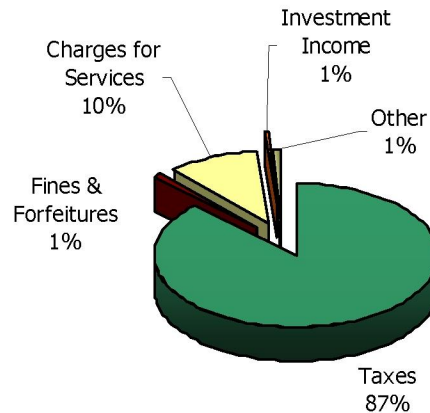
As of the December 31, 2005, the City’s governmental funds (general, special revenue, debt service, capital projects, and permanent) reported combined fund balances of \$77.1 million. This represents a decrease of \$9.2 million over last year’s ending balances, mainly attributed to \$17.9 million in capital expenditures in the Parkway Project capital fund. Excluding this fund, the City’s remaining governmental funds increased fund balance by \$7.7 million (23%) over last year’s ending balances.

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 \$6.5 million during the year. The

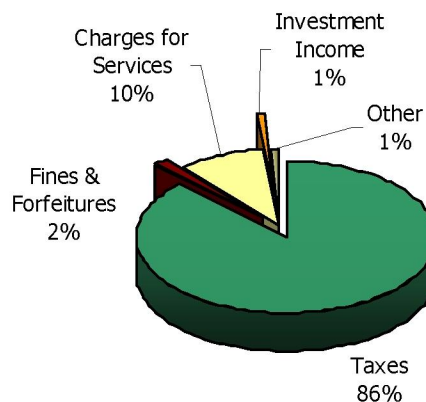
General Fund's total fund balance increased \$3.7 million over last year. An analysis for this fund balance shows that it represents over 39% of projected revenues for the new fiscal year which ends December 31, 2006.

Taxes continue to be the largest source of revenue in the General Fund and represent 87% of total general fund revenues. The largest element of taxes is sales taxes, as it has been for many years. It represents 75% of total tax revenues and represents 65% of total general fund revenues. The following charts display General Fund revenues as a percent of total revenues for the past two years.

GENERAL FUND REVENUE (GAAP BASIS) 2005

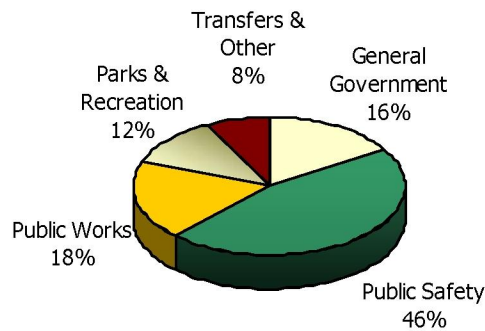


GENERAL FUND REVENUE (GAAP BASIS) 2004

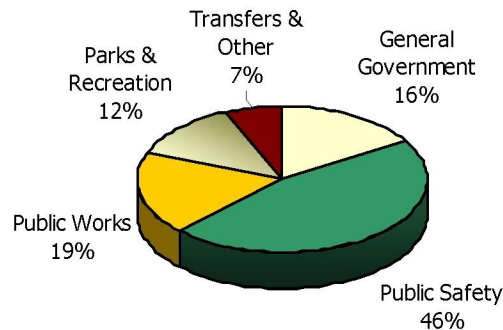


The following graphs display the expenditures in the General Fund by function for the past two fiscal years. As can be seen by reviewing these graphs, most of the expenditures are close to maintaining the same percentage of expenditures over the two years.

GENERAL FUND EXPENSE (GAAP BASIS) 2005



GENERAL FUND EXPENSE (GAAP BASIS) 2004



As stated earlier, the City maintains several enterprise funds to account for the business-type activities of the City. The separate fund statements included in this report provides the same information for business-type activities as is provided in the government-wide financial statements. However, the difference is that the funds statements provide much more detail.

Unrestricted net assets at the end of the year for business-type activities amounted to \$4.4 million. Total growth in net assets for these funds was \$656 thousand. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Grand Junction business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the General Fund budget was amended from an original budget appropriation total of \$49.4 million to a final budget of \$49.6 million. All recommended amendments for budget changes came through the Budget and Accounting Division and City Manager to City Council via Ordinance as required. Ordinance enactment requires 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. For the General Fund, the original budget for revenues was \$44.9 million while the final budgeted amount was \$46.6 million, reflecting an increase in the projection for tax revenue, interest earnings, and intergovernmental revenues.

Actual General Fund expenditures (including transfers) totaled \$44.5 million. The year-end fund balance of \$19.1 million was \$6.4 million above the final budgeted amount.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2005, 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 table below provides a summary of total capital assets at December 31, 2005.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land	\$156,192	\$122,743	\$ 4,523	\$ 4,523	\$160,715	\$127,266
Buildings and systems	16,191	15,642	30,038	31,519	46,229	47,161
Improvements other than buildings	17,089	17,440	1,883	90	18,972	17,530
Vehicles, machinery & equipment	10,364	10,693	528	490	10,892	11,183
Infrastructure	73,178	60,273	-	-	73,178	60,273
Construction in progress	12,411	9,088	25	-	12,436	9,088
Total	<u>\$285,425</u>	<u>\$235,879</u>	<u>\$36,997</u>	<u>\$36,622</u>	<u>\$322,422</u>	<u>\$272,501</u>

Major capital additions during 2005 include:

	<u>2005</u>
Riverside Parkway	\$17,943,444
Street and Sidewalk Improvements	3,331,687
Water System Improvements	1,350,940
Equipment Replacement Program	1,280,921
29 Road Viaduct	726,438
G Road Intersection at 24.5 Road	723,677
Parkland Acquisition	464,489
E-911 Communications Center Equip	335,735
Storm Drainage Improvements	147,434

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 52 through 54.

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 and a pay-as-you-go approach, 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 \$60.7 million in General Fund Revenue bonds in 2004 to begin construction on the Riverside Parkway project. Standard and Poor's gave the City the rating of AA- on this bond issue while the City's general obligation bond ratings are A+ from Standard and Poor's and A2 from Moody's.

As of December 31, 2005 the City of Grand Junction has \$65.1 million in outstanding debt. Of this amount \$61.8 million represents General Government debt. The largest portion, \$59.4 million is the liability from the Riverside Parkway revenue bonds issued in 2004. Special taxing districts have a combined total of \$1.7 million in debt. The remaining \$4.0 million of outstanding debt is bonds, notes and loans to be repaid by fee revenue and appropriated funds. Total debt service payments of approximately \$2.9 million in 2006 represents 2.8% of total operating expenditures. Additional information on the City's long-term debt can be found in note 7 on pages 55 through 59.

The table below provides a summary of total debt at December 31, 2005.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General obligation (backed by by special tax revenue)	\$ 1,669	\$ 1,927	\$ -	\$ -	\$ 1,669	\$ 1,927
Revenue bonds and notes (backed by tax and fee revenue)	59,464	60,738	99	107	59,563	60,845
Capital leases (payable from appropriated funds)	656	1,283	-	-	656	1,283
Loans (backed by fee revenue)	-	-	3,200	3,348	3,200	3,348
Total	<u>\$61,789</u>	<u>\$63,948</u>	<u>\$3,299</u>	<u>\$3,455</u>	<u>\$65,088</u>	<u>\$67,403</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Grand Junction is in a strong financial position. City-wide reserves are at levels required in the City's Budget Policy. The local economy continues to improve as evidenced by retail activity. Sales and Use Taxes are up 15.5% for the 1st Quarter of 2006, well above the projected rate of 5.8%. The energy, construction and health service industries continue to grow and the local community is proactive in creating the right business environment for successful companies to flourish and grow. Grand Junction continues to be the retail and medical center for most of Western Colorado and Eastern Utah. Those factors coupled with; tourism and the abundance of outdoor recreational opportunities, the continued growth of Mesa State College, our ability to attract new businesses and retirees, all contribute to the current and future economic vitality of this community.

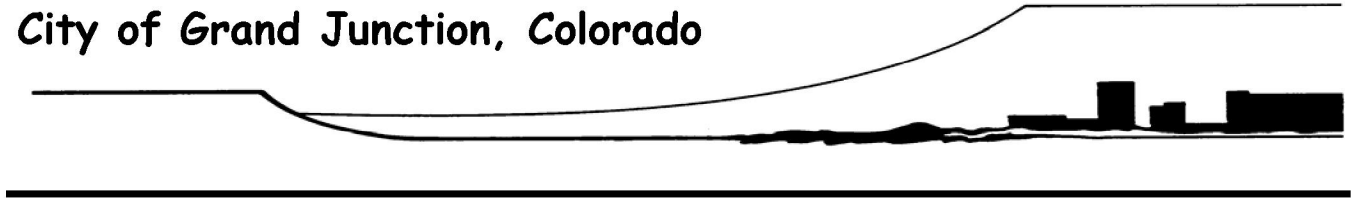
General Fund balances are well above the minimum working capital recommended in the City's budget policy. The City's investment in infrastructure is at an all time high as work continues on the Riverside Parkway Project. In the spring of 2004 voters approved a bond issue to fund approximately 80% of this \$100 million project. Some of the other major capital improvement projects for 2006 include spending almost \$33 million on road construction and maintenance projects, and \$5.1 million on storm drainage improvements.

Rates in the Utility Funds were set to cover operating and capital costs. In 2006, water revenues will be bolstered by a 50 cent increase in the minimum block rate while rates for solid waste collection will remain unchanged. A 7.7% increase in general government operating revenue is expected in 2006 primarily due to sales and use tax collections. Charges for services are also projected to grow steadily over the next two years, corresponding with a growing customer base. The 2006 Budget includes funding for the subsidy of the Two Rivers Convention Center and Swimming Pools 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 Administrative Services and Finance Department at City of Grand Junction, 250 N. 5th Street, Grand Junction, CO 81501.

City of Grand Junction, Colorado



Basic Financial Statements



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City of Grand Junction
STATEMENT OF NET ASSETS
December 31, 2005

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 89,648,374	\$ 5,899,552	\$ 95,547,926	\$ 2,632,675
Other receivables, net of allowance for uncollectibles	12,800,210	834,566	13,634,776	1,279,396
Internal balances	506,381	(506,381)	-	-
Inventories	106,033	61,400	167,433	-
Bond issue costs	686,232	-	686,232	-
Capital assets (net of accumulated depreciation):				
Land	156,191,701	4,522,826	160,714,527	497,498
Buildings and systems	16,190,831	30,038,038	46,228,869	1,701,384
Improvements other than buildings	17,089,489	1,882,596	18,972,085	67,500
Equipment	10,364,409	527,843	10,892,252	5,509
Infrastructure	73,178,436	-	73,178,436	1,509,279
Construction in progress	12,411,282	25,039	12,436,321	-
Total assets	<u>389,173,378</u>	<u>43,285,479</u>	<u>432,458,857</u>	<u>7,693,241</u>
LIABILITIES				
Accounts payable and other current liabilities	5,151,030	485,126	5,636,156	4,867
Accrued interest payable	913,383	53,622	967,005	955
Unearned revenue	4,891,287	-	4,891,287	1,224,395
Noncurrent liabilities:				
Due within one year	4,455,696	156,356	4,612,052	770,723
Due in more than one year	62,435,256	3,606,697	66,041,953	813,963
Total liabilities	<u>77,846,652</u>	<u>4,301,801</u>	<u>82,148,453</u>	<u>2,814,903</u>
NET ASSETS				
Invested in capital assets, net of related debt	256,934,469	33,697,216	290,631,685	2,196,484
Restricted for :				
Perpetual care	1,124,451	-	1,124,451	-
Debt service	826,853	-	826,853	-
Emergency reserves	1,992,917	-	1,992,917	32,000
Unrestricted	50,448,036	5,286,462	55,734,498	2,649,854
Total net assets	<u>\$ 311,326,726</u>	<u>\$ 38,983,678</u>	<u>\$ 350,310,404</u>	<u>\$ 4,878,338</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, 2005

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 9,596,763	\$ 2,201,868	47,600	9,638
Public safety	22,904,850	4,636,026	119,932	-
Public works	15,386,497	1,100,555	8,842	32,633,222
Parks and recreation	5,175,343	1,294,737	28,645	1,461,411
Urban development and housing	415,306	-	513,406	-
Interest on long-term debt	2,571,874	-	-	-
Total governmental activities	<u>56,050,633</u>	<u>9,233,186</u>	<u>718,425</u>	<u>34,104,271</u>
Business-type Activities:				
Water	4,222,594	4,476,728	-	234,065
Convention Center	2,641,066	2,114,443	-	-
Solid Waste Removal	2,340,292	2,427,094	-	-
Swimming Pools	919,684	628,073	-	-
Golf	1,898,642	1,802,903	-	-
Parking	321,282	326,381	-	-
Irrigation Systems	273,642	178,709	-	3,640
Total business-type activities	<u>12,617,202</u>	<u>11,954,331</u>	<u>-</u>	<u>237,705</u>
Total primary government	<u>\$ 68,667,835</u>	<u>\$ 21,187,517</u>	<u>\$ 718,425</u>	<u>\$ 34,341,976</u>
Component unit:				
Downtown Development Authority	<u>\$ 386,262</u>	<u>\$ 69,893</u>	<u>\$ 136,126</u>	<u>\$ 41,595</u>

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

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			
<u>Primary Government</u>			<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Downtown Development Association</u>
\$ (7,337,657)	\$ -	\$ (7,337,657)	\$ -
(18,148,892)	-	(18,148,892)	-
18,356,122	-	18,356,122	-
(2,390,550)	-	(2,390,550)	-
98,100	-	98,100	-
<u>(2,571,874)</u>	<u>-</u>	<u>(2,571,874)</u>	<u>-</u>
<u>(11,994,751)</u>	<u>-</u>	<u>(11,994,751)</u>	<u>-</u>
-	488,199	488,199	-
-	(526,623)	(526,623)	-
-	86,802	86,802	-
-	(291,611)	(291,611)	-
-	(95,739)	(95,739)	-
-	5,099	5,099	-
-	<u>(91,293)</u>	<u>(91,293)</u>	<u>-</u>
-	<u>(425,166)</u>	<u>(425,166)</u>	<u>-</u>
\$ <u>(11,994,751)</u>	\$ <u>(425,166)</u>	\$ <u>(12,419,917)</u>	\$ <u>-</u>
-	-	-	(138,648)
42,825,135	-	42,825,135	-
4,722,839	-	4,722,839	1,327,496
2,008,706	-	2,008,706	-
1,519,215	-	1,519,215	-
2,525,925	-	2,525,925	-
1,961,415	167,989	2,129,404	58,474
26,713	-	26,713	(45,769)
<u>(913,373)</u>	<u>913,373</u>	<u>-</u>	<u>-</u>
<u>54,676,575</u>	<u>1,081,362</u>	<u>55,757,937</u>	<u>1,340,201</u>
42,681,824	656,196	43,338,020	1,201,553
<u>268,644,902</u>	<u>38,327,482</u>	<u>306,972,384</u>	<u>3,676,785</u>
\$ <u>311,326,726</u>	\$ <u>38,983,678</u>	\$ <u>350,310,404</u>	\$ <u>4,878,338</u>

City of Grand Junction
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2005

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Parkway Project Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 14,697,319	\$ 8,469,710	\$ 36,917,477	\$ 13,564,929	\$ 73,649,435
Interest receivable	541,934	-	216,813	-	758,747
Accounts receivable, net of allowances for uncollectibles	490,611	-	-	36,245	526,856
Taxes receivable	8,057,915	1,268,127	-	262,322	9,588,364
Special assessments receivable	-	109,744	-	-	109,744
Due from other funds	237,402	-	-	-	237,402
Advances to other funds	287,728	-	-	-	287,728
Intergovernmental receivables	1,479,556	224,499	50,000	35,189	1,789,244
Total assets	<u>\$ 25,792,465</u>	<u>\$ 10,072,080</u>	<u>\$ 37,184,290</u>	<u>\$ 13,898,685</u>	<u>\$ 86,947,520</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 668,742	\$ 374,524	\$ 1,660,165	\$ 972,872	\$ 3,676,303
Accrued liabilities	1,220,055	17,526	18,870	34,082	1,290,533
Due to other funds	-	-	-	18,749	18,749
Deferred revenue	4,651,704	109,744	-	147,475	4,908,923
Total liabilities	<u>6,540,501</u>	<u>501,794</u>	<u>1,679,035</u>	<u>1,173,178</u>	<u>9,894,508</u>
Fund balances:					
Reserved for:					
Advances	287,728	-	-	-	287,728
Perpetual care	-	-	-	1,124,451	1,124,451
Debt service	-	-	-	826,853	826,853
Parkway project	-	-	35,505,255	-	35,505,255
Emergency	1,818,000	-	-	-	1,818,000
Unreserved:					
Designated for subsequent year's expenditures-					
General fund	944,813	-	-	-	944,813
Special revenue funds	-	-	-	806,883	806,883
Capital projects funds	-	7,358,930	-	686,000	8,044,930
Undesignated, reported in:					
General fund	16,201,423	-	-	-	16,201,423
Special revenue funds	-	-	-	3,555,884	3,555,884
Capital projects funds	-	2,211,356	-	5,725,436	7,936,792
Total fund balances	<u>19,251,964</u>	<u>9,570,286</u>	<u>35,505,255</u>	<u>12,725,507</u>	<u>77,053,012</u>
Total liabilities and fund balances	<u>\$ 25,792,465</u>	<u>\$ 10,072,080</u>	<u>\$ 37,184,290</u>	<u>\$ 13,898,685</u>	<u>\$ 86,947,520</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, 2004

Amounts reported for governmental activities on the statement of net assets (page 29) are different because:

Total fund balance - governmental funds (page 32) \$ 77,053,012

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 276,274,897

Long-term assets are not available to pay current expenditures, and therefor, are deferred in the funds. 17,636

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 assets \$25,283,477 and liabilities (\$2,399,451) of the internal service funds are included in governmental activities in the statement of net assets. 22,884,026

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	\$ (1,668,791)	
Revenue bonds	(56,075,000)	
Bond premium (to be amortized over life of debt)	(3,284,891)	
Deferred charge for issue costs (to be amortized over life of debt)	686,232	
Promissory notes	(104,448)	
Capital leases	(655,636)	
Net pension obligation	(495,326)	
Accrued interest payable	(913,383)	
Compensated absences	<u>(2,391,602)</u>	
		(64,902,845)

Total net assets - governmental activities \$ 311,326,726

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, 2005

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Parkway Project Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 4,494,896	\$ -	\$ -	\$ 227,943	\$ 4,722,839
Sales and use	31,526,595	9,802,717	-	1,495,823	42,825,135
Franchise	2,008,706	-	-	-	2,008,706
Severance	1,757,401	-	-	-	1,757,401
Other	2,287,739	-	-	-	2,287,739
Licenses and permits	114,921	-	-	-	114,921
Intergovernmental revenues	179,814	829,991	50,000	942,415	2,002,220
Charges for services	4,852,211	38,148	-	1,186,931	6,077,290
Fines and forfeitures	546,162	-	-	-	546,162
Special assessments	-	65,949	-	-	65,949
Investment earnings	365,913	154,321	857,573	244,777	1,622,584
Other income	10,739	19,134	134,627	2,482,442	2,646,942
Other contributions	42,732	6,500	-	-	49,232
Total revenues	<u>48,187,829</u>	<u>10,916,760</u>	<u>1,042,200</u>	<u>6,580,331</u>	<u>66,727,120</u>
EXPENDITURES					
Current:					
General government	7,183,904	-	-	2,023,198	9,207,102
Public safety	20,490,870	-	-	-	20,490,870
Public works	8,185,303	-	-	-	8,185,303
Parks and recreation	5,302,211	-	-	-	5,302,211
Urban development and housing	108,281	-	-	485,505	593,786
Debt service:					
Principal retirement	372,428	-	-	1,542,244	1,914,672
Interest and fiscal charges	21,680	-	-	2,808,059	2,829,739
Capital outlay:					
Construction	-	7,515,063	17,943,226	157,261	25,615,550
Total expenditures	<u>41,664,677</u>	<u>7,515,063</u>	<u>17,943,226</u>	<u>7,016,267</u>	<u>74,139,233</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,523,152</u>	<u>3,401,697</u>	<u>(16,901,026)</u>	<u>(435,936)</u>	<u>(7,412,113)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	58,638	3,154,566	-	4,694,286	7,907,490
Transfers out	(2,847,779)	(4,528,838)	-	(2,274,754)	(9,651,371)
Total other financing sources	<u>(2,789,141)</u>	<u>(1,374,272)</u>	<u>-</u>	<u>2,419,532</u>	<u>(1,743,881)</u>
Net change in fund balances	3,734,011	2,027,425	(16,901,026)	1,983,596	(9,155,994)
Fund balances -- beginning	15,517,953	7,542,861	52,406,281	10,741,911	86,209,006
Fund balances -- ending	<u>\$ 19,251,964</u>	<u>\$ 9,570,286</u>	<u>\$ 35,505,255</u>	<u>\$ 12,725,507</u>	<u>\$ 77,053,012</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**
 December 31, 2005

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

Net change in fund balances - total governmental funds (page 34)	\$	(9,155,994)
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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 \$25,634,101 exceeded depreciation (\$5,759,679) in the current period.		19,874,421
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The net effect of the donated of capital assets is to increase net assets.		30,267,639
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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.		17,636
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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	1,914,672	
Bond premium (to be amortized over the life of debt)	244,888	
Deferred charge for bond issuance cost	(27,395)	
Decrease in accrued interest	12,977	
Decrease in net pension obligation	85,439	
Increase in compensated absences	(77,574)	
		2,153,007

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	\$ 2,267,889	
Expenses due to external customers	(2,217,253)	
Gain on disposition of property	26,713	
Investment income	338,831	
Operating loss from operations	(891,065)	(474,885)

Change in net assets of governmental activities (page 31)	\$	<u>42,681,824</u>
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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, 2005

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis Amounts</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
REVENUES						
Taxes:						
Property	\$ 4,561,388	\$ 4,502,568	\$ 4,494,896	\$ -	\$ 4,494,896	\$ (7,672)
Sales and use	30,181,818	30,475,091	31,526,595	(434,072)	31,092,523	617,432
Franchise	1,483,000	1,883,000	2,008,706	-	2,008,706	125,706
Severance	500,000	1,521,782	1,757,401	-	1,757,401	235,619
Other	2,304,500	2,261,300	2,287,739	(5,458)	2,282,281	20,981
Licenses and permits	115,128	114,288	114,921	-	114,921	633
Intergovernmental revenues	59,500	196,529	179,814	-	179,814	(16,715)
Charges for services	4,550,621	4,580,448	4,852,211	-	4,852,211	271,763
Fines and forfeitures	689,945	596,417	546,162	-	546,162	(50,255)
Special assessments	5,000	-	-	-	-	-
Investment earnings	377,000	450,000	365,913	241,125	607,038	157,038
Other income	14,526	6,712	10,739	-	10,739	4,027
Other contributions	34,200	40,282	42,732	-	42,732	2,450
Total revenues	<u>44,876,626</u>	<u>46,628,417</u>	<u>48,187,829</u>	<u>(198,405)</u>	<u>47,989,424</u>	<u>1,361,007</u>
EXPENDITURES						
Current:						
General government:						
Administration	4,948,982	4,750,772	1,870,466	-	1,870,466	2,880,306
Administrative services	3,418,648	3,417,180	3,275,876	-	3,275,876	141,304
Community development	2,157,984	2,187,624	2,037,562	-	2,037,562	150,062
Total general government	<u>10,525,614</u>	<u>10,355,576</u>	<u>7,183,904</u>	<u>-</u>	<u>7,183,904</u>	<u>3,171,672</u>
Public safety:						
Police protection	12,458,539	12,618,316	11,954,077	-	11,954,077	664,239
Fire protection	8,724,637	8,787,926	8,536,793	-	8,536,793	251,133
Total public safety	<u>21,183,176</u>	<u>21,406,242</u>	<u>20,490,870</u>	<u>-</u>	<u>20,490,870</u>	<u>915,372</u>
Public works:						
Parks and recreation	8,427,747	8,504,022	8,185,303	-	8,185,303	318,719
Urban development and housing	5,419,473	5,434,516	5,302,211	-	5,302,211	132,305
Total current expenditures	<u>45,665,010</u>	<u>45,809,356</u>	<u>41,270,569</u>	<u>-</u>	<u>41,270,569</u>	<u>4,538,787</u>
Debt service:						
Principal retirement	372,428	372,428	372,428	-	372,428	-
Interest and fiscal charges	21,680	21,680	21,680	-	21,680	-
Total debt service	<u>394,108</u>	<u>394,108</u>	<u>394,108</u>	<u>-</u>	<u>394,108</u>	<u>-</u>
Total expenditures	<u>46,059,118</u>	<u>46,203,464</u>	<u>41,664,677</u>	<u>-</u>	<u>41,664,677</u>	<u>4,538,787</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,182,492)</u>	<u>424,953</u>	<u>6,523,152</u>	<u>(198,405)</u>	<u>6,324,747</u>	<u>5,899,794</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	81,000	61,000	58,638	-	58,638	(2,362)
Transfers out	(2,866,031)	(3,385,834)	(2,847,779)	-	(2,847,779)	538,055
Total other financing sources and uses	<u>(2,785,031)</u>	<u>(3,324,834)</u>	<u>(2,789,141)</u>	<u>-</u>	<u>(2,789,141)</u>	<u>535,693</u>
Net change in fund balances	(3,967,523)	(2,899,881)	3,734,011	(198,405)	3,535,606	6,435,487
Fund balances -- beginning	15,517,953	15,517,953	15,517,953	-	15,517,953	-
Fund balances -- ending	<u>\$ 11,550,430</u>	<u>\$ 12,618,072</u>	<u>\$ 19,251,964</u>	<u>\$ (198,405)</u>	<u>\$ 19,053,559</u>	<u>\$ 6,435,487</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, 2005

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Other Enterprise Funds	Total Enterprise Funds	
ASSETS					
Current assets:					
Cash and investments	\$ 4,170,361	\$ -	\$ 1,729,191	\$ 5,899,552	\$ 15,998,939
Restricted cash held by trustee	-	-	-	-	-
Accounts receivable, net of allowance	264,321	271,526	268,304	804,151	6,180
Intergovernmental receivable	1,398	29,017	-	30,415	21,075
Inventory	-	-	61,400	61,400	106,033
Total current assets	<u>4,436,080</u>	<u>300,543</u>	<u>2,058,895</u>	<u>6,795,518</u>	<u>16,132,227</u>
Noncurrent assets:					
Capital assets:					
Land	2,494,086	153,001	1,875,739	4,522,826	-
Buildings, improvements, plant and system	34,012,036	7,241,135	11,281,909	52,535,080	347,690
Equipment	428,525	518,912	1,054,363	2,001,800	21,120,960
Construction in progress	15,013	-	10,026	25,039	-
Less accumulated depreciation	<u>(12,332,829)</u>	<u>(1,760,293)</u>	<u>(7,995,281)</u>	<u>(22,088,403)</u>	<u>(12,317,400)</u>
Total capital assets (net of accumulated depreciation)	<u>24,616,831</u>	<u>6,152,755</u>	<u>6,226,756</u>	<u>36,996,342</u>	<u>9,151,250</u>
Total noncurrent assets	<u>24,616,831</u>	<u>6,152,755</u>	<u>6,226,756</u>	<u>36,996,342</u>	<u>9,151,250</u>
Total assets	<u>29,052,911</u>	<u>6,453,298</u>	<u>8,285,651</u>	<u>43,791,860</u>	<u>25,283,477</u>
LIABILITIES					
Current liabilities:					
Accounts payable	60,918	103,963	88,816	253,697	211,923
Accrued liabilities	78,952	37,772	77,288	194,012	165,150
Accrued interest payable	53,622	-	-	53,622	-
Compensated absences payable	15,166	4,329	17,922	37,417	17,615
Claims payable	-	-	-	-	1,786,347
Current portion of promissory notes payable	156,356	-	-	156,356	-
Due to other funds	-	158,808	59,845	218,653	-
Total current liabilities	<u>365,014</u>	<u>304,872</u>	<u>243,871</u>	<u>913,757</u>	<u>2,181,035</u>
Noncurrent liabilities:					
Compensated absences payable	188,055	53,650	222,222	463,927	218,416
Advances from other funds - general fund	-	-	287,728	287,728	-
Promissory notes payable	3,142,770	-	-	3,142,770	-
Total noncurrent liabilities	<u>3,330,825</u>	<u>53,650</u>	<u>509,950</u>	<u>3,894,425</u>	<u>218,416</u>
Total liabilities	<u>3,695,839</u>	<u>358,522</u>	<u>753,821</u>	<u>4,808,182</u>	<u>2,399,451</u>
NET ASSETS					
Invested in capital assets, net of related debt	21,317,705	6,152,755	6,226,756	33,697,216	9,151,250
Restricted for water systems	905,137	-	-	905,137	-
Unrestricted	3,134,230	(57,979)	1,305,074	4,381,325	13,732,776
Total net assets	<u>\$ 25,357,072</u>	<u>\$ 6,094,776</u>	<u>\$ 7,531,830</u>	<u>\$ 38,983,678</u>	<u>\$ 22,884,026</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, 2005

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:					
Charges for sales and services	\$ 4,420,002	\$ 2,114,443	\$ 5,216,261	\$ 11,750,706	\$ 9,091,174
Other income	920	-	-	920	19,792
Total operating revenues	<u>4,420,922</u>	<u>2,114,443</u>	<u>5,216,261</u>	<u>11,751,626</u>	<u>9,110,966</u>
Operating expenses:					
Personnel services	2,135,502	1,097,971	2,399,911	5,633,384	4,211,689
Costs of sales and services	1,213,050	1,341,112	2,821,262	5,375,424	4,685,447
Depreciation and amortization	741,085	201,983	506,054	1,449,122	1,884,766
Total operating expenses	<u>4,089,637</u>	<u>2,641,066</u>	<u>5,727,227</u>	<u>12,457,930</u>	<u>10,781,902</u>
Operating income (loss)	<u>331,285</u>	<u>(526,623)</u>	<u>(510,966)</u>	<u>(706,304)</u>	<u>(1,670,936)</u>
Nonoperating revenues (expenses):					
Intergovernmental	-	-	115,419	115,419	-
Miscellaneous	55,806	-	31,480	87,286	-
Investment income	132,049	-	35,940	167,989	338,831
Gain (loss) on disposition of property and equipment	-	-	-	-	26,713
Interest expense	(132,957)	-	(26,315)	(159,272)	-
Total nonoperating revenues (expenses)	<u>54,898</u>	<u>-</u>	<u>156,524</u>	<u>211,422</u>	<u>365,544</u>
Income (loss) before contributions and transfers	<u>386,183</u>	<u>(526,623)</u>	<u>(354,442)</u>	<u>(494,882)</u>	<u>(1,305,392)</u>
Capital contributions - tap fees	234,065	-	3,640	237,705	-
Transfers in	-	375,671	537,702	913,373	830,508
Transfers out	-	-	-	-	-
Change in net assets	620,248	(150,952)	186,900	656,196	(474,884)
Total net assets - beginning	24,736,824	6,245,728	7,344,930	38,327,482	23,358,910
Total net assets - ending	<u>\$ 25,357,072</u>	<u>\$ 6,094,776</u>	<u>\$ 7,531,830</u>	<u>\$ 38,983,678</u>	<u>\$ 22,884,026</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, 2005

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:					
Cash received from customers and users	\$ 4,428,479	\$ 2,088,296	\$ 5,206,730	\$ 11,723,505	\$ 9,071,247
Cash paid to suppliers	(1,298,478)	(1,319,432)	(2,808,442)	(5,426,352)	(4,707,564)
Cash paid to employees	(2,188,840)	(1,094,695)	(2,417,712)	(5,701,247)	(4,170,916)
Miscellaneous nonoperating receipts	55,806	-	31,480	87,286	19,792
Net cash provided (used) by operating activities	<u>996,967</u>	<u>(325,831)</u>	<u>12,056</u>	<u>683,192</u>	<u>212,559</u>
Cash flows from noncapital financing activities:					
Transfers from another fund	-	375,671	537,702	913,373	830,508
Increase (decrease) in amount due other funds	-	(9,051)	(63,804)	(72,855)	-
Intergovernmental receipts	-	-	115,419	115,419	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>366,620</u>	<u>589,317</u>	<u>955,937</u>	<u>830,508</u>
Cash flows from capital and related financing activities:					
Capital contributions	234,065	-	3,640	237,705	-
Principal payments:					
Promissory notes	(159,384)	-	-	(159,384)	-
Repayment of interfund capital loans	-	-	(36,626)	(36,626)	-
Interest paid	(132,169)	-	(26,315)	(158,484)	-
Proceeds from disposition of capital assets	-	-	-	-	57,580
Purchase of capital assets	(1,481,301)	(40,789)	(281,302)	(1,803,392)	(1,295,661)
Net cash used in capital and related financing activities	<u>(1,538,789)</u>	<u>(40,789)</u>	<u>(340,603)</u>	<u>(1,920,181)</u>	<u>(1,238,081)</u>
Cash flows from investing activities:					
Investment income received	132,049	-	35,940	167,989	338,831
Net cash provided by investing activities	<u>132,049</u>	<u>-</u>	<u>35,940</u>	<u>167,989</u>	<u>338,831</u>
Net increase (decrease) in cash and cash equivalents	(409,773)	-	296,710	(113,063)	143,817
Cash and cash equivalents, January 1	4,580,134	-	1,432,481	6,012,615	15,855,122
Cash and cash equivalents, December 31	<u>\$ 4,170,361</u>	<u>\$ -</u>	<u>\$ 1,729,191</u>	<u>\$ 5,899,552</u>	<u>\$ 15,998,939</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 331,285	\$ (526,623)	\$ (510,966)	\$ (706,304)	\$ (1,670,936)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	741,085	201,983	506,054	1,449,122	1,859,622
(Increase) decrease in accounts receivable	7,557	(26,147)	(9,531)	(28,121)	(19,926)
(Increase) decrease in inventory	-	-	1,699	1,699	(15,051)
Increase (decrease) in accounts payable	(76,095)	29,435	11,121	(35,539)	(139,555)
Increase (decrease) in claims payable	-	-	-	-	157,632
Increase (decrease) in accrued liabilities and compensated absences payable	(53,338)	3,276	(17,801)	(67,863)	40,773
(Increase) decrease in accounts payable due to the purchase of capital assets on account	(9,333)	(7,755)	-	(17,088)	-
Miscellaneous nonoperating receipts included in operating activities	55,806	-	31,480	87,286	-
Total adjustments	<u>665,682</u>	<u>200,792</u>	<u>523,022</u>	<u>1,389,496</u>	<u>1,883,495</u>
Net cash provided (used) by operating activities	<u>\$ 996,967</u>	<u>\$ (325,831)</u>	<u>\$ 12,056</u>	<u>\$ 683,192</u>	<u>\$ 212,559</u>
Noncash Investing, Capital and Financing Activities					
Purchase of capital assets on account	\$ 9,333	\$ 7,755	\$ -	\$ 17,088	\$ 23,886
Net book value of capital assets traded in	\$ -	\$ -	\$ -	\$ -	\$ 194,880

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, 2005

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund	Agency Funds
ASSETS				
Cash and cash equivalents	\$ 11,589	\$ 912,129	\$ 9,098,681	\$ 408,583
Investments				
Short term investments	1,565,905	-	-	-
U.S. Government securities	1,323,994	-	-	-
Corporate bonds	1,699,173	-	-	-
Domestic equity securities	5,113,455	-	-	-
International securities	2,319,162	-	-	-
Venture capital	699,659	-	-	-
Real estate	457,748	-	-	-
Securities lending investment pool	1,295,022	-	-	-
Accounts receivable, net of allowance	-	9,124	-	-
Total assets	<u>14,485,707</u>	<u>921,253</u>	<u>9,098,681</u>	<u>408,583</u>
LIABILITIES				
Due to other governments	-	-	-	408,583
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 408,583</u>
NET ASSETS				
Held in trust for:				
External investment pool participants	-	-	9,098,681	
Pension benefits	14,485,707	-	-	
Individuals, organizations and others	-	921,253	-	
Total net assets	<u>\$ 14,485,707</u>	<u>\$ 921,253</u>	<u>\$ 9,098,681</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, 2005

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund
ADDITIONS			
Additions by participants	\$ -	\$ 370,647	\$ 8,320,955
Employer contributions	438,778	-	-
Plan members contributions	380,611	-	-
Total contributions	<u>819,389</u>	<u>370,647</u>	<u>8,320,955</u>
Investment earnings:			
Interest	508,666	18,872	501,605
Net increase (decrease) in fair value of investments	<u>844,314</u>	<u>-</u>	<u>-</u>
Net investment earnings	<u>1,352,980</u>	<u>18,872</u>	<u>501,605</u>
Total additions	<u>2,172,369</u>	<u>389,519</u>	<u>8,822,560</u>
DEDUCTIONS			
Distributions to participants	-	174,546	8,760,570
Health insurance premiums paid	-	161,521	-
Benefits and refunds	1,624,252	-	-
Administrative expenses	<u>90,808</u>	<u>5,371</u>	<u>-</u>
Total deductions	<u>1,715,060</u>	<u>341,438</u>	<u>8,760,570</u>
Change in net assets	457,309	48,081	61,990
Net assets available - beginning	14,028,398	873,172	9,036,691
Net assets available - ending	<u>\$ 14,485,707</u>	<u>\$ 921,253</u>	<u>\$ 9,098,681</u>

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



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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 maintains a data processing facility, a central stores and printing facility and a communications center. The communications center and central stores and printing 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 Grand Junction West Water and Sanitation District was annexed into the City and dissolved as a separate district in 1993. The District continues in existence solely to provide for the payment of the District's outstanding debt with a special levy of property taxes and sanitary sewer fees collected only within the District.

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 5). 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, the effect of the interfund activity has been removed. *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. 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. 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 ¾ percent portion of the City's 2¾ percent sales and use tax. The ¾ percent portion is currently dedicated to general capital improvements and economic development.

The *Parkway Project Capital Fund* is a capital projects fund used to account for the financing and construction of the Riverside Parkway. This project consists of constructing a beltway around the City designed to make transportation more efficient, while also alleviating traffic congestion. The Parkway project is being financed by an \$80 million bond issue approved by voters in 2003.

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.

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, central stores and printing, 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, pay for health insurance premiums for retired employees 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 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.

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 5 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 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 2004 taxes collectible in 2005 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. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, alleys, traffic signal systems, and storm drainage), 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, is 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

7. 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 464 to 608 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.

8. 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.

9. 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.

10. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans for future use of financial resources that are subject to change.

11. Comparative Data/Reclassifications

Comparative total data for the prior year has been presented in the accompanying Managements Discussion and Analysis to 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.

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 Visitors and Convention Bureau (VCB) Special Revenue Fund and the Sales Tax Capital Improvements Fund. The annual budget for the General Fund is prepared on the modified accrual basis of accounting excluding certain basis differences of tax accruals 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 VCB Special Revenue Fund is prepared on the modified accrual basis of accounting except for certain basis differences of tax accruals and the inclusion of the proceeds and repayments of advances from other funds. The annual budget for the Sales Tax Capital Improvements Fund is prepared on the modified accrual basis of accounting except for certain basis differences of tax accruals and retainages held on construction contracts. Annual appropriation budgets are also adopted for all proprietary and nonexpendable trust 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 Administrative Services Director. 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 through a supplemental appropriation.

Supplemental appropriation ordinances during 2005 resulted in budget amendments as follows:

Fund	Original Amount	Amended Amount
<i>Primary Government - City of Grand Junction:</i>		
<i>Governmental Activities</i>		
General Fund	\$45,425,149	\$46,089,298
Special Revenue Funds:		
Enhanced 911	1,144,196	1,259,727
Visitors and Convention Bureau	1,391,783	1,404,518
CDBG Special Revenue	450,000	677,350
Golf Course Expansion	145,000	179,000
Economic Development	787,944	1,197,728
Capital Projects Funds:		
Sales Tax Capital Improvement	18,029,122	21,289,122
Storm Drainage Improvement	5,426,663	6,730,663
Parkway Project Capital	35,000,000	37,270,000
Future Street Improvements	600,000	1,050,000

Fund	Original Amount	Amended Amount
<i>Business-Type Activities</i>		
Enterprise Funds:		
Water	4,288,084	5,499,038
Solid Waste	2,441,876	2,443,376
Two Rivers Convention Center	2,343,347	2,448,347
Swimming Pools	734,895	998,929
Golf Courses	1,822,257	1,924,104
Parking	249,551	550,322
Irrigation	205,357	205,937
Internal Service Funds:		
Data Processing	2,040,477	2,615,325
Equipment	2,575,239	2,937,591
Stores	228,320	257,528
Self Insurance	1,204,512	2,132,913
Communications Center	3,336,807	3,651,889
<i>Component Unit - Downtown Development Authority:</i>		
Special Revenue Funds:		
DDA/TIF Special Revenue	\$ 831,738	\$ 841,738
DDA Capital Improvements	1,136,000	1,939,988

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. The Two Rivers Convention Center Fund, an enterprise fund of the City, did have actual expenditures in excess of budget appropriations as of December 31, 2005 due to higher than expected business activity.

C. DEFICIT FUND EQUITY

No individual funds of the Primary Government or its Component Unit had a deficit fund equity as of December 31, 2005.

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 11 for more information on the Joint Sewer System.

Cash Deposits

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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, 2005, is as follows:

	Bank Balance	Carrying Balance
Cash on hand	\$ -	\$ 7,475
Insured deposits	200,000	200,000
Deposits collateralized in single institutional pools	7,584,696	7,397,275
	<u>\$7,784,696</u>	<u>\$7,604,750</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, 2005, the City had the following investments:

<u>Investment Type</u>	Fair Value	Weighted Average Maturity (Months)
Corporate stock	\$57,113	0.00
U.S. agency notes	75,533,998	13.85
Mortgage backed securities	21,519,260	19.62
State investment pools	3,285,429	1.75
Pension trust fund	14,485,707	0.00
Total	<u>\$114,881,507</u>	<u>14.68</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.

NOTE 4. ACCOUNTS RECEIVABLE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts receivable of the various funds of the City at December 31, 2005, is as follows:

General Fund	\$5,349
Enterprise Funds:	
Water	\$ 160
Solid Waste Removal	274
Two Rivers Convention Center	259
	<u>\$ 693</u>
Internal Service Funds:	
Communications Center	<u>\$ 817</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2005 was as follows:

Primary Government - City of Grand Junction:

	Beginning Balance	Increase	Decreases	Ending Balance
Governmental Activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$122,743,212	\$ 33,448,489	\$ -	\$156,191,701
Construction in progress	9,088,306	7,123,730	3,800,754	12,411,282
Total capital assets, not being depreciated	<u>131,831,518</u>	<u>40,572,219</u>	<u>3,800,754</u>	<u>168,602,983</u>
<i>Capital assets, being depreciated:</i>				
Buildings	22,192,223	825,066	-	23,017,289
Improvements other than buildings	23,894,744	907,044	-	24,801,788
Equipment	23,744,944	1,928,721	487,130	25,186,535
Infrastructure	115,948,744	16,765,106	-	132,713,850
Total capital assets, being depreciated	<u>185,780,655</u>	<u>20,425,937</u>	<u>487,130</u>	<u>205,719,462</u>
<i>Less accumulated depreciation for:</i>				
Buildings	6,550,701	532,438	-	7,083,139
Improvements other than buildings	6,454,705	1,000,913	-	7,455,618
Equipment	13,051,970	2,251,565	481,408	14,822,127
Infrastructure	55,675,885	3,859,528	-	59,535,413
Total accumulated depreciation	<u>81,733,261</u>	<u>7,644,444</u>	<u>481,408</u>	<u>88,896,297</u>
Total capital assets, being depreciated, net	<u>104,047,394</u>	<u>12,781,493</u>	<u>5,722</u>	<u>116,823,165</u>
Governmental activities capital assets, net	<u>\$235,878,912</u>	<u>\$53,353,712</u>	<u>\$ 3,806,476</u>	<u>\$285,426,148</u>

	Beginning Balance	Increase	Decreases	Ending Balance
Business-type activities				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,522,826	\$ -	\$ -	\$ 4,522,826
Construction in progress	-	25,039	-	25,039
Total capital assets, not being depreciated	<u>4,522,826</u>	<u>25,309</u>	<u>-</u>	<u>4,547,865</u>
<i>Capital assets, being depreciated:</i>				
Buildings and systems	47,440,301	1,530,910	-	48,971,211
Improvements other than buildings	3,522,907	40,964	-	3,563,872
Equipment	1,778,232	223,567	-	2,001,799
Total capital assets, being depreciated	<u>52,741,440</u>	<u>1,795,441</u>	<u>-</u>	<u>54,536,882</u>
<i>Less accumulated depreciation for:</i>				
Buildings and systems	17,800,199	1,132,972	-	18,933,171
Improvements other than buildings	1,554,362	126,912	-	1,681,274
Equipment	1,288,213	185,744	-	1,473,957
Total accumulated depreciation	<u>20,642,774</u>	<u>1,445,628</u>	<u>-</u>	<u>22,088,402</u>
Total capital assets, being depreciated, net	<u>32,098,666</u>	<u>349,813</u>	<u>-</u>	<u>32,448,479</u>
Business-type activities capital assets, net	<u>\$ 36,621,492</u>	<u>\$374,852</u>	<u>\$ -</u>	<u>\$36,996,344</u>

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

Governmental Activities	
General government	\$ 198,531
Public safety	257,862
Public works	4,360,697
Parks and recreation	942,589
Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets	<u>1,884,766</u>
Total depreciation expense – governmental activities	<u>\$7,644,445</u>
Business-Type Activities	
Water	\$ 737,591
Solid waste	66,747
Meeting and convention center	201,983
Golf courses	118,644
Swimming pools	186,634
Parking	46,020
Irrigation	88,009
Total depreciation expense – business-type activities	<u>\$1,445,628</u>

Discretely Presented Component Unit

Activity for the *Downtown Development Authority* for the year ended December 31, 2005, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 497,498	\$ -	\$ -	\$ 497,498
Construction in progress	956,026	809,022	255,769	1,509,279
Total capital assets, not being depreciated	<u>1,453,524</u>	<u>809,022</u>	<u>255,769</u>	<u>2,006,777</u>
<i>Capital assets, being depreciated:</i>				
Buildings	2,163,367	129,621	-	2,292,988
Improvements other than buildings	108,000	-	-	108,000
Equipment	171,750	-	-	171,750
Total capital assets, being depreciated	<u>2,443,117</u>	<u>129,621</u>	<u>-</u>	<u>2,572,738</u>
<i>Less accumulated depreciation for:</i>				
Buildings	518,537	73,066	-	591,603
Improvements other than buildings	35,100	5,400	-	40,500
Equipment	160,168	6,073	-	166,241
Total accumulated depreciation	<u>713,805</u>	<u>84,539</u>	<u>-</u>	<u>798,344</u>
Total capital assets, being depreciated, net	<u>1,729,312</u>	<u>45,082</u>	<u>-</u>	<u>1,774,394</u>
DDA capital assets, net	<u>\$ 3,182,836</u>	<u>\$ 854,104</u>	<u>\$255,769</u>	<u>\$ 3,781,171</u>

Construction Commitments

The City and its component unit has several ongoing construction projects as of December 31, 2005 composed of the following:

	Spent to <u>12/31/2005</u>	Projected cost <u>of completion</u>
Primary Government		
Riverside Parkway	\$ 26,349,442	\$ 84,979,784
Other street projects	1,336,185	15,006,000
Drainage projects	316,683	10,000,000
Park development	10,026	424,000
Facilities/other	147,046	2,054,046
Component Unit		
Development projects	\$ 1,509,279	\$ 1,927,000

\$80 million of the Riverside Parkway construction project is funded with general fund revenue bond proceeds while the remaining primary government projects will be funded through accumulated proceeds from dedicated sales tax and appropriated fund balance.

The development projects for the Downtown Development Authority Component Unit are funded with tax increment financing bonds.

NOTE 6. CAPITAL LEASES

The City entered into an open space land lease with The Grand Junction Public Finance Corporation. The Grand Junction Public Finance Corporation was incorporated in May, 1996 as a Colorado non-profit corporation to facilitate the financing of open space land. Pursuant to an annually terminable lease purchase agreement, the Corporation issued \$2,155,000 certificates of participation, dated May 15, 1996. Proceeds from the issue reserved for debt service and principal and interest payments are accounted for in the Grand Junction Public Finance Corporation Debt Service Fund.

The City has agreed to pay base rentals from annually appropriated funds. The City is responsible for maintenance and management of the open space land during the course of the lease. 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. A \$216,155 reserve is held by a trustee, as required by the agreement. Interest rates range from 4.35% to 5.7% payable semiannually on June 1 and December 1.

The City entered into a lease with the option to purchase agreement dated December 31, 2001, with Kansas State Bank of Manhattan for emergency response and fire suppression equipment with a down payment of \$120,118. The lease agreement is in accordance with Colorado law as to being subject to annual appropriation by the City. The annualized interest rate is 3.5%. Payments are due quarterly from April 1, 2002 through December 31, 2006. In accordance with generally accepted accounting principles, the leases are capitalized for financial reporting purposes at the present value of future lease payments.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Land, not depreciated	\$ 2,025,329
Equipment	2,015,067
Less accumulated depreciation	<u>(972,160)</u>
Total	<u>\$ 3,068,236</u>

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, 2005, follows:

<u>Year ending December 31</u>	<u>Land Lease</u>	<u>Fire Equipment Lease</u>	<u>Total Governmental Activities</u>
2006	<u>\$ 285,390</u>	<u>\$ 394,108</u>	<u>\$ 679,498</u>
Less amounts representing interest	<u>(15,390)</u>	<u>(8,473)</u>	<u>(23,863)</u>
Present value of minimum lease payment	<u>\$ 270,000</u>	<u>\$ 385,635</u>	<u>\$ 655,635</u>

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term liability activity of the City for the year ended December 31, 2005:

Primary Government - City of Grand Junction:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds:					
<i>Ridges</i>	\$1,510,000	\$ -	\$ 130,000	\$1,380,000	\$ 140,000
<i>GJWWS</i>	417,349	-	128,557	288,792	138,842
Revenue bonds:					
<i>Parkway</i>	57,075,000	-	1,000,000	56,075,000	1,492,822
<i>Premium</i>	3,529,780	-	244,888	3,284,892	242,822
Promissory notes:					
<i>Sales Tax Capital Improvement Fund</i>	133,134	-	28,687	104,447	31,555
Capital leases:					
<i>Certificates of Participation</i>	525,000	-	255,000	270,000	270,000
<i>Lease Purchase Agreement</i>	758,063	-	372,428	385,635	385,635
Net pension obligation:					
<i>Police Defined Benefit Plan</i>	282,174	-	28,988	253,186	-
<i>Fire Defined Benefit Plan</i>	298,591	-	56,451	242,140	-
Claims payable	1,628,715	785,443	627,811	1,786,347	1,786,347
Compensated absences	2,721,910	2,423,283	2,324,680	2,820,513	210,495
Governmental activity long-term liabilities	<u>\$68,879,716</u>	<u>\$3,208,726</u>	<u>\$5,197,490</u>	<u>\$66,890,952</u>	<u>\$4,698,518</u>
Business-Type Activities					
Promissory notes:					
<i>Water Systems</i>	\$ 107,346	\$ -	\$ 8,534	\$ 98,812	\$ 8,961
Loan payable					
<i>Water Systems</i>	3,410,285	-	150,850	3,259,435	150,850
Less deferred amounts:					
For loan discount	(62,613)	3,494	-	(59,119)	(3,455)
Compensated absences	567,134	498,426	564,217	501,343	37,415
Business-type activity long-term liabilities	<u>\$4,022,152</u>	<u>\$501,920</u>	<u>\$723,601</u>	<u>\$3,800,471</u>	<u>\$193,771</u>

Component Unit - Downtown Development Authority:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Tax increment bonds	\$2,305,000	\$ -	\$ 730,000	\$1,575,000	\$ 770,000
Compensated absences	7,333	6,542	4,189	9,686	723
Total	<u>\$ 2,312,333</u>	<u>\$ 6,542</u>	<u>\$ 734,189</u>	<u>\$1,584,686</u>	<u>\$ 770,723</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 \$236,032 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, 2005, 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 \$995,000 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, 2003, 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 \$1,380,000 unpaid principal at December 31, 2005, payable over the following term:

Year	Principal	Interest	Total
2006	\$ 140,000	\$ 83,890	\$ 223,890
2007	150,000	75,490	225,490
2008	155,000	66,490	221,490
2009	165,000	57,035	222,035
2010	175,000	46,970	221,970
2011-2013	595,000	74,115	669,115
	<u>\$1,380,000</u>	<u>\$403,990</u>	<u>\$1,783,990</u>

\$1,590,000 Grand Junction West Water and Sanitation District General Obligation Refunding Bonds Series 1987A and 1987B payable September 1 annually through September 1, 2007. The bonds are dated September 1, 1987, and bear interest at 8% to September 1, 1992. From September 1, 1992, the bonds will bear interest at a rate equal to 90% of the then current yield to maturity of U.S. Treasury Bonds maturing November 15, 2007. The bond interest rate will be adjusted in this manner every fifth year on September 1 until maturity. The interest rate was adjusted to 1.6% effective September 1, 2002. The bonds are callable at par at the District's option, at any interest payment date. Series 1987A \$176,181 unpaid principal at December 31, 2005, payable over the following term:

Year	Principal	Interest	Total
2006	\$ 84,702	\$10,395	\$ 95,097
2007	91,479	5,397	96,876
	<u>\$176,181</u>	<u>\$15,792</u>	<u>\$191,973</u>

Series 1987B \$112,611 unpaid principal at December 31, 2005, payable over the following term:

Year	Principal	Interest	Total
2006	\$ 54,139	\$ 6,644	\$ 60,783
2007	58,472	3,450	61,922
	<u>\$112,611</u>	<u>\$10,094</u>	<u>\$122,705</u>

REVENUE BONDS:

\$57,075,000 of the approved \$80,000,000 General Fund Revenue Bonds Series 2004 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. No amounts outstanding at the end of the current fiscal year related to bonds issued in prior years. The total bond issue amount of \$57,075,000 was unpaid at December 31, 2005, payable over the following term:

Year	Principal	Interest	Total
2006	\$ 1,250,000	\$ 2,643,887	\$ 3,893,887
2007	1,750,000	2,596,388	4,346,388
2008	-	2,561,387	2,561,387
2009	-	2,561,387	2,561,387
2010	-	2,561,387	2,561,387
2011-2015	7,660,000	12,428,688	20,088,688
2016-2020	22,815,000	8,202,719	31,017,719
2021-2024	22,600,000	2,210,650	24,810,650
	<u>\$56,075,000</u>	<u>\$35,766,493</u>	<u>\$91,841,493</u>

PROMISSORY NOTES:

\$351,327, 10% promissory note issued in 1989, payable in annual installments of \$42,000 including interest through 2008, unsecured. There was \$104,447 unpaid principal at December 31, 2005, payable over the following term:

Year	Principal	Interest	Total
2006	\$ 31,555	\$10,445	\$ 42,000
2007	34,711	7,289	42,000
2008	38,181	3,819	42,000
	<u>\$104,447</u>	<u>\$21,553</u>	<u>\$126,000</u>

\$195,930, 5% promissory note issued in 1989, to the Colorado Water Conservation Board, payable in 25 annual installments of \$13,902 including interest, collateralized by a portion of the water supply flowline. There was \$98,811 unpaid principal at December 31, 2005, payable over the following term:

Year	Principal	Interest	Total
2006	\$ 8,961	\$ 4,941	\$ 13,902
2007	9,409	4,493	13,902
2008	9,880	4,022	13,902
2009	10,374	3,528	13,902
2010	10,892	3,010	13,902
2011-2014	49,295	6,312	55,607
	<u>\$98,811</u>	<u>\$26,306</u>	<u>\$125,117</u>

LOAN 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, 2005 was \$3,259,434 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2006	\$ 150,850	\$ 123,753	\$ 274,603
2007	156,237	120,355	276,592
2008	156,237	116,835	273,072
2009	161,625	112,954	274,579
2010	167,012	108,751	275,763
2011-2015	915,874	472,080	1,387,954
2016-2020	1,055,949	326,989	1,382,938
2021-2022	495,650	56,964	552,614
	<u>\$3,259,434</u>	<u>\$1,438,681</u>	<u>\$4,698,115</u>

Component Unit – Downtown Development Authority:

TAX INCREMENT BONDS

In 2003, The Downtown Development Authority issued \$2,995,000 Tax Increment Financing Bonds and defeased, using monies presently on hand, the 1996 Tax Increment Refunding and Improvement Bonds and the 1999 Subordinate Tax Increment Revenue bonds, both called in May, 2004. The 2003 Tax Increment Financing Bonds bear an interest rate of 2.3% and are payable June 22 and December 22 annually through 2007.

There was \$1,575,000 unpaid principal at December 31, 2005, payable over the following term:

Year	Principal	Interest	Total
2006	\$ 770,000	\$39,463	\$ 809,463
2007	805,000	22,137	827,137
	<u>\$1,575,000</u>	<u>\$61,600</u>	<u>\$1,636,600</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 from GAAP basis expenses.

	Budgeted Amounts		Expenditures Reported on the Basis of GAAP	Adjustment to Budgetary Basis	Expenditures on Budgetary Basis	Variance with Final Budget – Positive (Negative)
	Original	Final				
Enterprise Funds:						
Water	\$4,288,084	5,499,038	\$4,222,594	\$ 912,427	\$5,135,021	\$ 364,017
Solid Waste Removal Two Rivers	2,441,876	2,433,376	2,340,292	66,747	2,407,039	26,337
Convention Center	2,343,347	2,448,347	2,641,066	(153,439)	2,487,627	(39,280)
Swimming Pools	734,895	998,929	919,684	66,879	986,563	12,366
Lincoln Park Golf	678,776	736,708	667,199	(13,737)	653,462	83,246
Tiara Rado Golf	1,143,481	1,187,396	1,231,443	(57,005)	1,174,438	12,958
Parking Authority	249,551	550,322	321,282	(37,056)	284,226	266,096
Irrigation	205,357	205,937	273,642	(79,210)	194,432	11,505
Internal Service Funds:						
Data Processing	2,040,477	2,615,325	2,496,536	(20,571)	2,475,965	139,360
Equipment	2,575,239	2,937,591	3,048,908	(469,804)	2,579,104	358,487
Stores	228,320	257,528	234,531	(2,300)	232,231	25,297
Self-Insurance	1,204,512	2,132,913	1,826,305	-	1,826,305	306,608
Communications Center	3,336,807	3,651,889	3,175,702	(71,286)	3,104,416	547,473

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2005, is as follows:

Due to/from other funds:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 237,402	\$ -
Community Development Special Revenue Fund to cover the cost of operations	-	18,749
Two River Convention Center Enterprise Fund to cover the cost of operations	-	158,808
Swimming Pools Enterprise Fund to cover the cost of operations	-	19,389
Lincoln Park Golf Course Enterprise Fund to pay current portion of advance	-	18,415
Tiara Rado Golf Course Enterprise Fund to pay current portion of advance	-	22,041
Total	\$ 237,402	\$237,402

Advances to/from other funds:

	Advance to Other Funds	Advance from Other Funds
General Fund	\$ 287,728	\$ -
Lincoln Park Golf Enterprise Fund to cover the cost of new pump house	-	40,212
Tiara Rado Golf Enterprise Fund to cover the cost of new driving range	-	247,516
Total	\$ 287,728	\$ 287,728

Interfund Transfers:

Transfers out:	Transfers In:						
	General Fund	Sales Tax CIP	Two Rivers Convention Center	Nonmajor Governmental	Internal Service	Nonmajor Proprietary	Total
General Fund	\$ -	\$2,233,706	\$315,871	\$ 150,000	\$ -	\$148,202	\$2,847,779
Sales Tax CIP	-	-	59,800	4,258,537	-	210,501	4,528,838
Nonmajor governmental funds	58,638	923,363	-	285,748	830,508	179,000	2,277,257
Total transfers out	<u>\$58,638</u>	<u>\$3,157,069</u>	<u>\$375,671</u>	<u>\$4,694,285</u>	<u>\$830,508</u>	<u>\$537,703</u>	<u>\$9,653,874</u>

Transfers into the General Fund were to assist with cemetery operations (\$41,208) and to reimburse administrative costs of the Community Development Block Grant (\$17,430).

Transfers into the Sales Tax CIP fund were for various capital construction projects. The CIP fund also transferred \$3,708,538 to the Debt Service Fund to cover the costs of current principal and interest payments.

The transfer from the General Fund to the Two Rivers Convention Center fund was to subsidize operations and the transfer from the Sales Tax CIP Fund was for the purchase of facility management software.

The Street Assessment Fund transferred \$650,000 to the Sales Tax Capital Improvements Fund for street improvement projects. In addition, a \$830,508 transfer from the E-911 Special Revenue Fund was made to the Communications Center Internal Service fund for equipment replacement. The remaining transfers were made to finance various programs in accordance with authorized budget appropriations.

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 Wells Fargo Bank, N.A. 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, 2005, was \$33,536,425. Covered wages and contributions in 2005 were as follows:

<u>General Employee Plan</u>	
Covered wages	\$18,752,602
City contribution	1,125,164
Employee contribution	1,125,164

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 at Wells Fargo Bank, N.A. Vesting is accomplished over a seven-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 2005 were as follows:

<u>New Hire – Police & Fire</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Covered wages	\$4,848,544	\$4,445,044
City contribution	516,372	473,399
Employee contribution	516,353	473,399

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). 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 2005, there were no police officers participating in the defined benefit plans. Covered wages of fire fighters in 2005 were as follows:

<u>Old Hire Rank Escalation</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Covered wages	\$ -	\$119,791
City contribution	-	7,966
Employee contribution	-	779

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

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 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 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.

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 2005, there were no active policemen covered by the Police Old Hire Plan and 24 retirees and beneficiaries receiving benefits. The City's payroll for firefighters covered by the system was \$117,532 out of a total payroll of \$32,685,908 for the year ended December 31, 2005. There were 2 active firefighters contributing to the Fire Old Hire Plan and 44 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, 2005, were as follows:

	Police Old Hire Plan	Fire Old Hire Plan	Total
City contribution	\$426,799	\$380,611	\$807,410
Employee contributions	-	11,979	11,979
State contribution	-	-	-
Total	<u>\$426,799</u>	<u>\$392,590</u>	<u>\$819,389</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 2005, the Police and Fire Old Hire Plans were fully funded and the State of Colorado was no longer required to make contributions to the Plans.

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)	\$426,798	\$341,859
Interest on net pension obligation (NPO)	24,893	24,345
Adjustment to ARC	<u>(53,880)</u>	<u>(30,065)</u>
Annual pension cost	397,811	336,139
Contributions made	<u>426,799</u>	<u>392,590</u>
Decrease in NPO	<u>(28,988)</u>	<u>(56,451)</u>
NPO – January 1, 2005	<u>282,174</u>	<u>298,591</u>
NPO – December 31, 2005	<u>\$253,186</u>	<u>\$242,140</u>
Actuarial valuation date	1/1/04	1/1/04
Actuarial cost method	Entry age	Entry age
Amortization method	Level percent of pay, closed	Level percent of pay, closed
Remaining amortization period	6 years	6 years
Asset valuation method	3-Year Smoothed	3-Year Smoothed
Actuarial assumptions:		
Investment rate of return	8.00%	8.00%
Projected salary increases	4.5 – 13.0%	4.5 – 13.0%
Includes inflation at	4.00%	4.00%
Cost of living adjustment	4.00%	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	12/31/03	416,548	102.46%	311,162
	12/31/04	397,811	107.29%	282,174
	12/31/05	397,811	107.29%	253,186
Fire Old Hire Plan	12/31/03	324,168	13.07%	304,311
	12/31/04	51,765	111.05%	298,591
	12/31/05	336,139	116.79%	242,140

Listed below is the required disclosure for the most recent actuarial valuation and 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)
<i>Police Old Hire Plan</i>				
1/1/04	\$ 2,373,408	\$ 6,870,885	\$ 4,497,477	35%
1/1/02	2,503,638	6,635,865	4,132,227	38%
1/1/00	2,254,720	6,753,323	4,498,603	33%
<i>Fire Old Hire Plan</i>				
1/1/04	\$11,041,517	\$14,415,150	\$ 3,373,633	77%
1/1/02	14,023,374	14,410,033	386,659	97%
1/1/00	14,710,647	14,119,961	(590,686)	104%

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 2009. 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. 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, 2005 and for the year then ended, are as follows:

<u>Statement of Net Assets</u>	
Assets:	
Current assets	\$ 9,977,744
Noncurrent assets	1,279,728
Net property, plant, and equipment	<u>52,252,744</u>
Total assets	<u>\$63,510,216</u>
Liabilities:	
Current liabilities	\$ 1,252,835
Long-term debt	<u>11,401,286</u>
Total liabilities	<u>12,654,121</u>
Net Assets	
Invested in capital assets, net of related debt	40,301,913
Unrestricted	<u>10,554,182</u>
Total net assets	<u>\$ 50,856,095</u>
 <u>Statement of Revenue and Expenses</u> 	
Operating revenue	\$ 6,286,917
Operating expenses	<u>6,563,101</u>
Operating income	(276,184)
Net nonoperating revenue and expenses	55,750
Capital contributions	<u>1,597,052</u>
Change in net assets	1,376,618
Total net assets - beginning	<u>49,479,477</u>
Total net assets - ending	<u>\$ 50,856,095</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 \$9,098,681 reported as an Investment Trust Fund in the City's reporting entity. See Note 2 for disclosure of all investing policies concerning the pool.

Operating expense includes 1,811,319 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, 2005 was \$11,470,000 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2006	\$ 705,000	\$ 467,750	\$ 1,172,750
2007	730,000	446,339	1,176,339
2008	755,000	422,343	1,177,343
2009	775,000	397,525	1,172,525
2010	805,000	372,050	1,177,050
2011-2015	3,350,000	1,481,364	4,831,364
2016-2020	2,180,000	1,082,891	3,262,891
2021-2024	2,170,000	440,941	2,610,941
	<u>\$11,470,000</u>	<u>\$5,111,203</u>	<u>\$16,581,203</u>

B. 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, 2005, and for the year then ended are as follows:

Balance Sheet	
Assets:	
Cash	\$360,960
Loans receivable	<u>32,712</u>
	Total assets <u>\$393,672</u>
Liabilities and fund equity:	
Liabilities	
Accounts payable	\$ 836
	Total liabilities <u>836</u>
Fund equity:	
Fund balance:	
Reserved for interest and loans receivable	48,134
Unreserved, undesignated	<u>344,702</u>
	Total fund equity <u>392,836</u>
	Total liabilities and fund equity <u>\$393,672</u>
Statement of Revenues and Expenditures	
Interest and other income	\$ 10,348
Expenditures	<u>(6,647)</u>
	Excess of revenues over expenditures <u>\$ 3,701</u>

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

NOTE 12. CONTINGENCIES

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established the Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Internal Service Fund provides coverage for up to a maximum of \$500,000 per occurrence on each worker's compensation claim and up to \$150,000 for each general liability or property damage claim. The City purchases 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. 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 \$1,786,347 in the Self-Insurance Internal Service Fund at December 31, 2005, 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. Retained earnings of the fund in the amount of \$4,565,026 would be used in the event of a future catastrophic loss. Changes in the Self-Insurance Internal Service Fund's claims liability amount in 2004 and 2005 were:

	January 1 Claims Payable	Claims and Changes in Estimates	Claim Payments	December 31 Claims Payable
2004	\$1,188,128	1,052,990	\$(612,403)	\$1,628,715
2005	\$1,628,715	785,443	\$(627,811)	\$1,786,347

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. COMMITMENTS

The City pledged during 1996 to support the efforts of a local state college to acquire additional land adjacent to the college. The City has agreed to contribute matching funds of up to \$250,000 annually for the next ten years to the Mesa State College Foundation to purchase property within a limited area. The City's contribution is contingent upon the Foundation raising adequate matching funds and negotiating property purchases within the defined area. The City's total contribution is not to exceed \$2,500,000. Total contributions through December 31, 2005, made from the Economic Development Special Revenue Fund, are as follows:

Year	Amount
1996 through 2004	\$2,250,000
2005	250,000
Total expense through December 31, 2005	<u>\$2,500,000</u>

D. 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 13. 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, 2005, there was a series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$3,555,000 and a series of private activity economic development bonds with an 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 14. 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 15. 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. During 2005, City revenue did not exceed the Fiscal Year Spending limit.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The City's emergency reserve is budgeted as part of the contingencies under general government in the general fund.

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.

City of Grand Junction, Colorado



Nonmajor Governmental Funds

Special Revenue Funds

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

Visitors and Convention Bureau – to accumulate resources from a lodging tax and other taxes to operate a visitor and convention bureau that promotes conventions and tourism.

Enhanced 911 Fund - to account for the resources from municipal telephone charges and their expenditure for improvements to the emergency 911 communication center.

Parkland Expansion Fund - to accumulate resources from the state lottery and land developers within the City to acquire and maintain parks and green space.

Golf Course Expansion Fund - to account for resources accumulated from golf course fees for golf course improvements and expansion.

Economic Development Fund - to account for resources accumulated to further economic development efforts in the City of Grand Junction and the Grand Valley area.

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 the resources and expenditures of the community development block grant and other grants received for pass through 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 capital improvement bond issue.

Parkway Project Capital Fund – to account for the construction of the Riverside Parkway financed primarily through revenue bonds.

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.

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 West Water and Sanitation District (GJWWS) Debt Service Fund - to account for those assets received by the City upon the dissolution of the Grand Junction West Water and Sanitation District restricted to the payment of GJWWS long-term debt, the collection of property taxes and other fees levied within the District for the payment of long-term debt and the payment of GJWWS long-term debt.

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

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's program.

Cemetery Perpetual Care Fund - to accumulate resources to provide for the future maintenance of municipal cemeteries.



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City of Grand Junction
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2005

	Special Revenue							
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Golf Course Expansion	Economic Development	Conservation Trust	Community Development	Total
ASSETS								
Cash and investments	\$ 790,208	\$ 1,654,418	\$ 1,387,765	\$ 5,518	\$ 521,011	\$ -	\$ -	\$ 4,358,920
Accounts receivable	-	-	450	-	-	-	-	450
Taxes receivable	127,154	-	-	-	-	-	-	127,154
Intergovernmental receivable	-	-	-	-	-	-	35,189	35,189
Total assets	<u>\$ 917,362</u>	<u>\$ 1,654,418</u>	<u>\$ 1,388,215</u>	<u>\$ 5,518</u>	<u>\$ 521,011</u>	<u>\$ -</u>	<u>\$ 35,189</u>	<u>\$ 4,521,713</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ 99,979	\$ 9,900	\$ 530	\$ -	\$ -	\$ -	\$ 3,770	\$ 114,179
Accrued liabilities	24,351	-	-	-	1,667	-	-	26,018
Due to other funds	-	-	-	-	-	-	18,749	18,749
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>124,330</u>	<u>9,900</u>	<u>530</u>	<u>-</u>	<u>1,667</u>	<u>-</u>	<u>22,519</u>	<u>158,946</u>
Fund balances:								
Reserved for perpetual care	-	-	-	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-	-	-
Unreserved:								
Designated for subsequent year's expenditures	117,191	453,582	236,110	-	-	-	-	806,883
Undesignated	675,841	1,190,936	1,151,575	5,518	519,344	-	12,670	3,555,884
Total fund balances	<u>793,032</u>	<u>1,644,518</u>	<u>1,387,685</u>	<u>5,518</u>	<u>519,344</u>	<u>-</u>	<u>12,670</u>	<u>4,362,767</u>
Total liabilities and fund balances	<u>\$ 917,362</u>	<u>\$ 1,654,418</u>	<u>\$ 1,388,215</u>	<u>\$ 5,518</u>	<u>\$ 521,011</u>	<u>\$ -</u>	<u>\$ 35,189</u>	<u>\$ 4,521,713</u>

Debt Service					Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
General	Ridges	GJWWSD	GJ Public Finance	Total	Storm Drainage Development	Street Assessment Projects	Facilities Capital Projects	Total	Cemetery Perpetual Care	
\$ -	\$ 303,015	\$ 297,660	\$ 226,178	\$ 826,853	\$ 1,897,253	\$ 2,478,383	\$ 2,884,097	\$ 7,259,733	\$ 1,119,423	\$ 13,564,929
-	8,746	3,561	-	12,307	-	18,460	-	18,460	5,028	36,245
-	135,168	-	-	135,168	-	-	-	-	-	262,322
-	-	-	-	-	-	-	-	-	-	35,189
<u>\$ -</u>	<u>\$ 446,929</u>	<u>\$ 301,221</u>	<u>\$ 226,178</u>	<u>\$ 974,328</u>	<u>\$ 1,897,253</u>	<u>\$ 2,496,843</u>	<u>\$ 2,884,097</u>	<u>\$ 7,278,193</u>	<u>\$ 1,124,451</u>	<u>\$ 13,898,685</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,049	\$ 857,644	-	858,693	\$ -	\$ 972,872
-	-	-	-	-	8,064	-	-	8,064	-	34,082
-	-	-	-	-	-	-	-	-	-	18,749
-	143,914	3,561	-	147,475	-	-	-	-	-	147,475
-	143,914	3,561	-	147,475	9,113	857,644	-	866,757	-	1,173,178
-	-	-	-	-	-	-	-	-	1,124,451	1,124,451
-	303,015	297,660	226,178	826,853	-	-	-	-	-	826,853
-	-	-	-	-	-	-	686,000	686,000	-	1,492,883
-	-	-	-	-	1,888,140	1,639,199	2,198,097	5,725,436	-	9,281,320
-	303,015	297,660	226,178	826,853	1,888,140	1,639,199	2,884,097	6,411,436	1,124,451	12,725,507
<u>\$ -</u>	<u>\$ 446,929</u>	<u>\$ 301,221</u>	<u>\$ 226,178</u>	<u>\$ 974,328</u>	<u>\$ 1,897,253</u>	<u>\$ 2,496,843</u>	<u>\$ 2,884,097</u>	<u>\$ 7,278,193</u>	<u>\$ 1,124,451</u>	<u>\$ 13,898,685</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, 2005

	Special Revenue							Total
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Golf Course Expansion	Economic Development	Conservation Trust	Community Development	
REVENUES								
Taxes	\$ 1,495,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,495,823
Intergovernmental	-	-	-	-	-	429,009	513,406	942,415
Charges for services	15,138	979,228	-	171,592	-	-	-	1,165,958
Miscellaneous	185	40	890,155	-	-	-	-	890,380
Investment income	13,138	17,964	20,257	2,103	-	3,599	-	57,061
Total revenues	<u>1,524,284</u>	<u>997,232</u>	<u>910,412</u>	<u>173,695</u>	<u>-</u>	<u>432,608</u>	<u>513,406</u>	<u>4,551,637</u>
EXPENDITURES								
Current:								
General government	1,323,721	392	14,612	-	678,336	-	-	2,017,061
Urban development and housing	-	-	-	-	-	-	485,505	485,505
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,323,721</u>	<u>392</u>	<u>14,612</u>	<u>-</u>	<u>678,336</u>	<u>-</u>	<u>485,505</u>	<u>2,502,566</u>
Excess (deficiency) of revenues over (under) expenditures	<u>200,563</u>	<u>996,840</u>	<u>895,800</u>	<u>173,695</u>	<u>(678,336)</u>	<u>432,608</u>	<u>27,901</u>	<u>2,049,071</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	450,000	-	-	450,000
Transfers out	-	(830,508)	(124,000)	(179,000)	-	(432,608)	(17,430)	(1,583,546)
Total other financing sources (uses)	<u>-</u>	<u>(830,508)</u>	<u>(124,000)</u>	<u>(179,000)</u>	<u>450,000</u>	<u>(432,608)</u>	<u>(17,430)</u>	<u>(1,133,546)</u>
Net change in fund balance	200,563	166,332	771,800	(5,305)	(228,336)	-	10,471	915,525
Fund balances - beginning	592,469	1,478,186	615,885	10,823	747,680	-	2,199	3,447,242
Fund balances - ending	<u>\$ 793,032</u>	<u>\$ 1,644,518</u>	<u>\$ 1,387,685</u>	<u>\$ 5,518</u>	<u>\$ 519,344</u>	<u>\$ -</u>	<u>\$ 12,670</u>	<u>\$ 4,362,767</u>

Debt Service					Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
General	Ridges	GJWWSD	GJ Public Finance	Total	Storm Drainage Development	Street Assessment Projects	Facilities Capital Projects	Total	Cemetery Perpetual Care	
-	\$ 136,614	\$ 91,329	\$ -	\$ 227,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,723,766
-	-	-	-	-	-	-	-	-	-	942,415
-	-	-	-	-	-	-	-	-	20,973	1,186,931
-	-	40,055	-	40,055	82,774	1,469,233	-	1,552,007	-	2,482,442
-	8,947	7,712	5,636	22,295	41,018	40,703	59,395	141,116	24,305	244,777
-	145,561	139,096	5,636	290,293	123,792	1,509,936	59,395	1,693,123	45,278	6,580,331
-	2,626	2,561	950	6,137	-	-	-	-	-	2,023,198
-	-	-	-	-	-	-	-	-	-	485,505
1,028,687	130,000	128,557	255,000	1,542,244	-	-	-	-	-	1,542,244
2,679,851	91,690	6,720	29,798	2,808,059	-	-	-	-	-	2,808,059
-	-	-	-	-	157,261	-	-	157,261	-	157,261
3,708,538	224,316	137,838	285,748	4,356,440	157,261	-	-	157,261	-	7,016,267
(3,708,538)	(78,755)	1,258	(280,112)	(4,066,147)	(33,469)	1,509,936	59,395	1,535,862	45,278	(435,936)
3,708,538	-	-	285,748	3,994,286	-	-	250,000	250,000	-	4,694,286
-	-	-	-	-	-	(650,000)	-	(650,000)	(41,208)	(2,274,754)
3,708,538	-	-	285,748	3,994,286	-	(650,000)	250,000	(400,000)	(41,208)	2,419,532
-	(78,755)	1,258	5,636	(71,861)	(33,469)	859,936	309,395	1,135,862	4,070	1,983,596
-	381,770	296,402	220,542	898,714	1,921,609	779,263	2,574,702	5,275,574	1,120,381	10,741,911
-	\$ 303,015	\$ 297,660	\$ 226,178	\$ 826,853	\$ 1,888,140	\$ 1,639,199	\$ 2,884,097	\$ 6,411,436	\$ 1,124,451	\$ 12,725,507

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,366,191	\$ 1,421,900	\$ 1,495,823	\$ 73,923
Charges for services	11,300	6,500	15,138	8,638
Miscellaneous	200	100	185	85
Investment income	8,800	18,000	13,138	(4,862)
Total revenues	<u>1,386,491</u>	<u>1,446,500</u>	<u>1,524,284</u>	<u>77,784</u>
EXPENDITURES				
Current:				
General government:	<u>1,391,783</u>	<u>1,404,518</u>	<u>1,323,721</u>	<u>80,797</u>
Excess of revenues over expenditures	<u>(5,292)</u>	<u>41,982</u>	<u>200,563</u>	<u>158,581</u>
Fund balances - beginning	592,469	592,469	592,469	-
Fund balances - ending	<u>\$ 587,177</u>	<u>\$ 634,451</u>	<u>\$ 793,032</u>	<u>\$ 158,581</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 1,006,656	\$ 1,100,000	\$ 979,228	\$ (120,772)
Miscellaneous	-	-	40	40
Investment income	28,000	40,000	17,964	(22,036)
Total revenues	<u>1,034,656</u>	<u>1,140,000</u>	<u>997,232</u>	<u>(142,768)</u>
EXPENDITURES				
Current:				
General government:	-	-	392	(392)
Excess of revenues over expenditures	<u>1,034,656</u>	<u>1,140,000</u>	<u>996,840</u>	<u>(143,160)</u>
OTHER FINANCING USES				
Transfers out	<u>(1,144,196)</u>	<u>(1,197,196)</u>	<u>(830,508)</u>	<u>366,688</u>
Net change in fund balance	(109,540)	(57,196)	166,332	223,528
Fund balances - beginning	1,478,186	1,478,186	1,478,186	-
Fund balances - ending	<u>\$ 1,368,646</u>	<u>\$ 1,420,990</u>	<u>\$ 1,644,518</u>	<u>\$ 223,528</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 268,300	\$ 681,300	\$ 890,155	\$ 208,855
Investment income	10,000	28,000	20,257	(7,743)
Total revenues	<u>278,300</u>	<u>709,300</u>	<u>910,412</u>	<u>201,112</u>
EXPENDITURES				
Current:				
General government:	<u>28,600</u>	<u>28,600</u>	<u>14,612</u>	<u>13,988</u>
Excess of revenues over expenditures	249,700	680,700	895,800	187,124
OTHER FINANCING USES				
Transfers out	<u>(406,298)</u>	<u>(124,000)</u>	<u>(124,000)</u>	<u>-</u>
Net change in fund balance	(156,598)	556,700	771,800	187,124
Fund balances - beginning	615,885	615,885	615,885	-
Fund balances - ending	<u>\$ 459,287</u>	<u>\$ 1,172,585</u>	<u>\$ 1,387,685</u>	<u>\$ 187,124</u>

City of Grand Junction, Colorado
GOLF COURSE EXPANSION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 151,706	\$ 177,416	\$ 171,592	\$ (5,824)
Investment income	-	-	2,103	2,103
Total revenues	<u>151,706</u>	<u>177,416</u>	<u>173,695</u>	<u>(3,721)</u>
EXPENDITURES				
	-	-	-	-
Excess of revenues over expenditures	151,706	177,416	173,695	(3,721)
OTHER FINANCING USES				
Transfers out	<u>(145,000)</u>	<u>(179,000)</u>	<u>(179,000)</u>	-
Net change in fund balance	6,706	(1,584)	(5,305)	(3,721)
Fund balances - beginning	10,823	10,823	10,823	-
Fund balances - ending	<u>\$ 17,529</u>	<u>\$ 9,239</u>	<u>\$ 5,518</u>	<u>\$ (3,721)</u>

City of Grand Junction, Colorado
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	48	-	(48)
EXPENDITURES				
Current:				
General government:	787,944	1,197,728	678,336	519,392
Deficiency of revenues under expenditures	(787,944)	(1,197,680)	(678,336)	(519,440)
OTHER FINANCING SOURCES				
Transfers in	450,000	450,000	450,000	-
Net change in fund balance	(337,944)	(747,680)	(228,336)	(519,440)
Fund balances - beginning	747,680	747,680	747,680	-
Fund balances - ending	\$ <u>409,736</u>	\$ <u>-</u>	\$ <u>519,344</u>	\$ <u>(519,440)</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 410,000	\$ 410,000	\$ 429,009	\$ 19,009
Investment income	5,000	2,298	3,599	1,301
Total revenues	<u>415,000</u>	<u>412,298</u>	<u>432,608</u>	<u>20,310</u>
EXPENDITURES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	415,000	412,298	432,608	20,310
OTHER FINANCING SOURCES				
Transfers out	<u>(415,000)</u>	<u>(412,298)</u>	<u>(432,608)</u>	<u>(20,310)</u>
Net change in fund balance	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 677,350	\$ 677,350	\$ 513,406	\$ (163,944)
EXPENDITURES				
Current:				
Urban development and housing	414,000	657,350	485,505	171,845
Excess of revenues over expenditures	263,350	20,000	27,901	7,901
OTHER FINANCING SOURCES				
Transfers out	(36,000)	(20,000)	(17,430)	2,570
Net change in fund balance	227,350	-	10,471	10,471
Fund balances - beginning	2,199	2,199	2,199	-
Fund balances - ending	\$ 229,549	\$ 2,199	\$ 12,670	\$ 10,471

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, 2005

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
Debt service:			
Principal retirement	1,028,687	1,028,687	-
Interest and fiscal charges	2,679,701	2,679,851	(150)
Total expenditures	<u>3,708,388</u>	<u>3,708,538</u>	<u>(150)</u>
 Deficiency of revenues under expenditures	 (3,708,388)	 (3,708,538)	 (150)
OTHER FINANCING SOURCES			
Transfers in	<u>3,708,388</u>	<u>3,708,538</u>	<u>150</u>
Net change in fund balance	-	-	150
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>

City of Grand Junction, Colorado

RIDGES DEBT SERVICE FUND

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

For the year ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 159,000	\$ 142,800	\$ 136,614	\$ (6,186)
Miscellaneous	-	-	-	-
Investment income	12,000	14,000	8,947	(5,053)
Total revenues	<u>171,000</u>	<u>156,800</u>	<u>145,561</u>	<u>(11,239)</u>
EXPENDITURES				
Current:				
General government	4,500	3,900	2,626	1,274
Debt service:				
Principal retirement	130,000	130,000	130,000	-
Interest and fiscal charges	91,690	91,690	91,690	-
Total expenditures	<u>226,190</u>	<u>225,590</u>	<u>224,316</u>	<u>1,274</u>
Excess (deficiency) of revenues over (under) expenditures	(55,190)	(68,790)	(78,755)	(9,965)
Fund balances - beginning	381,770	381,770	381,770	-
Fund balances - ending	<u>\$ 326,580</u>	<u>\$ 312,980</u>	<u>\$ 303,015</u>	<u>\$ (9,965)</u>

City of Grand Junction, Colorado
GRAND JUNCTION WEST WATER AND SANITATION DISTRICT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 86,000	\$ 90,000	\$ 91,329	\$ 1,329
Miscellaneous	29,000	38,000	40,055	2,055
Investment income	7,000	12,000	7,712	(4,288)
Total revenues	<u>122,000</u>	<u>140,000</u>	<u>139,096</u>	<u>(904)</u>
EXPENDITURES				
Current:				
General government	2,000	4,000	2,561	1,439
Debt service:				
Principal retirement	128,557	128,557	128,557	-
Interest and fiscal charges	24,624	22,624	6,720	15,904
Total expenditures	<u>155,181</u>	<u>155,181</u>	<u>137,838</u>	<u>17,343</u>
Deficiency of revenues under expenditures	(33,181)	(15,181)	1,258	16,439
Fund balances - beginning	296,402	296,402	296,402	-
Fund balances - ending	<u>\$ 263,221</u>	<u>\$ 281,221</u>	<u>\$ 297,660</u>	<u>\$ 16,439</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, 2005

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment income	\$ -	\$ 5,636	\$ 5,636
EXPENDITURES			
Current:			
General government	1,500	950	550
Debt service:			
Principal retirement	255,000	255,000	-
Interest and fiscal charges	29,798	29,798	-
Total expenditures	<u>286,298</u>	<u>285,748</u>	<u>550</u>
Deficiency of revenues under expenditures	(286,298)	(280,112)	6,186
OTHER FINANCING SOURCES			
Transfers in	<u>286,298</u>	<u>285,748</u>	<u>(550)</u>
Net change in fund balance	-	5,636	5,636
Fund balances - beginning	220,542	220,542	-
Fund balances - ending	<u>\$ 220,542</u>	<u>\$ 226,178</u>	<u>\$ 5,636</u>

City of Grand Junction, Colorado
SALES TAX CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the year ended December 31, 2005

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes	\$ 9,446,182	\$ 9,559,909	\$ 9,802,717	\$ (141,908)	\$ 9,660,809	\$ 100,900
Intergovernmental	2,607,000	2,107,000	829,991	-	829,991	(1,277,009)
Special assessments	212,400	248,000	65,949	-	65,949	(182,051)
Investment income	55,700	229,300	154,321	100,735	255,056	25,756
Miscellaneous	212,500	12,500	63,782	-	63,782	51,282
Total revenues	<u>12,533,782</u>	<u>12,156,709</u>	<u>10,916,760</u>	<u>(41,173)</u>	<u>10,875,587</u>	<u>(1,281,122)</u>
EXPENDITURES						
Capital outlay:						
Construction	8,564,234	12,421,658	7,515,063	-	7,515,063	4,906,595
Total expenditures	<u>8,564,234</u>	<u>12,421,658</u>	<u>7,515,063</u>	<u>-</u>	<u>7,515,063</u>	<u>4,906,595</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,969,548</u>	<u>(264,949)</u>	<u>3,401,697</u>	<u>(41,173)</u>	<u>3,360,524</u>	<u>3,625,473</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	3,467,508	4,018,756	3,154,566	-	3,154,566	(864,190)
Transfers out	(9,464,888)	(4,612,888)	(4,528,838)	-	(4,528,838)	84,050
Total other financing sources (uses)	<u>(5,997,380)</u>	<u>(594,132)</u>	<u>(1,374,272)</u>	<u>-</u>	<u>(1,374,272)</u>	<u>(780,140)</u>
Net change in fund balances	(2,027,832)	(859,081)	2,027,425	(41,173)	1,986,252	2,845,333
Fund balances - beginning	7,542,861	7,542,861	7,542,861	-	7,542,861	-
Fund balances - ending	<u>\$ 5,515,029</u>	<u>\$ 6,683,780</u>	<u>\$ 9,570,286</u>	<u>\$ (41,173)</u>	<u>\$ 9,529,113</u>	<u>\$ 2,845,333</u>

City of Grand Junction, Colorado
PARKWAY PROJECT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the year ended December 31, 2005

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Intergovernmental	\$ -	\$ 150,000	\$ 50,000	\$ -	\$ 50,000	\$ -
Investment income	971,000	825,000	857,573	26,660	884,233	59,233
Miscellaneous	-	158,197	134,627	-	134,627	(23,570)
Total revenues	<u>971,000</u>	<u>1,133,197</u>	<u>1,042,200</u>	<u>26,660</u>	<u>1,068,860</u>	<u>35,663</u>
EXPENDITURES						
Capital outlay:						
Construction	<u>35,000,000</u>	<u>25,010,000</u>	<u>17,943,226</u>	<u>-</u>	<u>17,943,226</u>	<u>7,066,774</u>
Total expenditures	<u>35,000,000</u>	<u>25,010,000</u>	<u>17,943,226</u>	<u>-</u>	<u>17,943,226</u>	<u>7,066,774</u>
Net change in fund balances	(34,029,000)	(23,876,803)	(16,901,026)	26,660	(16,874,366)	7,102,437
Fund balances - beginning	52,406,281	52,406,281	52,406,281	-	52,406,281	-
Fund balances - ending	<u>\$ 18,377,281</u>	<u>\$ 28,529,478</u>	<u>\$ 35,505,255</u>	<u>\$ 26,660</u>	<u>\$ 35,531,915</u>	<u>\$ 7,102,437</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Development fees	\$ 100,000	\$ 65,000	\$ 82,774	\$ 17,774
Investment income	6,700	69,000	41,018	(27,982)
Total revenues	<u>106,700</u>	<u>134,000</u>	<u>123,792</u>	<u>(10,208)</u>
EXPENDITURES				
Capital outlay:				
Construction	5,426,663	857,000	157,261	699,739
Deficiency of revenues under expenditures	(5,319,963)	(723,000)	(33,469)	689,531
OTHER FINANCING SOURCES				
Transfers in	4,800,000	-	-	-
Net change in fund balance	(519,963)	(723,000)	(33,469)	689,531
Fund balances - beginning	1,921,609	1,921,609	1,921,609	-
Fund balances - ending	<u>\$ 1,401,646</u>	<u>\$ 1,198,609</u>	<u>\$ 1,888,140</u>	<u>\$ 689,531</u>

City of Grand Junction, Colorado
STREET ASSESSMENT PROJECTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2005

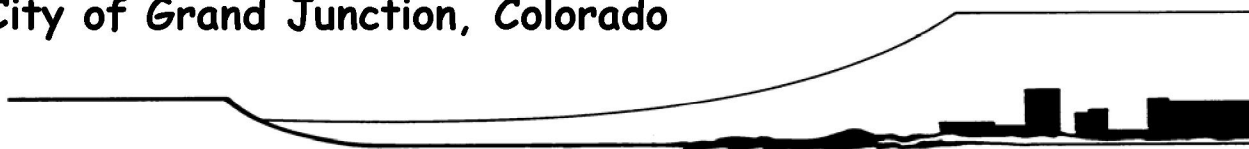
	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Development fees	\$ 750,000	\$ 1,070,000	\$ 1,469,233	\$ 399,233
Investment income	45,000	58,000	40,703	(17,297)
Total revenues	<u>795,000</u>	<u>1,128,000</u>	<u>1,509,936</u>	<u>381,936</u>
EXPENDITURES				
	-	-	-	-
Excess of revenues over expenditures	795,000	1,128,000	1,509,936	381,936
OTHER FINANCING USES				
Transfers out	(600,000)	(1,050,000)	(650,000)	400,000
Net change in fund balance	195,000	78,000	859,936	781,936
Fund balances - beginning	779,263	779,263	779,263	-
Fund balances - ending	<u>\$ 974,263</u>	<u>\$ 857,263</u>	<u>\$ 1,639,199</u>	<u>\$ 781,936</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 64,000	\$ 64,000	\$ 59,395	\$ (4,605)
Total revenues	<u>64,000</u>	<u>64,000</u>	<u>59,395</u>	<u>(4,605)</u>
EXPENDITURES				
Capital outlay:	-	-	-	-
Construction	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	(936,000)	64,000	59,395	(4,605)
OTHER FINANCING USES				
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net change in fund balance	(686,000)	314,000	309,395	(4,605)
Fund balances - beginning	<u>2,574,702</u>	<u>2,574,702</u>	<u>2,574,702</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,888,702</u>	<u>\$ 2,888,702</u>	<u>\$ 2,884,097</u>	<u>\$ (4,605)</u>

City of Grand Junction, Colorado
CEMETERY PERPETUAL CARE PERMANENT TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Amounts		
REVENUES				
Perpetual care revenue	\$ 21,600	\$ 20,900	\$ 20,973	\$ 73
Investment income	45,000	41,000	24,305	(16,695)
Total revenues	<u>66,600</u>	<u>61,900</u>	<u>45,278</u>	<u>(16,622)</u>
EXPENDITURES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	66,600	61,900	45,278	(16,622)
OTHER FINANCING USES				
Transfers out	<u>(45,000)</u>	<u>(41,000)</u>	<u>(41,208)</u>	<u>(208)</u>
Net change in fund balance	21,600	20,900	4,070	(16,830)
Fund balances - beginning	1,120,381	1,120,381	1,120,381	-
Fund balances - ending	<u>\$ 1,141,981</u>	<u>\$ 1,141,281</u>	<u>\$ 1,124,451</u>	<u>\$ (16,830)</u>



Nonmajor 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 (expenses, 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 revenues and expenses associated with refuse collection within the City.

Swimming Pools Fund - to account for revenues and expenses associated with the use and maintenance of all municipally owned swimming pools.

Lincoln Park Golf Course Fund - to account for the revenues and expenses associated with the operations of the Lincoln Park Golf Course.

Tiara Rado Golf Course Fund - to account for the revenues and expenses associated with the operations of the Tiara Rado Golf Course.

Parking Fund - to account for the revenues and expenses associated with the operation of City owned and leased parking facilities and the enforcement of City parking regulations.

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

Internal Service Funds

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

Data Processing Fund - to account for the 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.

Stores Fund - to account for the expenses of purchasing and maintaining an inventory of frequently used or essential materials and supplies and the related charges for these materials and supplies.

Self-Insurance Fund - to account for the expenses associated with providing workmen's compensation and excess property and liability insurance coverage and the related charges to the various departments of the City.

Communications Center Fund - to account for the expense associated with the operations of the Grand Valley Combined Emergency 911 Communications Center and 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, 2005

	Business-Type Activities - Enterprise Funds			
	Solid Waste Removal	Swimming Pools	Lincoln Park Golf Course	Tiara Rado Golf Course
ASSETS				
Current assets:				
Cash and investments	\$ 796,298	\$ -	\$ 23,462	\$ 72,075
Accounts receivable, net of allowance	208,159	43,402	-	1,832
Intergovernmental receivable	-	-	-	-
Inventory	-	-	25,158	36,242
Total current assets	<u>1,004,457</u>	<u>43,402</u>	<u>48,620</u>	<u>110,149</u>
Noncurrent assets:				
Capital assets:				
Land	-	-	19,370	871,986
Buildings, improvements, plant and system	36,299	4,189,724	889,890	2,096,625
Equipment	649,249	217,981	51,871	115,711
Construction in progress	-	-	10,026	-
Less accumulated depreciation	<u>(643,334)</u>	<u>(2,894,154)</u>	<u>(734,230)</u>	<u>(1,433,058)</u>
Total capital assets (net of accumulated depreciation)	<u>42,214</u>	<u>1,513,551</u>	<u>236,927</u>	<u>1,651,264</u>
Total noncurrent assets	<u>42,214</u>	<u>1,513,551</u>	<u>236,927</u>	<u>1,651,264</u>
Total assets	<u>1,046,671</u>	<u>1,556,953</u>	<u>285,547</u>	<u>1,761,413</u>
LIABILITIES				
Current liabilities:				
Accounts payable	45,893	14,357	10,668	15,469
Accrued liabilities	29,916	9,489	11,658	18,711
Compensated absences payable	9,331	736	1,949	5,049
Due to other funds	-	19,389	18,415	22,041
Total current liabilities	<u>85,140</u>	<u>43,971</u>	<u>42,690</u>	<u>61,270</u>
Noncurrent liabilities:				
Compensated absences payable	115,701	9,129	24,166	62,610
Advances from other funds - general fund	-	-	40,212	247,516
Total noncurrent liabilities	<u>115,701</u>	<u>9,129</u>	<u>64,378</u>	<u>310,126</u>
Total liabilities	<u>200,841</u>	<u>53,100</u>	<u>107,068</u>	<u>371,396</u>
NET ASSETS				
Invested in capital assets, net of related debt	42,214	1,513,551	236,927	1,651,264
Unrestricted	803,616	(9,698)	(58,448)	(261,247)
Total net assets	<u>\$ 845,830</u>	<u>\$ 1,503,853</u>	<u>\$ 178,479</u>	<u>\$ 1,390,017</u>

Business-Type Activities - Enterprise Funds

<u>Parking</u>	<u>Irrigation</u>	<u>Total</u>
\$ 655,067	\$ 182,289	\$ 1,729,191
-	14,911	268,304
-	-	-
-	-	61,400
<u>655,067</u>	<u>197,200</u>	<u>2,058,895</u>
984,383	-	1,875,739
694,312	3,375,059	11,281,909
19,551	-	1,054,363
-	-	10,026
<u>(368,552)</u>	<u>(1,921,953)</u>	<u>(7,995,281)</u>
<u>1,329,694</u>	<u>1,453,106</u>	<u>6,226,756</u>
<u>1,329,694</u>	<u>1,453,106</u>	<u>6,226,756</u>
<u>1,984,761</u>	<u>1,650,306</u>	<u>8,285,651</u>
2,062	367	88,816
4,212	3,302	77,288
209	648	17,922
-	-	59,845
<u>6,483</u>	<u>4,317</u>	<u>243,871</u>
2,587	8,029	222,222
-	-	287,728
<u>2,587</u>	<u>8,029</u>	<u>509,950</u>
<u>9,070</u>	<u>12,346</u>	<u>753,821</u>
1,329,694	1,453,106	6,226,756
645,997	184,854	1,305,074
<u>\$ 1,975,691</u>	<u>\$ 1,637,960</u>	<u>\$ 7,531,830</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, 2005

	Business-Type Activities - Enterprise Funds			
	Solid Waste Removal	Swimming Pools	Lincoln Park Golf Course	Tiara Rado Golf Course
Operating revenues:				
Charges for sales and services	\$ 2,427,094	\$ 512,654	\$ 579,071	\$ 1,192,352
Operating expenses:				
Personal services	795,357	436,925	356,454	576,380
Costs of sales and services	1,478,188	296,125	265,049	555,800
Depreciation and amortization	66,747	186,634	41,136	77,508
Total operating expenses	<u>2,340,292</u>	<u>919,684</u>	<u>662,639</u>	<u>1,209,688</u>
Operating income (loss)	<u>86,802</u>	<u>(407,030)</u>	<u>(83,568)</u>	<u>(17,336)</u>
Nonoperating revenues (expenses):				
Intergovernmental	-	115,419	-	-
Miscellaneous	-	-	3,859	27,621
Investment income	16,478	-	1,444	352
Interest expense	-	-	(4,560)	(21,755)
Total nonoperating revenues (expenses)	<u>16,478</u>	<u>115,419</u>	<u>743</u>	<u>6,218</u>
Income (loss) before contributions and transfers	<u>103,280</u>	<u>(291,611)</u>	<u>(82,825)</u>	<u>(11,118)</u>
Capital contributions - tap fees	-	-	-	-
Transfers in	-	358,702	110,000	69,000
Transfers out	-	-	-	-
Change in net assets	103,280	67,091	27,175	57,882
Total net assets - beginning	742,550	1,436,762	151,304	1,332,135
Total net assets - ending	<u>\$ 845,830</u>	<u>\$ 1,503,853</u>	<u>\$ 178,479</u>	<u>\$ 1,390,017</u>

Business-Type Activities - Enterprise Funds

<u>Parking</u>	<u>Irrigation</u>	<u>Total</u>
\$ <u>326,381</u>	\$ <u>178,709</u>	\$ <u>5,216,261</u>
147,566	87,229	2,399,911
127,696	98,404	2,821,262
46,020	88,009	506,054
<u>321,282</u>	<u>273,642</u>	<u>5,727,227</u>
<u>5,099</u>	<u>(94,933)</u>	<u>(510,966)</u>
-	-	115,419
-	-	31,480
13,468	4,198	35,940
<u>-</u>	<u>-</u>	<u>(26,315)</u>
<u>13,468</u>	<u>4,198</u>	<u>156,524</u>
18,567	(90,735)	(354,442)
-	3,640	3,640
-	-	537,702
<u>-</u>	<u>-</u>	<u>-</u>
18,567	(87,095)	186,900
1,957,124	1,725,055	7,344,930
\$ <u><u>1,975,691</u></u>	\$ <u><u>1,637,960</u></u>	\$ <u><u>7,531,830</u></u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the year ended December 31, 2005

	Business-Type Activities - Enterprise Funds			
	Solid Waste Removal	Swimming Pools	Lincoln Park Golf Course	Tiara Rado Golf Course
Cash flows from operating activities:				
Cash received from customers and users	\$ 2,414,404	\$ 517,090	\$ 579,071	\$ 1,191,950
Cash paid to suppliers	(1,477,742)	(298,409)	(263,672)	(543,884)
Cash paid to employees	(803,232)	(438,195)	(366,279)	(578,248)
Miscellaneous nonoperating receipts	-	-	3,859	27,621
Net cash provided (used) by operating activities	<u>133,430</u>	<u>(219,514)</u>	<u>(47,021)</u>	<u>97,439</u>
Cash flows from noncapital financing activities:				
Transfers (to) from other funds	-	358,702	110,000	69,000
Increase (decrease) in amount due other funds	-	(1,094)	(9,602)	(53,108)
Intergovernmental receipts	-	115,419	-	-
Contributions	-	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>473,027</u>	<u>100,398</u>	<u>15,892</u>
Cash flows from capital and related financing activities:				
Tap fees	-	-	-	-
Proceeds of interfund capital loans	-	-	-	-
Repayment of interfund capital loans	-	-	(16,773)	(19,853)
Interest paid	-	-	(4,560)	(21,755)
Purchase of capital assets	-	(253,513)	(10,026)	-
Net cash used in capital and related financing activities	<u>-</u>	<u>(253,513)</u>	<u>(31,359)</u>	<u>(41,608)</u>
Cash flows from investing activities:				
Investment income received	16,478	-	1,444	352
Net cash provided by investing activities	<u>16,478</u>	<u>-</u>	<u>1,444</u>	<u>352</u>
Net increase (decrease) in cash and cash equivalents	149,908	-	23,462	72,075
Cash and cash equivalents, January 1	646,390	-	-	-
Cash and cash equivalents, December 31	<u>\$ 796,298</u>	<u>\$ -</u>	<u>\$ 23,462</u>	<u>\$ 72,075</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 86,802	\$ (407,030)	\$ (83,568)	\$ (17,336)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	66,747	186,634	41,136	77,508
(Increase) decrease in accounts receivable	(12,690)	4,436	-	(402)
(Increase) decrease in inventory	-	-	(2,978)	4,677
Increase (decrease) in accounts payable	446	(2,284)	4,355	7,239
Increase (decrease) in accrued liabilities and compensated absences payable	(7,875)	(1,270)	(9,825)	(1,868)
Miscellaneous nonoperating receipts included in operating activities	-	-	3,859	27,621
Total adjustments	<u>46,628</u>	<u>187,516</u>	<u>36,547</u>	<u>114,775</u>
Net cash provided (used) by operating activities	<u>\$ 133,430</u>	<u>\$ (219,514)</u>	<u>\$ (47,021)</u>	<u>\$ 97,439</u>

Business-Type Activities - Enterprise Funds

	<u>Parking</u>		<u>Irrigation</u>		<u>Total</u>
\$	326,381	\$	177,834	\$	5,206,730
	(126,423)		(98,312)		(2,808,442)
	(145,051)		(86,707)		(2,417,712)
	-		-		31,480
	<u>54,907</u>		<u>(7,185)</u>		<u>12,056</u>
	-		-		537,702
	-		-		(63,804)
	-		-		115,419
	-		-		-
	<u>-</u>		<u>-</u>		<u>589,317</u>
	-		3,640		3,640
	-		-		-
	-		-		(36,626)
	-		-		(26,315)
	<u>(8,964)</u>		<u>(8,799)</u>		<u>(281,302)</u>
	<u>(8,964)</u>		<u>(5,159)</u>		<u>(340,603)</u>
	<u>13,468</u>		<u>4,198</u>		<u>35,940</u>
	<u>13,468</u>		<u>4,198</u>		<u>35,940</u>
	59,411		(8,146)		296,710
	595,656		190,435		1,432,481
\$	<u>655,067</u>	\$	<u>182,289</u>	\$	<u>1,729,191</u>
\$	5,099	\$	(94,933)	\$	(510,966)
	46,020		88,009		506,054
	-		(875)		(9,531)
	-		-		1,699
	1,273		92		11,121
	2,515		522		(17,801)
	-		-		31,480
	<u>49,808</u>		<u>87,748</u>		<u>523,022</u>
\$	<u>54,907</u>	\$	<u>(7,185)</u>	\$	<u>12,056</u>

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2005

	Data Processing	Equipment	Stores	Self- Insurance	Communications Center	Total
ASSETS						
Current assets:						
Cash and investments	\$ 2,347,633	\$ 6,867,372	\$ 152,605	\$ 6,410,650	\$ 220,679	\$ 15,998,939
Accounts receivable, net of allowance	155	2,893	1,222	1,910	-	6,180
Intergovernmental receivable	-	-	1,470	-	19,605	21,075
Inventory	-	-	106,033	-	-	106,033
Total current assets	<u>2,347,788</u>	<u>6,870,265</u>	<u>261,330</u>	<u>6,412,560</u>	<u>240,284</u>	<u>16,132,227</u>
Noncurrent assets:						
Capital assets:						
Buildings and improvements	-	-	-	-	347,690	347,690
Equipment	742,972	16,136,191	22,995	-	4,218,802	21,120,960
Less accumulated depreciation	<u>(705,192)</u>	<u>(9,867,268)</u>	<u>(15,048)</u>	<u>-</u>	<u>(1,729,892)</u>	<u>(12,317,400)</u>
Total capital assets (net of accumulated depreciation)	<u>37,780</u>	<u>6,268,923</u>	<u>7,947</u>	<u>-</u>	<u>2,836,600</u>	<u>9,151,250</u>
Total assets	<u>2,385,568</u>	<u>13,139,188</u>	<u>269,277</u>	<u>6,412,560</u>	<u>3,076,884</u>	<u>25,283,477</u>
LIABILITIES						
Current liabilities:						
Accounts payable	14,609	69,881	24,131	26,745	76,557	211,923
Accrued liabilities	56,255	18,427	4,959	5,048	80,461	165,150
Compensated absences payable	6,763	2,299	435	2,194	5,924	17,615
Claims payable	-	-	-	1,786,347	-	1,786,347
Total current liabilities	<u>77,627</u>	<u>90,607</u>	<u>29,525</u>	<u>1,820,334</u>	<u>162,942</u>	<u>2,181,035</u>
Noncurrent liabilities						
Compensated absences payable	83,858	28,505	5,398	27,200	73,455	218,416
Total liabilities	<u>161,485</u>	<u>119,112</u>	<u>34,923</u>	<u>1,847,534</u>	<u>236,397</u>	<u>2,399,451</u>
NET ASSETS						
Invested in capital assets	37,780	6,268,923	7,947	-	2,836,600	9,151,250
Unrestricted	2,186,303	6,751,153	226,407	4,565,026	3,887	13,732,776
Total net assets	<u>\$ 2,224,083</u>	<u>\$ 13,020,076</u>	<u>\$ 234,354</u>	<u>\$ 4,565,026</u>	<u>\$ 2,840,487</u>	<u>\$ 22,884,026</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, 2005

	Data Processing	Equipment	Stores	Self- Insurance	Communications Center	Total
Operating revenues:						
Charges for sales and services:	\$ 2,776,049	\$ 2,963,031	\$ 196,342	\$ 943,141	\$ 2,212,611	\$ 9,091,174
Miscellaneous	-	2,094	-	17,698	-	19,792
Total operating revenues	<u>2,776,049</u>	<u>2,965,125</u>	<u>196,342</u>	<u>960,839</u>	<u>2,212,611</u>	<u>9,110,966</u>
Operating expenses:						
Personal services	1,496,614	479,251	115,285	134,759	1,985,780	4,211,689
Costs of sales and services	978,197	1,115,947	116,866	1,691,546	782,891	4,685,447
Depreciation and amortization	21,725	1,453,710	2,300	-	407,031	1,884,766
Total operating expenses	<u>2,496,536</u>	<u>3,048,908</u>	<u>234,451</u>	<u>1,826,305</u>	<u>3,175,702</u>	<u>10,781,902</u>
Operating income (loss)	<u>279,513</u>	<u>(83,783)</u>	<u>(38,109)</u>	<u>(865,466)</u>	<u>(963,091)</u>	<u>(1,670,936)</u>
Nonoperating revenues (expenses):						
Investment income	44,391	144,470	3,333	146,637	-	338,831
Gain (loss) on disposition of property and equipment	-	23,221	3,492	-	-	26,713
Total nonoperating revenues (expenses)	<u>44,391</u>	<u>167,691</u>	<u>6,825</u>	<u>146,637</u>	<u>-</u>	<u>365,544</u>
Income (loss) before transfers	<u>323,904</u>	<u>83,908</u>	<u>(31,284)</u>	<u>(718,829)</u>	<u>(963,091)</u>	<u>(1,305,392)</u>
Transfers in	-	-	-	-	830,508	830,508
Change in net assets	323,904	83,908	(31,284)	(718,829)	(132,583)	(474,884)
Total net assets - beginning	1,900,179	12,936,168	265,638	5,283,855	2,973,070	23,358,910
Total net assets - ending	<u>\$ 2,224,083</u>	<u>\$ 13,020,076</u>	<u>\$ 234,354</u>	<u>\$ 4,565,026</u>	<u>\$ 2,840,487</u>	<u>\$ 22,884,026</u>

City of Grand Junction, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2005

	Data Processing	Equipment	Stores	Self Insurance	Communications Center	Total
Cash flows from operating activities:						
Cash received from customers and users	\$ 2,776,135	\$ 2,963,171	\$ 194,029	\$ 941,231	\$ 2,196,681	\$ 9,071,247
Cash paid to suppliers	(973,137)	(1,341,854)	(112,947)	(1,522,360)	(756,008)	(4,706,306)
Cash paid to employees	(1,472,754)	(476,783)	(125,237)	(134,020)	(1,962,122)	(4,170,916)
Miscellaneous nonoperating receipts	-	2,094	-	17,698	-	19,792
Net cash provided (used) by operating activities	<u>330,244</u>	<u>1,146,628</u>	<u>(44,155)</u>	<u>(697,451)</u>	<u>(521,449)</u>	<u>213,817</u>
Cash flows from noncapital financing activities:						
Transfers from other funds	-	-	-	-	830,508	830,508
Transfers to other funds	-	-	-	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>830,508</u>	<u>830,508</u>
Cash flows from capital and related financing activities:						
Proceeds from disposition of capital assets	-	54,088	3,492	-	-	57,580
Purchase of capital assets	(1,154)	(983,906)	-	-	(311,859)	(1,296,919)
Net cash used in capital and related financing activities	<u>(1,154)</u>	<u>(929,818)</u>	<u>3,492</u>	<u>-</u>	<u>(311,859)</u>	<u>(1,239,339)</u>
Cash flows from investing activities:						
Investment income received	44,391	144,470	3,333	146,637	-	338,831
Net cash provided by investing activities	<u>44,391</u>	<u>144,470</u>	<u>3,333</u>	<u>146,637</u>	<u>-</u>	<u>338,831</u>
Net increase in cash and cash equivalents	373,481	361,280	(37,330)	(550,814)	(2,800)	143,817
Cash and cash equivalents, January 1	1,974,152	6,506,092	189,935	6,961,464	223,479	15,855,122
Cash and cash equivalents, December 31	<u>\$ 2,347,633</u>	<u>\$ 6,867,372</u>	<u>\$ 152,605</u>	<u>\$ 6,410,650</u>	<u>\$ 220,679</u>	<u>\$ 15,998,939</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 279,513	\$ (83,783)	\$ (38,109)	\$ (865,466)	\$ (963,091)	\$ (1,670,936)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	21,725	1,453,710	2,300	-	407,031	1,884,766
(Increase) decrease in accounts receivable	85	141	(2,312)	(1,910)	(15,930)	(19,926)
(Increase) decrease in inventory	-	-	(15,051)	-	-	(15,051)
Increase (decrease) in accounts payable	5,060	(225,907)	18,969	11,554	50,769	(139,555)
Increase (decrease) in claims payable	-	-	-	157,632	-	157,632
Increase (decrease) in accrued wages and compensated absences payable	23,861	2,467	(9,952)	739	23,658	40,773
(Increase) decrease in accounts payable due to purchase of capital assets on account	-	-	-	-	(23,886)	(23,886)
Total adjustments	<u>50,731</u>	<u>1,230,411</u>	<u>(6,046)</u>	<u>168,015</u>	<u>441,642</u>	<u>1,884,753</u>
Net cash provided (used) by operating activities	<u>\$ 330,244</u>	<u>\$ 1,146,628</u>	<u>\$ (44,155)</u>	<u>\$ (697,451)</u>	<u>\$ (521,449)</u>	<u>\$ 213,817</u>
Noncash Investing, Capital and Financing Activities						
Purchase of capital assets on account	\$ -	\$ -	\$ -	\$ -	\$ 23,886	\$ 23,886
Net book value of capital assets traded in on capital assets acquired	-	194,880	-	-	-	194,880

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 Statement section of this report.

Private Purpose Trust Funds:

Mesa County Valley School District 51 SLD Fee Fund - to account for revenues and expenditures associated with school land dedication fees.

General Trust 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.

Employee Retirement Health Benefit Fund - to account for revenues and expenditures associated with health insurance premiums for retired employees.

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 police 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 collecting assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if applicable.

City of Grand Junction, Colorado
COMBINING STATEMENTS OF NET ASSETS
PENSION TRUST FUNDS
December 31, 2005

	Police Old Hire	Fire Old Hire	Total
ASSETS			
Cash and investments	\$ 2,524,405	\$ 11,961,302	\$ 14,485,707
LIABILITIES			
	-	-	-
NET ASSETS HELD IN TRUST FOR:			
Pension benefits	\$ 2,524,405	\$ 11,961,302	\$ 14,485,707

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
For the year ended December 31, 2005

	Police Old Hire	Fire Old Hire	Total
ADDITIONS			
Contributions:			
City	\$ 426,799	\$ 11,979	\$ 438,778
Plan member	-	380,611	380,611
Total contributions	<u>426,799</u>	<u>392,590</u>	<u>819,389</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	144,577	699,737	844,314
Interest	88,207	420,459	508,666
Net investment income	<u>232,784</u>	<u>1,120,196</u>	<u>1,352,980</u>
Total additions	<u>659,583</u>	<u>1,512,786</u>	<u>2,172,369</u>
DEDUCTIONS			
Benefits	622,768	1,001,484	1,624,252
Administrative expense	15,704	75,104	90,808
Total deductions	<u>638,472</u>	<u>1,076,588</u>	<u>1,715,060</u>
Change in net assets	21,111	436,198	457,309
Net assets - beginning	2,503,294	11,525,104	14,028,398
Net assets - ending	<u>\$ 2,524,405</u>	<u>\$ 11,961,302</u>	<u>\$ 14,485,707</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
December 31, 2005

	Mesa County Valley School District 51 SLD Fee	General Trust	Employee Retirement Health Benefit	Total
ASSETS				
Cash and investments	\$ 129,942	\$ 7,254	\$ 774,933	\$ 912,129
Accounts receivable, net of allowance	-	-	9,124	9,124
Total assets	<u>129,942</u>	<u>7,254</u>	<u>784,057</u>	<u>921,253</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS HELD IN TRUST FOR				
Individuals, organizations and others	<u>\$ 129,942</u>	<u>\$ 7,254</u>	<u>\$ 784,057</u>	<u>\$ 921,253</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
For the year ended December 31, 2005

	Mesa County Valley School District 51 SLD Fee	General Trust	Employee Retirement Health Benefit	Total
ADDITIONS				
Additions by participants	\$ 175,884	\$ -	\$ 194,763	\$ 370,647
Investment income	2,061	-	16,811	18,872
Total additions	<u>177,945</u>	<u>-</u>	<u>211,574</u>	<u>389,519</u>
DEDUCTIONS				
Distributions to participants	174,546	-	-	174,546
Health insurance premiums paid	-	-	161,521	161,521
Administrative expense	5,371	-	-	5,371
Total deductions	<u>179,917</u>	<u>-</u>	<u>161,521</u>	<u>341,438</u>
Change in net assets	(1,972)	-	50,053	48,081
Net assets - beginning	131,914	7,254	734,004	873,172
Net assets - ending	<u>\$ 129,942</u>	<u>\$ 7,254</u>	<u>\$ 784,057</u>	<u>\$ 921,253</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the year ended December 31, 2005

	Balance Beginning	Additions	Deletions	Balance Ending
<u>PARK IMPROVEMENT ADVISORY BOARD</u>				
ASSETS				
Cash and investments	\$ 26,104	\$ 193,842	\$ 69,295	\$ 150,651
Accounts receivable, net of allowance	37,500	94,600	132,100	-
Total assets	<u>\$ 63,604</u>	<u>\$ 288,442</u>	<u>\$ 201,395</u>	<u>\$ 150,651</u>
LIABILITIES				
Due to other governments	<u>\$ 63,604</u>	<u>\$ 288,442</u>	<u>\$ 201,395</u>	<u>\$ 150,651</u>
<u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	<u>\$ 144,538</u>	<u>\$ 255,100</u>	<u>\$ 214,153</u>	<u>\$ 185,485</u>
LIABILITIES				
Due to other governments	<u>\$ 144,538</u>	<u>\$ 255,100</u>	<u>\$ 214,153</u>	<u>\$ 185,485</u>
<u>SEWER AND WATER DISTRICTS CLEARING</u>				
ASSETS				
Cash and investments	<u>\$ 45,859</u>	<u>\$ 742,355</u>	<u>\$ 715,767</u>	<u>\$ 72,447</u>
LIABILITIES				
Due to other governments	<u>\$ 45,859</u>	<u>\$ 742,355</u>	<u>\$ 715,767</u>	<u>\$ 72,447</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 216,501	\$ 1,191,297	\$ 999,215	\$ 408,583
Accounts receivable, net of allowance	37,500	94,600	132,100	-
Total assets	<u>\$ 254,001</u>	<u>\$ 1,285,897</u>	<u>\$ 1,131,315</u>	<u>\$ 408,583</u>
LIABILITIES				
Due to other governments	254,001	1,285,897	1,131,315	408,583
Total liabilities	<u>\$ 254,001</u>	<u>\$ 1,285,897</u>	<u>\$ 1,131,315</u>	<u>\$ 408,583</u>

City of Grand Junction, Colorado



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 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 to expenditures for specified purposes.

DDA Operations Special Revenue Fund - to account for the 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 or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

DDA TIF Capital Improvements Fund - to account for capital improvement 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, 2005

	DDA Tax Increment	DDA Operations Special Revenue Fund	DDA Debt Service Fund	TIF Capital Improvements Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and investments	\$ 1,095,393	\$ 218,377	\$ 201	\$ 1,318,704	\$ 2,632,675
Property taxes receivable	1,088,022	136,373	-	-	1,224,395
Accounts receivable	-	-	-	55,000	55,000
Total assets	<u>2,183,415</u>	<u>354,750</u>	<u>201</u>	<u>1,373,704</u>	<u>3,912,070</u>
LIABILITIES					
Accounts payable	-	1,314	-	207	1,521
Accrued liabilities	-	3,346	-	-	3,346
Deferred revenue	1,088,022	136,373	-	-	1,224,395
Compensated absences payable	-	723	-	-	723
Total liabilities	<u>1,088,022</u>	<u>141,756</u>	<u>-</u>	<u>207</u>	<u>1,229,985</u>
FUND BALANCES					
Reserved for debt service	-	-	201	-	201
Unreserved:					
Designated for subsequent year's expenditures	-	-	-	851,861	851,861
Unreserved, undesignated	1,095,393	212,994	-	521,636	1,830,023
Total fund balances	<u>1,095,393</u>	<u>212,994</u>	<u>201</u>	<u>1,373,497</u>	<u>2,682,085</u>
Total liabilities and fund balances	<u>\$ 2,183,415</u>	<u>\$ 354,750</u>	<u>\$ 201</u>	<u>\$ 1,373,704</u>	

Amounts reported for the Component Unit - Downtown Development Authority on the statement of net assets (page 29) are different because:

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

3,776,171

Long-term liabilities such as bonds 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	\$ (1,575,000)	
Compensated absences	(3,963)	
Accrued interest	(955)	(1,579,918)

Total net assets -Component Unit - Downtown Development Authority. (page 29)

\$ 4,878,338

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, 2005

	DDA Tax Increment	DDA Operations Special Revenue Fund	DDA Debt Service Fund	TIF Capital Improvements Capital Project Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 1,177,415	\$ 150,081	\$ -	\$ -	\$ 1,327,496
Intergovernmental	148,886	-	-	990	149,876
Charges for services	-	4,945	-	-	4,945
Miscellaneous	-	92,793	-	-	92,793
Investment income	24,724	3,227	-	30,523	58,474
Total revenues	<u>1,351,025</u>	<u>251,046</u>	<u>-</u>	<u>31,513</u>	<u>1,633,584</u>
EXPENDITURES					
Current:					
Urban development and housing	20,173	171,335	-	-	191,508
Debt service:					
Principal retirement	-	-	730,000	-	730,000
Interest and fiscal charges	-	-	52,238	-	52,238
Capital outlay	-	-	-	994,793	994,793
Total expenditures	<u>20,173</u>	<u>171,335</u>	<u>782,238</u>	<u>994,793</u>	<u>1,968,539</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,330,852</u>	<u>79,711</u>	<u>(782,238)</u>	<u>(963,280)</u>	<u>(334,955)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	41,918	782,238	-	824,156
Transfers out	(824,156)	-	-	-	(824,156)
Sale of capital assets	-	-	-	210,000	210,000
Total other financing sources (uses)	<u>(824,156)</u>	<u>41,918</u>	<u>782,238</u>	<u>210,000</u>	<u>210,000</u>
Net change in fund balances	506,696	121,629	-	(753,280)	(124,955)
Fund balances - beginning	588,697	91,365	201	2,126,777	2,807,040
Fund balances - ending	<u>\$ 1,095,393</u>	<u>\$ 212,994</u>	<u>\$ 201</u>	<u>\$ 1,373,497</u>	<u>\$ 2,682,085</u>

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

Net change in fund balances - total governmental funds (above)	\$ (124,955)
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 \$938,643 exceeded depreciation (\$84,539) in the current period.	854,104
The net effect of transactions involving the sale of capital assets.	(255,769)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt \$730,000 and the payment of accrued interest \$351 consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.	730,351
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.	<u>(2,178)</u>
Change in net assets of the Component Unit - Downtown Development Authority (page 31)	<u>\$ 1,201,553</u>

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,010,500	\$ 1,138,500	\$ 1,177,415	\$ 38,915
Intergovernmental	149,000	149,000	148,886	(114)
Investment income	20,000	30,000	24,724	(5,276)
Total revenues	<u>1,179,500</u>	<u>1,317,500</u>	<u>1,351,025</u>	<u>33,525</u>
EXPENDITURES				
Current:				
Urban development and housing	<u>27,500</u>	<u>27,500</u>	<u>20,173</u>	<u>7,327</u>
Excess of revenues over expenditures	1,152,000	1,290,000	1,330,852	40,852
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(804,238)</u>	<u>(814,238)</u>	<u>(824,156)</u>	<u>(9,918)</u>
Net change in fund balance	347,762	475,762	506,696	30,934
Fund balances - beginning	588,697	588,697	588,697	-
Fund balances - ending	<u>\$ 936,459</u>	<u>\$ 1,064,459</u>	<u>\$ 1,095,393</u>	<u>\$ 30,934</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 150,150	\$ 150,150	\$ 150,081	\$ (69)
Charges for services	76,000	4,500	4,945	445
Miscellaneous	41,900	84,500	92,793	8,293
Investment income	100	4,000	3,227	(773)
Total revenues	<u>268,150</u>	<u>243,150</u>	<u>251,046</u>	<u>7,896</u>
EXPENDITURES				
Current:				
Urban development and housing	<u>242,584</u>	<u>242,584</u>	<u>171,335</u>	<u>71,249</u>
Total expenditures	<u>242,584</u>	<u>242,584</u>	<u>171,335</u>	<u>71,249</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,566</u>	<u>566</u>	<u>79,711</u>	<u>79,145</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>20,000</u>	<u>30,000</u>	<u>41,918</u>	<u>11,918</u>
Total other financing sources (uses)	<u>20,000</u>	<u>30,000</u>	<u>41,918</u>	<u>11,918</u>
Net change in fund balance	45,566	30,566	121,629	91,063
Fund balances - beginning	91,365	91,365	91,365	-
Fund balances - ending	<u>\$ 136,931</u>	<u>\$ 121,931</u>	<u>\$ 212,994</u>	<u>\$ 91,063</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, 2005

	Original and Final Budget Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
EXPENDITURES			
Current:			
General government	2,000	-	2,000
Debt service:			
Principal retirement	730,000	730,000	-
Interest and fiscal charges	52,238	52,238	-
Total expenditures	<u>784,238</u>	<u>782,238</u>	<u>2,000</u>
Deficiency of revenues under expenditures	<u>(784,238)</u>	<u>(782,238)</u>	<u>(2,000)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>784,238</u>	<u>782,238</u>	<u>2,000</u>
Net change in fund balance	-	-	-
Fund balances - beginning	201	201	-
Fund balances - ending	<u>\$ 201</u>	<u>\$ 201</u>	<u>\$ -</u>

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**

(NON-GAAP BUDGETARY BASIS)

For the year ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 990	\$ 990
Charges for service	-	-	-	-
Miscellaneous	-	-	-	-
Investment income	\$ 35,000	\$ 58,000	\$ 30,523	\$ (27,477)
Total revenues	<u>35,000</u>	<u>58,000</u>	<u>31,513</u>	<u>(26,487)</u>
EXPENDITURES				
Capital projects	<u>1,927,000</u>	<u>1,939,988</u>	<u>994,793</u>	<u>945,195</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,892,000)</u>	<u>(1,881,988)</u>	<u>(963,280)</u>	<u>918,708</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>210,000</u>	<u>210,000</u>
Net change in fund balance	(1,892,000)	(1,881,988)	(753,280)	1,128,708
Fund balances - beginning	<u>2,126,777</u>	<u>2,126,777</u>	<u>2,126,777</u>	<u>-</u>
Fund balances - ending	\$ <u><u>234,777</u></u>	\$ <u><u>244,789</u></u>	\$ <u><u>1,373,497</u></u>	\$ <u><u>1,128,708</u></u>



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City of Grand Junction, Colorado



Statistical Section

- Table 1 -* Government-Wide Expenses by Function
- Table 2 -* Government-Wide Revenues
- Table 3 -* General Governmental Expenditures by Function
- Table 4 -* General Revenues by Source
- Table 5 -* Property Tax Levies and Collections
- Table 6 -* Assessed and Estimated Actual Value of Taxable Property
- Table 7 -* Property Tax Rates per \$1,000 Assessed Valuation – Direct and Overlapping Governments
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- Table 17 -* Miscellaneous Statistics
- Table 18 -* Salaries and Surety Bonds of Principal Officials
- Table 19 -* Ten Principal Taxpayers, Property Taxes

TABLE 1

City of Grand Junction, Colorado
GOVERNMENT-WIDE EXPENSES BY FUNCTION
 Last Four Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Parks and Recreation	Urban Development and Housing	Interest on Long-Term Debt	Water	Two Rivers Convention Center	Other Business-type Activities	Total
2002	\$ 10,397,825	\$ 17,966,339	\$ 12,220,256	\$ 4,740,433	\$ 720,043	\$ 295,421	\$ 3,826,901	\$ 1,828,188	\$ 5,688,830	\$ 57,684,236
2003	8,377,950	19,871,284	12,780,174	5,318,756	622,802	234,037	4,009,507	1,988,176	5,786,822	58,989,508
2004	9,548,713	23,823,248	10,223,079	6,684,183	347,218	2,301,710	4,158,777	2,130,427	5,694,038	64,911,393
2005	9,596,763	22,904,850	15,386,497	5,175,343	415,306	2,571,874	4,222,594	2,641,066	5,753,542	68,667,835

TABLE 2

City of Grand Junction, Colorado
GOVERNMENT-WIDE REVENUES
 Last Four Fiscal Years

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES			
	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Investment Earnings	Miscellaneous	Total
2002	\$ 18,718,184	\$ 922,186	\$ 24,433,768	\$ 44,027,961	\$ 1,801,549	\$ 16,181	\$ 89,919,829
2003	18,468,440	843,051	16,560,855	45,761,262	906,081	-	82,539,689
2004	19,499,045	651,810	20,738,863	50,191,181	2,143,143	49,356	93,273,398
2005	21,199,751	718,425	34,341,976	53,601,820	2,129,404	26,713	112,018,089

TABLE 3

City of Grand Junction, Colorado
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION ⁽¹⁾
 Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Parks and Recreation	Urban Development and Housing	Debt Service	Total
1996	\$ 7,488,120	\$ 11,656,155	\$ 4,975,346	\$ 2,605,005	\$ 730,410	\$ 891,936	\$ 28,346,972
1997	5,716,822	13,590,154	5,200,854	2,971,392	418,761	1,318,567	29,216,550
1998	5,719,880	14,167,933	5,425,763	3,515,662	1,036,727	1,178,271	31,044,236
1999	6,916,889	15,006,031	6,331,219	3,868,626	631,979	1,238,530	33,993,274
2000	7,574,160	15,571,919	7,000,979	4,193,113	644,237	1,460,701	36,445,109
2001	7,373,852	16,264,238	7,044,165	4,231,226	566,959	1,209,975	36,690,415
2002	8,049,315	17,744,498	7,333,201	4,385,230	934,321	1,227,203	39,673,768
2003	8,306,840	18,553,410	7,564,156	4,731,828	832,721	3,317,559	43,306,514
2004	8,734,015	19,977,861	8,049,960	5,378,915	516,830	3,159,016	45,816,597
2005	9,207,102	20,490,870	8,185,303	5,302,211	785,294	5,526,649	49,497,429

Notes:

⁽¹⁾ Includes General, Special Revenue and Debt Service Funds for the City of Grand Junction Reporting Entity and the Special Revenue and Debt Service Funds for the Downtown Development Authority.

Source: City Administrative Services Department

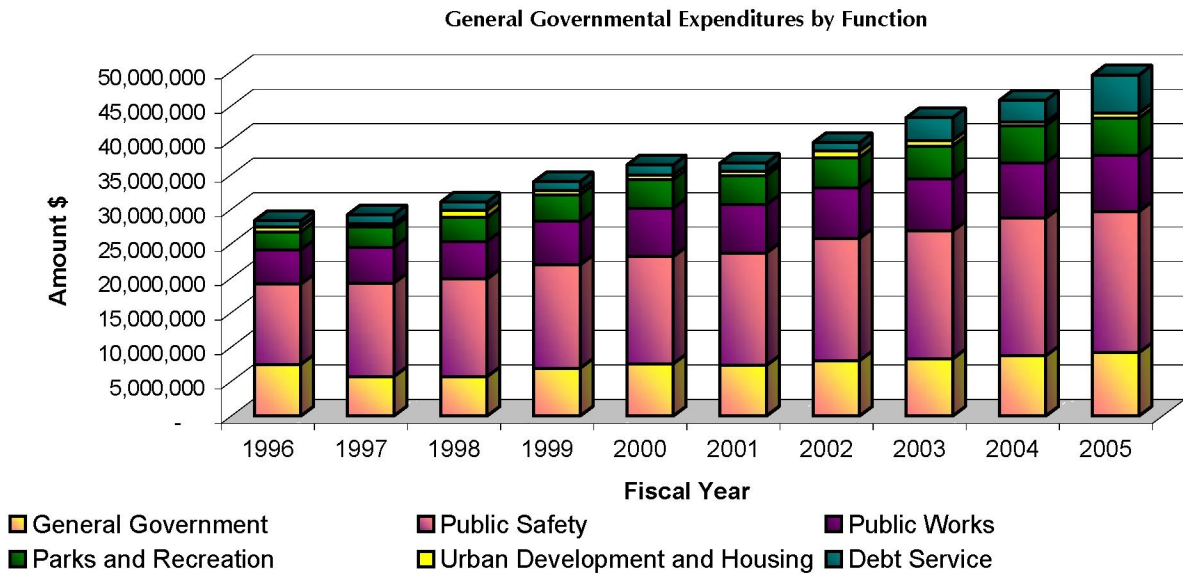


TABLE 4

City of Grand Junction, Colorado
GENERAL REVENUES BY SOURCE ⁽¹⁾
 Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Inter-Governmental	Charges for Services	Fines and Forfeitures	Miscellaneous	Investment Income	Total
1996	\$ 23,378,127	\$ 95,612	\$ 478,899	\$ 3,052,322	\$ 244,231	\$ 890,848	\$ 766,812	\$ 28,906,851
1997	24,873,848	105,951	1,784,756	3,078,979	358,202	307,622	833,794	31,343,152
1998	27,481,321	108,558	1,818,514	3,714,805	562,245	287,127	841,863	34,814,433
1999	29,635,068	99,864	1,561,218	3,787,978	767,860	263,513	699,952	36,815,453
2000	31,862,215	110,457	1,430,701	4,279,477	660,617	265,533	1,030,168	39,639,168
2001	33,491,034	114,067	913,721	4,604,422	604,439	418,718	961,016	41,107,417
2002	36,342,430	111,935	1,504,685	4,842,642	486,548	651,325	749,131	44,688,696
2003	38,323,053	118,616	1,279,487	5,536,698	564,294	501,839	345,863	46,669,850
2004	42,410,092	111,452	998,181	5,679,040	701,941	501,145	502,777	50,904,628
2005	45,126,599	114,921	1,271,115	6,023,114	546,162	1,076,699	473,220	54,631,830

Notes:

⁽¹⁾ Includes General, Special Revenue and Debt Service Funds for the City of Grand Junction Reporting Entity and the Special Revenue and Debt Service Funds for the Downtown Development Authority.

Source: City Administrative Services Department

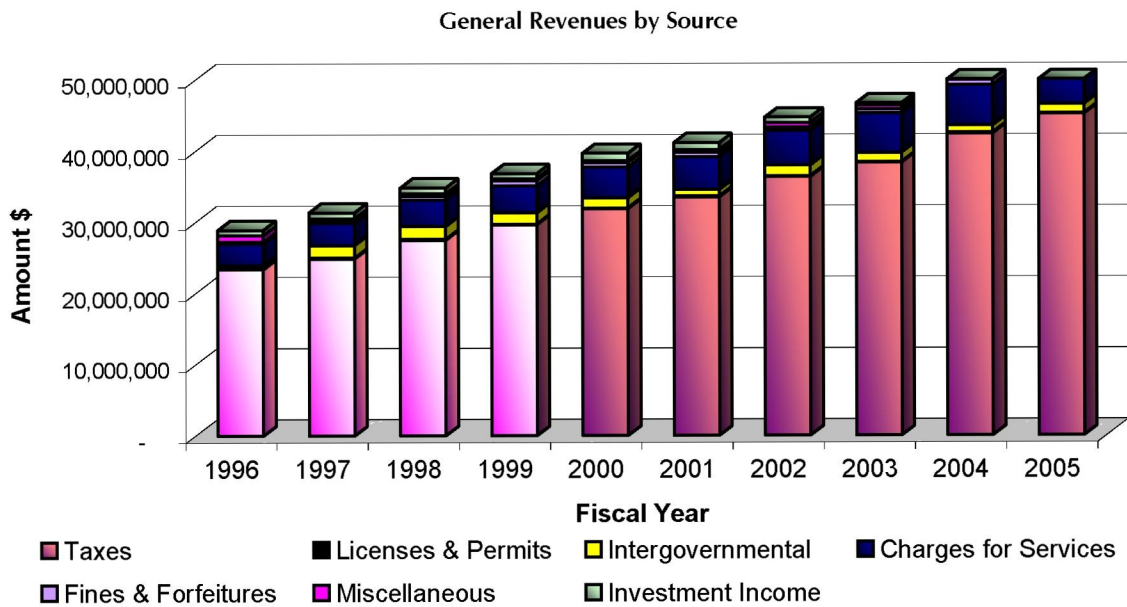


TABLE 5

City of Grand Junction, Colorado
PROPERTY TAX LEVIES AND COLLECTIONS⁽¹⁾
 Last Ten Fiscal Years

Fiscal Year of Collections	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes ⁽²⁾	Percent of Delinquent Taxes to Tax Levy
1996	2,550,502	2,475,153	97.05%	2,077	2,477,230	97.13%	11,040	0.43%
1997	2,791,222	2,736,427	98.04%	3,927	2,740,354	98.18%	6,082	0.22%
1998	3,156,366	3,109,040	98.50%	1,489	3,110,529	98.55%	8,704	0.28%
1999	3,270,359	3,231,362	98.81%	7,214	3,238,576	99.03%	1,641	0.05%
2000	3,564,287	3,543,583	99.42%	1,205	3,544,788	99.45%	9,386	0.26%
2001	3,258,283	3,230,268	99.14%	4,472	3,234,740	99.28%	8,979	0.28%
2002	4,154,644	4,131,251	99.44%	3,579	4,134,830	99.52%	9,539	0.23%
2003	4,791,953	4,715,475	98.40%	(22,937)	4,692,538	97.93%	20,053	0.42%
2004	4,943,436	4,910,989	99.34%	10,192	4,921,182	99.55%	5,415	0.11%
2005	5,232,734	5,150,895	98.44%	5,495	5,156,390	98.54%	1,191	0.02%

Notes:

- (1) Includes General, Special Revenue and Debt Service Funds of the City of Grand Junction Reporting Entity (includes the Downtown Development Authority).
- (2) After property taxes are levied by the City Council, the Mesa County Assessor adjusts the valuations of various properties within the City of Grand Junction. The tax levy, as reported, is the levy as approved by the City Council. Outstanding delinquent taxes have been reduced to reflect the change in property taxes for these properties.

Source: City Administrative Services Department

TABLE 6

City of Grand Junction, Colorado
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

Fiscal Year of Collection	Assessed Valuation	Estimated Actual Value	Ratio of Assessed to Estimated Actual Value	Actual Value Level
1996	\$ 255,908,816	\$ 1,452,886,406	10.36-29% ⁽³⁾	1994
1997	275,665,936	1,575,284,726	10.36-29% ⁽³⁾	1995
1998	312,372,027	1,871,921,590	9.74-29% ⁽⁴⁾	1996
1999	322,868,688	1,947,483,682	9.74-29% ⁽⁴⁾	1997
2000	368,283,061	2,213,425,971	9.74-29% ⁽⁴⁾	1998
2001	382,132,990	2,302,625,180	9.74-29% ⁽⁴⁾	1999
2002	440,947,146	2,752,245,467	9.15-29% ⁽⁵⁾	2000
2003	468,909,060	2,954,303,087	9.15-29% ⁽⁵⁾	2001
2004	507,715,470	3,453,472,259	7.96-29% ⁽⁶⁾	2002
2005	529,459,970	3,630,986,410	7.96-29% ⁽⁶⁾	2003
2006	637,918,800	4,389,633,390	7.96-29% ⁽⁶⁾	2004

Notes:

- (1) Residential property is assessed at 14.34% while other property is assessed at 29%.
- (2) Residential property is assessed at 12.86% while other property is assessed at 29%.
- (3) Residential property is assessed at 10.36% while other property is assessed at 29%.
- (4) Residential property is assessed at 9.74% while other property is assessed at 29%.
- (5) Residential property is assessed at 9.15% while other property is assessed at 29%.
- (6) Residential property is assessed at 7.96% while other property is assessed at 29%.

Source: Mesa County Assessor

TABLE 7

City of Grand Junction, Colorado
PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION (MILL LEVY)
DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years

Levy Year	Collection Year	City of ⁽¹⁾ Grand Junction	School District #51	Mesa County	All Other Taxing Entities	Total Tax Rate
1996	1997	8.00	46.11	25.74	6.23	86.08
1997	1998	8.00	47.09	23.44	6.19	84.72
1998	1999	8.00	46.69	23.28	6.20	84.17
1999	2000	7.62	42.96	22.78	5.94	79.30
2000	2001	6.43	42.64	21.82	5.94	76.83
2001	2002	7.44	34.66	21.89	5.79	69.78
2002	2003	7.67	38.25	21.81	5.79	73.52
2003	2004	7.37	36.61	21.72	5.79	71.49
2004	2005	7.36	41.51	21.71	5.79	76.37
2005	2006	7.29	38.40	19.11	5.27	70.07

PROPERTY TAX REVENUE LEVY

1996	1997	\$ 2,205,327	\$ 25,491,641	\$ 14,926,925	\$ 2,822,073
1997	1998	2,498,976	29,339,378	15,272,491	3,251,894
1998	1999	2,582,950	30,012,891	15,674,364	3,358,057
1999	2000	2,807,422	31,279,580	17,323,750	3,684,565
2000	2001	2,457,115	32,484,708	17,433,884	3,862,059
2001	2002	3,282,411	29,593,101	19,354,439	4,230,013
2002	2003	3,596,064	34,214,512	20,528,679	4,430,299
2003	2004	3,741,355	34,843,408	21,675,723	4,704,569
2004	2005	3,896,825	41,036,293	22,597,893	4,898,992
2005	2006	4,651,704	45,377,855	23,759,293	5,477,164

Notes:

⁽¹⁾ Amounts for the City of Grand Junction do not include levies for City districts that are not city wide.

Source: Mesa County Assessor

TABLE 8

City of Grand Junction, Colorado
SPECIAL ASSESSMENT COLLECTIONS
 Last Ten Fiscal Years

Fiscal Year	Current Assessments Due	Current Assessments Collected	Ratio of Collections to Amount Due	Total Outstanding Assessments
1996	\$ 22,736	22,736	100.00%	\$ 377,372
1997	39,326	39,326	100.00%	246,882
1998	27,795	27,795	100.00%	221,201
1999	26,090	26,090	100.00%	223,181
2000	28,210	28,210	100.00%	145,857
2001	26,658	26,658	100.00%	130,282
2002	24,567	24,567	100.00%	124,100
2003	21,479	21,479	100.00%	89,847
2004	18,387	18,369	99.90%	107,828
2005	17,117	17,117	100.00%	109,744

Source: City Administrative Services Department

TABLE 9

City of Grand Junction, Colorado
**RATIO OF NET GENERAL BONDED DEBT
 TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA⁽¹⁾**
 Last Ten Fiscal Years

Fiscal Year	Population ^(A)	Assessed Value in Thousands	Gross Bonded Debt ⁽¹⁾	Debt Service Monies Available	Debt Payable From Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Bonded Debt Per Capita
1996	42,498	\$ 275,666	\$ 770,000	\$ -	\$ 770,000	\$ -	0.00%	\$ -
1997	43,987	312,372	595,000	-	595,000	-	0.00%	-
1998	45,165	322,869	-	-	-	-	0.00%	-
1999	43,354	368,283	-	-	-	-	0.00%	-
2000	42,879	382,133	-	-	-	-	0.00%	-
2001	44,782	440,947	-	-	-	-	0.00%	-
2002	45,669	468,909	-	-	-	-	0.00%	-
2003	46,779	507,715	-	-	-	-	0.00%	-
2004	48,141	529,460	60,727,683	52,948,731	-	7,778,952	1.47%	162
2005	51,708 ^(B)	637,919	59,359,891	36,917,477	-	22,442,414	3.52%	434

Notes:

⁽¹⁾ The Ridges Metropolitan District debt and the Grand Junction West Water and Sanitation District debt are excluded because they are to be paid with special property tax levys on property within these Districts only.

Source:

^(A) Colorado Demography Section DOLA - All other City Administrative Services Department

^(B) Estimate, based on 2000 census data plus new housing units (assuming 2.29 people per unit)

TABLE 10

City of Grand Junction, Colorado
COMPUTATION OF LEGAL DEBT MARGIN
 December 31, 2005

Estimated actual value as determined by Assessor ^(A)		\$ <u>4,389,633,390</u>
Debt limit - 3% of actual value		\$ 131,689,002
Total General Obligation Debt ^(B)	\$ 1,668,791	
Less: Ridges Metropolitan District bonds supported by a special tax levy paid only within the District ^(B)	(1,380,000)	
Grand Junction West Water and Sanitation District bonds supported by a special tax levy paid only within the District ^(B)	<u>(288,791)</u>	
Total amount of debt applicable to debt limit		<u>-</u>
Legal debt margin		<u>\$ 131,689,002</u>
Source:		
^(A) Mesa County Assessor		
^(B) City Administrative Services Department		

TABLE 11

City of Grand Junction, Colorado
COMPUTATION OF DIRECT AND OVERLAPPING DEBT ⁽¹⁾
 December 31, 2005

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Grand Junction</u>	<u>Amount Applicable to City of Grand Junction</u>
Direct:			
City of Grand Junction ^(A)	\$ 56,075,000	100.00%	\$ 56,075,000
Overlapping:			
Mesa County Valley School District No. 51 ^(B)	138,490,000	0.00%	-
Mesa County ^{(2) (C)}	-		-
Total			\$ <u><u>56,075,000</u></u>

Notes:

- ⁽¹⁾ Computation of overlapping debt includes only the three major governmental units and excludes several special districts that partially overlap the City.
- ⁽²⁾ 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:

- ^(A) City Administrative Services Department
- ^(B) Mesa County Valley School District No. 51 Finance Department
- ^(C) Mesa County Finance Department

TABLE 12

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

Fiscal Year	Gross Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1996	\$ 4,674,183	\$ 3,117,912	\$ 1,556,271	\$ 835,000	\$ 84,604	\$ 919,604	1.69
1997	4,581,913	3,058,132	1,523,781	175,000	48,185	223,185	6.83
1998	5,216,605	3,040,233	2,176,372	595,000	24,778	619,778	3.51
1999	4,438,162	2,862,601	1,575,561	-	-	-	-
2000	4,861,061	2,970,243	1,890,818	-	-	-	-
2001	5,052,597	3,285,854	1,766,743	-	-	-	-
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	-	-	-	-

Source: City Administrative Services Department

TABLE 13

City of Grand Junction, Colorado
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
 GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**
 Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures ⁽¹⁾	Ratio of Debt Service to Total General Expenditures
1996	\$ -	\$ -	\$ -	\$ 28,346,972	0.00%
1997	-	-	-	29,216,550	0.00%
1998	-	-	-	31,044,236	0.00%
1999	-	-	-	33,993,274	0.00%
2000	-	-	-	36,445,109	0.00%
2001	-	-	-	36,690,415	0.00%
2002	-	-	-	39,673,768	0.00%
2003	-	-	-	43,306,514	0.00%
2004	-	1,338,194	1,338,194	45,816,597	2.92%
2005	1,000,000	2,666,388	3,666,388	49,497,429	7.41%

Notes:

⁽¹⁾ Includes General, Special Revenue and Debt Service Funds for the City of Grand Junction Reporting Entity and the Special Revenue and Debt Service funds for the Downtown Development Authority.

Sources: City Administrative Services Department

TABLE 14

City of Grand Junction, Colorado
PROPERTY VALUE, CONSTRUCTION, AND NUMBER OF HOUSEHOLDS
 Last Ten Fiscal Years

Fiscal Year	Property Values ^{(1)(A)}							Number of Permits ^(B)	Con-struction (in 000's) ^(B)	Number of Households ^{(1)(C)}
	Residential	Commercial	Industrial	Agriculture	Natural Resources	Public Utilities	Exempt Property			
1996	\$ 330,662,410	\$ 140,653,040	\$ 22,428,470	\$ 17,818,920	\$ 10,372,390	\$ 60,998,000	\$ 98,702,110	3,025	\$ 136,540	41,627
1997	376,167,290	161,018,290	28,553,110	18,213,570	9,839,010	61,467,400	100,228,670	3,293	179,782	42,915
1998	390,662,890	164,251,530	30,278,830	18,251,340	11,142,170	62,933,100	101,052,420	3,553	175,239	43,781
1999	445,248,720	190,868,130	31,896,280	18,311,020	11,269,980	68,356,700	103,530,250	3,840	205,130	44,717
2000	464,700,370	198,900,180	33,842,900	18,378,480	11,071,170	78,149,900	84,850,010	3,547	194,258	45,823
2001	519,196,630	227,772,240	39,442,030	17,909,410	14,872,160	87,022,300	121,673,080	3,442	209,506	47,368
2002	539,178,820	247,940,400	41,515,890	17,956,480	15,542,820	90,220,600	139,226,760	3,565	248,156	48,374
2003	559,254,280	279,631,230	46,794,280	18,351,350	14,312,880	91,070,100	143,313,110	3,778	290,208	49,362
2004	580,231,080	295,842,530	49,408,390	18,429,660	22,954,190	86,414,600	144,442,150	3,725	300,456	50,507
2005	704,813,690	356,481,490	57,998,260	20,105,530	29,760,850	88,794,300	166,428,020	3,898	467,716	N/A

Notes:

- ⁽¹⁾ Information only available for the County.
- N/A Information is not yet available for this year.

Source:

- ^(A) Mesa County Assessor's Office
- ^(B) Mesa County Building Department
- ^(C) Colorado Division of Local Government

TABLE 15

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
1996	\$ 18,444,228	\$ 910,124	\$ 2,885,552	\$ 580,755	\$ 22,820,659
1997	19,756,772	761,677	3,026,837	605,756	24,151,042
1998	21,813,807	841,047	3,393,851	660,512	26,709,217
1999	24,096,240	839,390	3,611,934	643,697	29,191,261
2000	25,769,700	1,056,721	3,925,730	679,814	31,431,965
2001	27,605,624	1,002,862	4,191,997	716,990	33,517,473
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	32,373,294	1,101,581	4,807,174	790,161	39,072,210
2005	34,762,266	1,555,010	5,330,364	925,264	42,572,904

Source: City Administrative Services Department

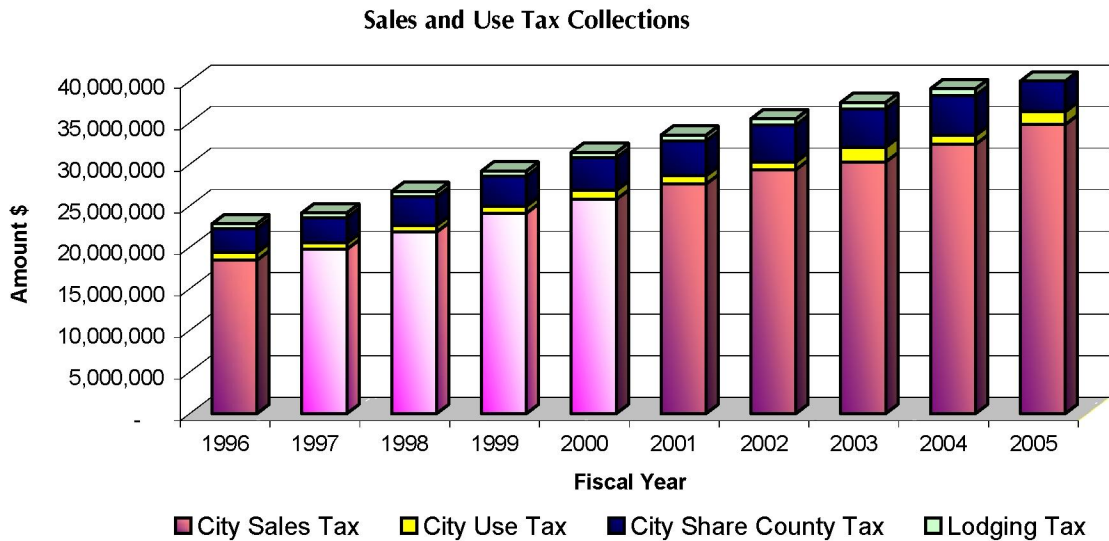


TABLE 16

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

Fiscal Year	City ^(A) Population	County ^(A) Population	School ^(B) Enrollment	Unemployment Rate ^{(D)(E)}	
				City of Grand Junction	State of Colorado
1996	42,498	107,529	19,136	5.4%	4.2%
1997	43,987	109,762	19,148	4.5%	3.4%
1998	45,165	112,327	19,323	4.6%	3.5%
1999	43,354	114,573	19,567	3.9%	3.0%
2000	42,879 ^(C)	116,255 ^(C)	19,633	3.2%	2.7%
2001	44,782	120,122	19,768	3.6%	3.8%
2002	45,669	122,463	20,035	5.1%	5.7%
2003	46,779	125,072	20,170	5.8%	6.1%
2004	48,141	127,808	20,207	5.1%	5.6%
2005	51,708 ^(F)	N/A	20,660	4.7%	5.0%

Note:

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

Source:

- (A) US Census Bureau and Colorado Demography Office (Colorado Dept. Of Local Affairs)
- (B) Mesa County Valley School District No. 51 - District wide enrollment
- (C) 2000 Census
- (d) US Department of Labor, Bureau of Labor Statistics
- (E) Prior year reports reflected unemployment rates for Mesa County; those have been replaced in the current year report with unemployment rates for the Grand Junction Metropolitan Statistical Area
- (F) Estimate, based on 2000 census data plus new housing units (assuming 2.29 people per unit)
- N/A Data not yet available

TABLE 17

City of Grand Junction, Colorado
MISCELLANEOUS STATISTICS
 Year ended December 31, 2005

Date of incorporation:	July 19, 1882 ^(A)		
Date charter adopted:	September 14, 1909 ^(A)		
Form of government:	Council/Manager ^(A)		
Area:	34.65 square miles ^(B)		
Lane miles of streets: ^(B)			
Paved	1010.37		
Unpaved	<u>8.33</u>		
Total	<u><u>1018.7</u></u>		
Miles of sewer lines (within 201 system): ^(B)			
Storm	166.83		
Sanitary	316.14		
Building permits: ^(C)	<u>Year</u>	<u># Issued</u>	<u>Value</u>
	1996	1,150	65,324,351
	1997	1,296	94,704,317
	1998	1,320	86,909,340
	1999	1,348	94,347,767
	2000	1,390	98,100,868
	2001	1,844	120,629,112
	2002	2,012	143,644,397
	2003	2,068	163,176,153
	2004	2,080	158,746,233
	2005	2,250	234,133,308
Police protection: ^(D)			
Number of employees (FTE):	Sworn	83	
	Non-sworn	<u>60</u>	
	Total	<u><u>143</u></u>	
Vehicular patrol units		30	
Canine units		3	
Motorcycle units		4	
Bicycle patrol units (attached to vehicular patrol units)		18	

(Continued)

TABLE 17

City of Grand Junction, Colorado
MISCELLANEOUS STATISTICS
 Year ended December 31, 2005

Fire protection: ^(E)

Number of employees	83
Number of stations	5

Recreation: ^(F)

Parks:

Developed	434.69	acres
Undeveloped	581.68	acres
Total	<u>1,016.37</u>	acres

Swimming pools	1 indoor and 1 outdoor with water slide
Tennis courts	16
Shelters	19
Baseball stadium	1 lighted and 1 unlighted
Football/track stadium	1 lighted
Softball field	8 lighted
Golf courses	2 156 acres
Outdoor basketball court	1 lighted and 7 unlighted
Multi-purpose fields	1 lighted and 10 unlighted
Auditorium	1
Senior Recreation Center	1
Riverfront trail	14.8 miles
Skatepark	2

Education:

Mesa County Valley School District No. 51: ^(G)

<u>Type</u>	<u>Number</u>	<u>Enrollment</u>
Elementary	23	9,482
Middle	8	4,872
High	4	6,306
K - 12	1	N/A (included in above)
Alternative/Other	4	N/A (included in above)

	<u>Enrollment</u>
Mesa State College: ^(H)	6,235

Employees in the City of Grand Junction (FTE): ^(I)	568
---	-----

(Continued)

TABLE 17

City of Grand Junction, Colorado
MISCELLANEOUS STATISTICS
Year ended December 31, 2005

Current sales tax rates: ^(J)	
State of Colorado	2.90%
Mesa County	2.00%
City of Grand Junction	2.75%
Elections: ^(A)	
(As of the last regular municipal election, April 5, 2005)	
Number of registered voters	25,650
Number of registered voters voting in last general municipal election	8,417
Percentage	32.81%

Source:

- (A) City Clerk
 - (B) City Public Works Department
 - (C) City Community Development Department/Mesa County Building Department
 - (D) City Police Department
 - (E) City Fire Department
 - (F) City Parks and Recreation Department
 - (G) Mesa County Valley School District No. 51, 2005 October Count
 - (H) Mesa State College (Fall 2004 enrollment data)
 - (I) City Personnel Department
 - (J) City Administrative Services Department
-

(Concluded)

TABLE 18

City of Grand Junction, Colorado
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
 Year ended December 31, 2005

<u>Name of Official</u> ^(A)	<u>Title</u> ^(A)	<u>Annual Salary</u> ^(B)
Bruce Hill	Mayor	\$ 9,000
Other Councilmembers in Aggregate		36,000
Kelly Arnold	City Manager	120,723
John P. Shaver	City Attorney	113,824
David A. Palmer	Municipal Court Administrator	22,640
Stephanie Tuin	City Clerk	72,053
Ronald M. Lappi	Administrative Services and Finance Director	105,407
Robert Blanchard	Community Development Director	98,215
Ricky Beaty	Fire Chief	104,334
Erik Joe Stevens	Parks and Recreation Director	97,215
Gregory Morrison (retired 12/9/05)	Police Chief	103,349
Mark Relph	Public Works Director	103,842
Debbie Kovalik	Visitors and Convention Bureau Director	85,017

All employees including the Administrative Services and Finance Director are covered by a blanket bond in the amount of \$2,000,000 in excess of the City's retention of \$150,000. ^(B)

Source:

^(A) City Clerk

^(B) City Administrative Services Department

TABLE 19

City of Grand Junction, Colorado
TEN PRINCIPAL TAXPAYERS, PROPERTY TAXES
 Year ended December 31, 2005

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation of Property ⁽¹⁾</u>	<u>Percentage of Total Assessed Value ⁽¹⁾</u>
Qwest Corporation	Utility	\$ 11,348,400	19.03%
Walmart / Sam's Club	Retail Stores	10,277,680	17.24%
SDG Macerich Prop LP	Mesa Mall	9,871,180	16.56%
Public Service Company of Colorado	Utility	7,698,430	12.91%
Coors Porcelain	Manufacturer	4,229,020	7.09%
Grand Mesa Center	Retail Shopping Center	4,178,920	7.01%
Lowes HIW, Inc.	Retail Store	3,235,160	5.43%
Sundstrand	Manufacturer	3,008,770	5.05%
Dayton Hudson/Mervyn's/Target	Retail Stores	2,948,780	4.95%
Grand Conjunction, LLC/ Doubletree	Hotel	2,829,940	4.75%
Totals		<u>\$ 59,626,280</u>	<u>100.00%</u>

Notes:

⁽¹⁾ Value based on pending 2005 tax roll

Source: Mesa County Assessor



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

LOCAL HIGHWAY FINANCE REPORT

City or County:
City of Grand Junction, Colorado
YEAR ENDING :
December 2005

This Information From The Records Of City of Grand Junction, CO: Prepared By: Sarah Lee, CPA
Phone: 970-244-1536

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	38,053,674
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,859,396
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	619,532
2. General fund appropriations		b. Snow and ice removal	95,027
3. Other local imposts (from page 2)	1,349,639	c. Other	
4. Miscellaneous local receipts (from page 2)	1,858,032	d. Total (a. through c.)	714,559
5. Transfers from toll facilities		4. General administration & miscellaneous	519,711
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	41,147,340
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	2,666,538
7. Total (1 through 6)	3,207,671	b. Redemption	1,000,000
B. Private Contributions		c. Total (a. + b.)	3,666,538
C. Receipts from State government (from page 2)	1,712,540	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	4,920,211	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	3,666,538
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	44,813,878

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	57,075,000	0	1,000,000	56,075,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	46,796,789	4,920,211	44,813,878	6,903,122	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2005

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	65,237	a. Interest on investments	324,066
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	
5. Specific Ownership &/or Other	1,284,402	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,284,402	h. Other	1,533,966
c. Total (a. + b.)	1,349,639	i. Total (a. through h.)	1,858,032
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,519,215	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	193,325	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	193,325	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,712,540	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		11,496,115	11,496,115
b. Engineering Costs		5,853,924	5,853,924
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		18,744,302	18,744,302
(3). System Preservation		1,724,049	1,724,049
(4). System Enhancement & Operation		235,284	235,284
(5). Total Construction (1) + (2) + (3) + (4)	0	20,703,635	20,703,635
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	38,053,674	38,053,674
			(Carry forward to page 1)

Notes and Comments: