



2018

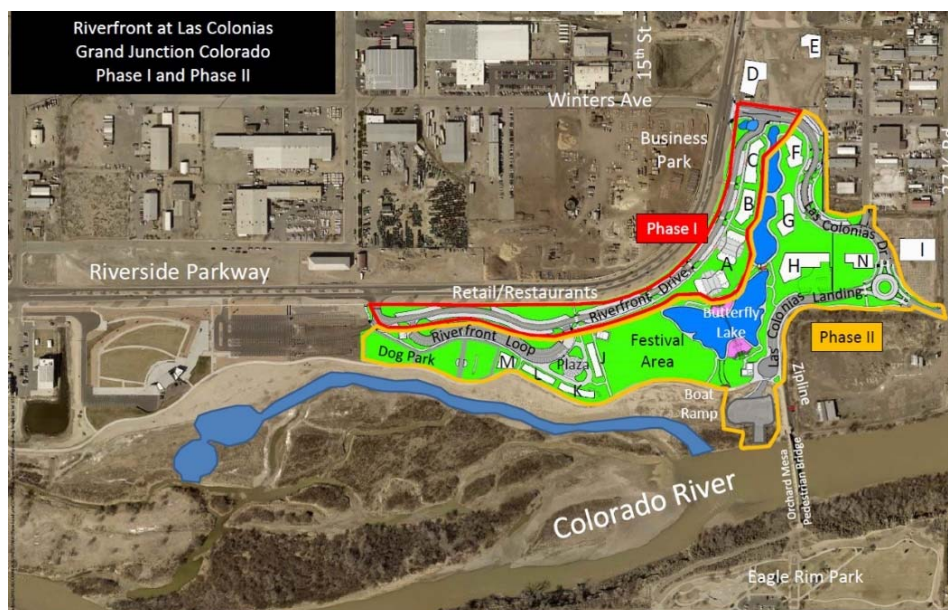
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2018

About our cover...

Las Colonias Park (the park) is 140 acres and sits adjacent to downtown Grand Junction along the banks of the Colorado River. The park is just upstream from the confluence of the Gunnison and Colorado Rivers and includes one of Great Outdoors Colorado's first legacy projects, the Colorado Riverfront Trail system. The park was previously inundated with non-native vegetation and was formerly used for migrant farm housing, a junkyard, and a uranium mill. Thanks to strong civic leadership in the 1990's, the uranium mill was remediated, the junkyard was cleaned up, and the invasive weed species was removed. The enthusiasm for riverfront development continued with the revision of the Las Colonias Master Plan in 2013 and the subsequent completion of Phase I (restroom/shelter, parking, and trail connections) and the outdoor amphitheater. A dog park, festival area, and boat launch are set to be completed by summer 2019. As development of the park was occurring, momentum built within the business community for the creation of a business park, a public and private partnership that includes the development of 15 acres of Las Colonias Park into a Google-like campus to attract outdoor recreation industry retail and manufacturing. Three tenants are set to be operational at the business park by the end of 2019.

In addition to the land developments, the Las Colonias Master Plan includes the development of a river recreational area. The river recreation feature is a creative project meant to restore what was previously a riparian area and to increase recreational use of the riverfront. A new inlet channel will be constructed to allow flowing water for a greater period of the year, permitting flow distribution to function appropriately in the existing river system, all while avoiding adverse impacts to existing aquatic habitat in the main channel of the Colorado River and any secondary channels. Upon completion, the excavated channel extension will have continuous water flow when the Colorado River flows are above 810 cubic feet per second. This excavation will add 1.77 acres of open water resulting in an increased area of aquatic habitat at the site while also enhancing the natural aesthetics and recreation in the park. Multiple funding sources contributed to the completion of the final phase, including Open Space funds (City of Grand Junction), Conservation Trust Fund (City of Grand Junction), Great Outdoors Colorado, Colorado Water Conservation Board, One Riverfront, and Colorado Basin Roundtable.





Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2018

Prepared by:

Finance Department

Jodi Romero, Finance Director



TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal.....	3
Certificate of Achievement for Excellence in Financial Reporting.....	11
City Organizational Chart.....	12
City Map, Election District Boundaries	13
List of City Officials.....	13
FINANCIAL SECTION	
Independent Auditor’s Report	17
Management’s Discussion and Analysis	19
Basic Financial Statements	29
Government-wide Financial Statements:	
Statement of Net Position.....	30
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	32
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	33
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	34
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund.....	36
Statement of Net Position – Proprietary Funds	37
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	38
Statement of Cash Flows – Proprietary Funds	39
Statement of Fiduciary Net Position – Fiduciary Funds.....	40
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	41
Notes to Financial Statements	43
Required Supplementary Information	
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios – Old Hire Police Pension Plan	78
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios – Old Hire Fire Pension Plan	79
Schedule of Contributions Multiyear – Old Hire Police Pension Plan	80
Schedule of Contributions Multiyear – Old Hire Fire Pension Plan.....	81
Schedule of Changes in the City’s Total OPEB Liability and Related Ratios – Post-Employment Retiree Healthcare Plan	82
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds	83
Combining Balance Sheet – Nonmajor Governmental Funds	86

TABLE OF CONTENTS

	<u>Page</u>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	88
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Visitors and Convention Bureau Special Revenue Fund.....	90
Enhanced 911 Special Revenue Fund	91
Parkland Expansion Special Revenue Fund	92
Conservation Trust Special Revenue Fund	93
Community Development Special Revenue Fund	94
Ridges Debt Service Fund.....	95
Grand Junction Public Finance Corporation Debt Service Fund	96
General Debt Service Fund	97
Parkway Debt Retirement Debt Service Fund.....	98
Sales Tax Capital Improvements Capital Projects Fund	99
Storm Drainage Development Capital Projects Fund.....	100
Street Assessments Projects Capital Projects Fund.....	101
Cemetery Perpetual Care Permanent Trust Fund	102
Nonmajor Proprietary Funds	103
Combining Statement of Net Position – Nonmajor Proprietary Funds	105
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Proprietary Funds.....	106
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	107
Combining Statement of Net Position – Internal Service Funds.....	108
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds.....	109
Combining Statement of Cash Flows – Internal Service Funds.....	110
Fiduciary Funds.....	111
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	112
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds.....	113
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	114
Downtown Development Authority – A Component Unit.....	115
Balance Sheet – Governmental Funds.....	116
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	117
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual:	
DDA Operations Special Revenue Fund.....	118
DDA TIF Debt Service Fund	119
DDA Capital Improvements Capital Projects Fund	120

STATISTICAL SECTION

Table 1 - Net Position.....	122
Table 2 - Changes in Net Position.....	124
Table 3 - Fund Balances, Governmental Funds	128
Table 4 - Changes in Fund Balances, Governmental Funds	130
Table 5 - Sales Tax Revenue by Type of Industry	132

TABLE OF CONTENTS

	<u>Page</u>
Table 6 - Direct and Overlapping Sales Tax Rates	134
Table 7 - Principal Sales Tax Payers.....	135
Table 8 - Sales & Use Tax Collections	136
Table 9 - Ratio of Outstanding Debt by Type	137
Table 10 - Ratio of Net General Bonded Debt	138
Table 11 - Computation of Legal Debt Margin.....	139
Table 12 - Computation of Direct and Overlapping Debt.....	140
Table 13 - Revenue Bond Coverage.....	141
Table 14 - Demographic and Economic Statistics	142
Table 15 - Top 10 Principal Employers	143
Table 16 - Miscellaneous Statistics	144
Table 17 - Capital Asset Statistics by Function.....	145

SINGLE AUDIT

Single Audit.....	147
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OTHER SUPPLEMENTAL INFORMATION

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



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INTRODUCTORY SECTION



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June 28, 2019

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

It is with great pleasure that I present the Comprehensive Annual Financial Report (CAFR) for the City of Grand Junction (the City), for the year ended December 31, 2018. State law requires that all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed public accountants. This CAFR is hereby issued and submitted to you for the fiscal year ended December 31, 2018 in accordance with these requirements.

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

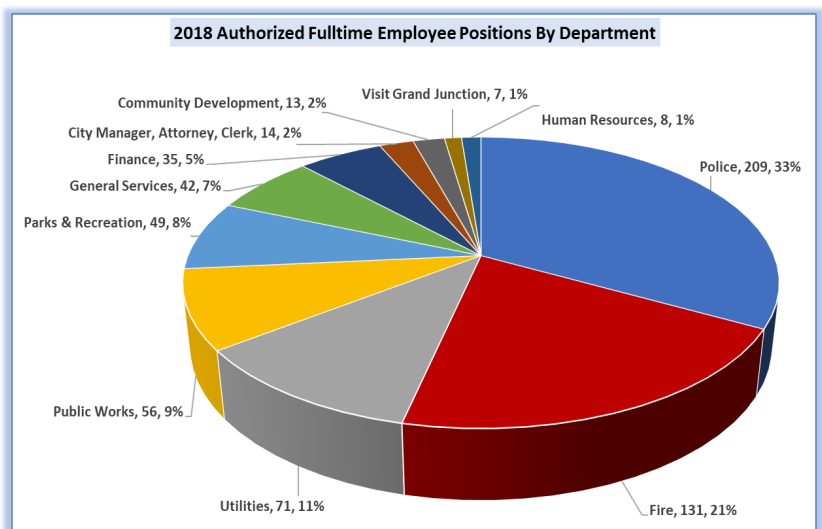
The City’s financial statements have been audited by Haynie & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City, for the fiscal year ended December 31, 2018, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor has concluded, based upon the audit, that there is a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended December 31, 2018 are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

The City provides a full range of services including public safety (police, fire, emergency medical services, and ambulance transport); public works (highways, streets, sanitation, and water); culture-recreation (parks, cemeteries, swimming pools, golf courses, and general recreation); planning; visitor and convention; and general administrative services. The relative department sizes in terms of personnel are depicted in the 2018 Authorized Fulltime Employee Positions by Department chart.



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

The City currently occupies a land area of 39.99 square miles and serves an estimated population of 65,224 people. The City is granted the authority to levy a property tax on both real and personal business properties located within its boundaries and to establish and collect its own sales, use, and lodging tax. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by City Council.

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

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

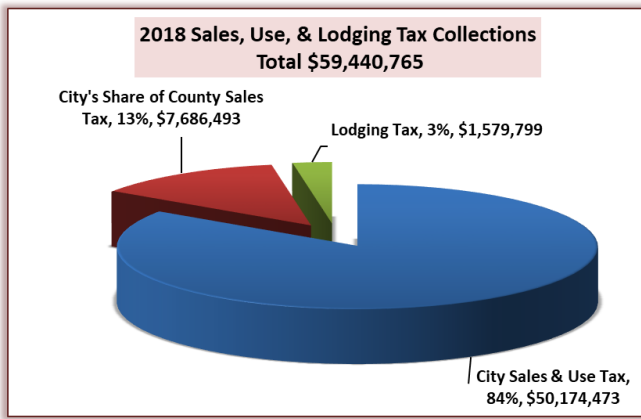
Budget to actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 36 as part of the basic financial statements for the governmental funds. For other major and non-major governmental funds this comparison is presented in the other funds' statements subsection of this report, starting on page 83.

FACTORS AFFECTING FINANCIAL CONDITION

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

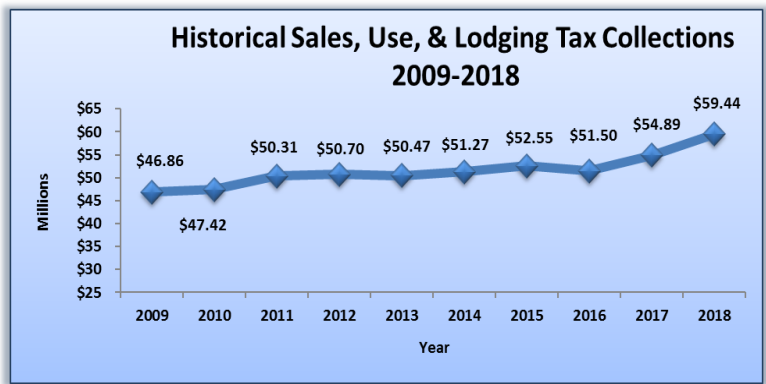
The mild climate and proximity to a great variety of outdoor activities year-round have made Grand Junction both a vacation destination and a retirement community. A 3% lodging tax, passed by the voters and implemented in 1990, is funding promotion of the Grand Valley as a tourism destination.

As in the past, City management and leadership continue to support operations with current operating revenues, while debt has been kept to a minimum. The three-quarter cent increase in City sales and use taxes, effective January 1, 1988, provides funds for capital investment, economic development, and important community programs. The sales and use tax revenues allocated to the general fund account for 59% of its revenues and fund general government operations such as police, fire, streets, and parks, as well as economic development and community partnerships.



The 2018 Sales, Use, & Lodging Tax Collections chart shows the sales, use, and lodging taxes and their proportionate size. Included in the City's share of County sales tax is the City's 6.97% of the Mesa County Public Safety Tax passed in November 2017, effective January 1, 2018. Historical Sales, Use, & Lodging Tax Collections graph shows the historical collections and growth since 2009. As seen below, tax revenues show growth from 2013 but decrease in 2016, with growth returning in 2017 and 2018. After falling significantly in 2009, tax revenues are still just short of pre-recession levels.

The Grand Junction Metropolitan Statistical Area (MSA), which includes the greater metro area inside Mesa County, has experienced population growth since its inception in 1995. However, as a result of the national recession, a significant reduction of oil and gas exploration in the area and a substantial decline in development and construction, Grand Junction experienced a 14% job loss between October 2008 and January 2010. Since that time, job recovery has been intermittent, and the average annual unemployment rate has continued to decline to its current 3.3%. As demonstrated in the 10 year Historical Sales, Use, & Lodging Tax Collections graph above, the recessionary job loss restricted consumer spending, resulting in significant declines in retail activity and tax revenues. Since the sales, use, and lodging tax collection low in 2009, revenues have recovered and have likely settled to a new base.



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

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

- In 2018, the City in partnership with the Downtown Development Authority and private entities began two significant economic development projects in the downtown area. The first is the development of a Google-like business park at Las Colonias Park, as well as the completion of a recreation park at Las Colonias along the south downtown riverfront. This project will be completed in 2019 and now includes a river park. The City was successful in obtaining over \$2.1 million in grants and private funding for the Las Colonias project including \$1.55 million in Energy Assistance grants from the Department of Local Affairs (DOLA). The second is the renovation and expansion of the Two Rivers Convention Center (TRCC) in connection with a future private hotel that will be attached to the convention center. The TRCC project will also be completed in 2019. The City was also awarded a \$1 million grant from DOLA for this project. Construction for both projects totals \$20 million of public investment expected to generate \$30 to \$40 million in private investment.
- In 2018, the City began plans for the re-development of another 60 acres of riverfront property west of the Las Colonias Park. The Riverfront at Dos Rios will be a mix of light industrial, outdoor recreation, commercial, and residential uses. Infrastructure for the project will be started in 2019 and total cost is estimated at \$12 million. As part of the development, the City also planned the renovation of an existing neighborhood park and trail to tie in with a new bicycle playground located on the Riverfront at Dos Rios property. The park project will be constructed in 2019 and is more than half-funded by grants.
- In 2018, the City began planning the \$2.5 million Monument Road Trail project that extends multi-modal access from the existing riverfront trail to one of the most popular off-road biking trailheads in Mesa County. This trailhead

known as Lunch Loops provides access to a vast network of trails on Bureau of Land Management lands. It also connects the surrounding amenities, including downtown Grand Junction, Las Colonias Park, the Botanical Gardens, Connected Lakes, and surrounding neighborhoods. This project will be completed in 2019 and is 82% funded by grants, including a \$1.5 million Great Outdoors Colorado grant.

- Based on 2017 voter authorization for using TABOR excess funds, an additional \$3.0 million was added to the already budgeted \$2.8 million in 2018 for street maintenance projects to improve the pavement condition of the City's critical transportation infrastructure.
- In 2018, the City completed the \$1.2 million reconstruction of a portion of 7th Street, which is one of the major north-south streets in the City.
- Water and sewer enterprises invested \$5.7 million in replacements of pipelines and improvements to the water and sewer plant systems.

FUTURE OUTLOOK

The City of Grand Junction remains committed to providing high quality services and investing in the future of the community. The City's goal is to serve its citizenry in the long-term while maintaining a sound financial position. As a result of strong financial leadership and management, S&P Global raised the long-term rating for the City to AA- from A+ in 2019. Priorities shaping the future are economic development, public safety, investments in infrastructure, and planned growth and development. The City continues to foster strong community partnerships in the pursuit of these priorities.

In August of 2017, the City Council adopted the City of Grand Junction Strategic Plan (the Plan). The Plan is used by elected officials to develop and implement high level policies and focus efforts. The purpose of the Plan is to inform and direct decision-making and budget priorities. The guiding principles of the plan are partnership, intergovernmental relationships, and fiscal responsibility. The cornerstones for the Plan are four strategic directives: diversification of our economic base; planning and infrastructure; public safety; and communications, outreach, and engagement. The City's 2019 budget was developed by allocating resources according to the Plan. Many of the aspects of the Plan have been long practiced through the extensive partnerships and investment in this community over many years as described further in the following.

The City works closely with community partners in economic development, including the Grand Junction Economic Partnership, Grand Junction Area Chamber of Commerce, Business Incubator, the Greater Grand Junction Sports Commission, Colorado Mesa University and the Grand Junction Regional Air Service Alliance. The City has a department dedicated to visitor services, and a 3% lodging tax is utilized by the visitor services department for advertising the community, promoting tourism and attracting conferences and conventions. An additional 3% lodging tax question went to voters in November 2018 and passed. The additional 3% was effective on January 1, 2019 and is meant to provide additional dedicated funds for promotion and marketing of tourism related activities, sports-related tourism, and direct air service in Grand Junction.

The Economic Development Plan, which was adopted in 2014, serves as a decision-making guide for City Council and firmly establishes City Council's commitment to taking a lead role in promoting and funding economic development in the area. This plan establishes a strategy for improving business conditions and attracting and retaining employers while confirming the City's standing as a viable, healthy, and safe community. As part of the strategy, the City has put into motion several action steps, including a branding and marketing analysis and exploration of foreign trade opportunities. Beginning in 2016, the City committed to funding local economic partners to implement recommendations resulting from a marketing and branding analysis completed in 2015. Recently, City Council authorized a limit on the vendor's fee paid to businesses for the collection of city sales tax and dedicated the resulting available resources as a sustainable funding source for economic development. City Council also pledged commitment to Mesa County's Rural Jump-Start Zone by authorizing tax rebates to qualifying businesses. This was the first Jump-Start Zone in the State of Colorado and is a joint effort between the City of Grand Junction, Mesa County, and Colorado Mesa University to grow jobs in new industries. Since its start in January of 2015, eleven businesses have located or expanded in Mesa County under the program. The most recent economic development opportunity involves the launch of the business park on the riverfront at Las Colonias. Also in process is the redevelopment of the riverfront west of Las Colonias at Dos Rios with a mix of recreational, retail, and residential uses. For years, the community has called for the revitalization of the riverfront, and through the leadership of the community, City Council, staff, and partners, the City will begin to take full advantage of the many amenities of the river.

The higher educational opportunities provided by Colorado Mesa University (CMU) are pivotal to the economic diversity and quality of life enjoyed by the residents of Grand Junction and the surrounding community. Over the last decade, CMU has embarked on a multi-year, multi-million dollar campus expansion and renovation project. The City has supported this project through economic development contributions of \$8.5 million through 2019, which includes participating in the financing of a

new academic classroom built in 2013. As funds are available and appropriated, the City has committed to ongoing support of \$500,000 per year for the financing of the classroom building through 2027. In 2018, the City began a pilot program with CMU for a local scholarship program developed to provide the opportunity for a higher education degree for local high school graduates, and that support continued into 2019.

As indicated by surveys and through dialogue with the Grand Junction community, public safety is recognized as one of the foundations of a livable community, primary responsibilities of local government, and key to economic health. Since 2017, 44 public safety positions have been added to the City organization. City Council remains committed to addressing future public safety needs and improvements in fire and emergency medical services coverage. In April 2019, the voters approved a 0.5% First Responder Tax. The tax is effective January 1, 2020 and will fund the construction, staffing, and operation of three new fire stations that have been identified as a need since 2004. It will also fund 18 additional sworn police positions in order to increase proactive policing and reduce response times, as well as telecommunicator positions in the communication center that serves all law enforcement and fire services in Mesa County.

One of the City's ongoing and major priorities is the preservation and improvement of the transportation infrastructure. The City has over 1,100 lane miles of streets infrastructure to maintain. The City has a sophisticated pavement management program that evaluates the condition of the roadways and designs an overlay schedule accordingly. The City's continuing infrastructure improvements are funded to a great extent by the three-quarter percent increase in the sales tax rate in 1988. This dedicated revenue stream is used for long-range capital planning efforts; however, because the City is still growing and the related infrastructure is not complete, the capital needs far outweigh the capital resources. City Council has recently identified an increased investment in maintenance and reconstruction of existing street infrastructure as one of the top three capital priorities, and in April of 2017, the voters authorized the use of the Taxpayer Bill of Rights Amendment (TABOR) excess dollars to be allocated to street infrastructure improvements through 2022.

The most significant capital project in the history of the City is the Riverside Parkway. The project entailed building a loop around the City that extends from 24 Road/Redlands Parkway to the intersection of 29 Road and D Road. The lower section of the Parkway extends from 4th Avenue to the intersection of 27½ Road and D Road. The most recently completed section extends from Highway 50 on Orchard Mesa over the I-70 Business Loop with the 29 Road viaduct. The final connection will extend to a new interchange at I-70. Recently City Council authorized a preliminary environmental study as a joint project with Mesa County for the proposed interchange at 29 Road and I-70. This loop is designed to provide interconnectivity to and around the City, as well as between different demographical areas of the valley, effectively connecting residential areas with jobs and services. Additional transportation capacity improvement projects are needed in order to ensure that citizens, businesses, and visitors can move around the community with relative ease. In April of 2019, a 0.25% sales tax increase for the capacity expansion of the transportation infrastructure was not approved by the voters. City Council remains committed to addressing these needs and evaluation what can be accomplished without a sales tax increase.

Historically, City Council has committed funding for major maintenance and improvement projects for the City's existing 30 developed parks. The purchase and development of the 114-acre regional Canyon View Park began in 1996 with major softball and soccer facilities. Improvements continued with the addition of a baseball field, tennis courts, several restroom facilities, and a complete playground renovation. This park serves as the main venue for athletic events for school and community leagues of all ages with an average of 45,000 hours reserved annually. In addition, the park is used nearly every day of the year by community members utilizing the dog park, walking trails, basketball courts, and other non-competitive amenities. With nearly one million visits to the park facility each year, it is clearly a significant asset to the regional community and the City's park system.

After significant community involvement and dialogue, a master plan was developed and adopted by City Council for the 207-acre Matchett Park in the northeast area of the City which will represent the third regional park for the City. In addition, the City has over 20 miles of developed trails and has partnered with Mesa Land Trust in the acquisition of land to facilitate the development of walking and bike trails along Monument Road. In 2018, as part of a "grass-roots" effort, a community/recreation center feasibility study (fully funded through private donations and grant dollars) was conducted and resulted in a recommendation to City Council from a community advocacy group to place a funding question on the April 2019 ballot. This measure was not authorized by the voters.

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

2017, an amphitheater and slough. The final improvements, including a dog park, festival area, and river park, will be completed with the completion of the business park in 2019.

The City is actively committed to energy efficiency and water conservation efforts and continually strives to implement strategies that preserve resources and increase efficiencies. One area of particular focus is the City's Compressed Natural Gas (CNG) Program. The City's CNG Program is threefold: transitioning the City's fleet into natural gas vehicles, expanding the City's CNG fueling station, and utilizing the Persigo Wastewater Treatment Plant component to convert excess digester gas (methane) into compressed natural gas to be used as a vehicle fuel (biogas). The system became operational in 2015 and has gained national recognition for innovation. The system also serves the Grand Valley Transit (GVT) who recently partnered with the City in a significant expansion of fueling stations. Currently, the equivalent of 400 gallons of gasoline is produced onsite daily and has offset the same volume use of diesel fuel. This has resulted in a carbon emission reduction of approximately 3 million pounds per year. At this time, 72 CNG vehicles are realizing the cost savings and other additional benefits from using the biogas, and the City will continue to partner with GVT to enhance the investment in the CNG Program. The City is currently a subscriber to several solar gardens and has installed solar at several facilities including the Water Treatment Plant, Persigo Wastewater Treatment Plant, Two Rivers Convention Center, and the Visitor's Center. These combined efforts result in a significant reduction of energy usage and annual cost savings. Several other conservation programs have been successfully implemented including installing LED lights in facilities, traffic signals, pedestrian lights, and streetlights. Water conservation efforts in the City's parks and green spaces include transitioning many areas from turf to native landscaping.

The Comprehensive Plan was formally adopted in 2010 after a three-year staff and community effort and was reflective of the community's values and vision at that time. This plan update process is intended to engage the community at all levels to articulate the community's values and visions of today. The plan serves as a guiding document for the City in decision making, policy making, and capital spending priorities. The plan will also establish goals and policies that are critical in guiding land use, directing growth, and establishing a unified vision that focuses the community on how to maintain and enhance the quality of life that all residents desire and expect. To assist in the update of the plan, the City Council appointed an Advisory Committee that will provide guidance to staff and the consultant team throughout the process which will include significant stakeholder and community involvement.

The City has a long-standing record of collaborative management and resource sharing with other agencies in the community and is committed to continuing and growing those relationships in the future. There are numerous examples of these alliances that result in added value to services as well as the highest and best use of resources. Public Safety: the City is the manager and a major partner agency in the E911 Regional Communication Center, which serves 23 law enforcement, fire, and emergency medical service responder agencies; the City of Grand Junction Police Department joins forces with the Mesa County Sheriff's Office and the Federal Drug Enforcement Agency on the Western Colorado Drug Task Force, a partnership designed to fight the battles of drugs and drug related crimes on the frontlines; the City, Mesa County, the City of Fruita, and School District #51 provide a School Resource Officer Program to the schools in the valley. Public Utility: the City and Mesa County have a jointly owned and managed sewer system that provides wastewater services to the larger urban area. The City manages the 5-2-1 Drainage Authority, which is a collaborative effort between the City, Mesa County, the City of Fruita, the Town of Palisade, and the Grand Valley Drainage District, to provide stormwater management services. Public Parks: the City of Grand Junction, Mesa County, School District #51, and Colorado Mesa University make use of and contribute to improvements of the sports complex and stadium in the heart of Grand Junction. Public Transportation: the City assists Mesa County in the support of the Grand Valley Transit system, a limited fixed route "circulator" which began servicing the core areas of the Grand Valley and outlying municipalities in 2000; currently, the transit system provides nearly 800,000 passenger trips per year. The City contracts to provide maintenance and repair services for the CNG transit buses. Animal Control and Building Services: Mesa County is contracted by the City to provide professional services in animal control services, as well as contractor licensing, building permitting, and inspection services.

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

FINANCIAL POLICIES

City Council provides policy direction to the City Manager, who guides the financial decisions of the organization. City Council's policy direction is to further economic development by taking a more proactive role while continuing to coordinate with all community partners, invest in public infrastructure, continue to provide the essential services of public safety, operate within existing revenues and in the General Fund, reserve at least 25% of the current year's adopted budget. City management has been successful in following City Council's policy direction through responsive, conservative, and sound financial

decisions. The City has financial policies and practices that guide budget, investments, debt, revenue, purchasing, risk management, and reserves.

COMPLIANCE WITH THE TAXPAYER BILL OF RIGHTS

The Colorado Constitutional Amendment passed in November 1992, known as the Taxpayer Bill of Rights Amendment (TABOR), restricts growth in governmental revenues and property tax revenues to amounts adjusted for inflation and a local growth factor. In April 2007, Grand Junction voters approved the retention by the City of all revenues exceeding the spending limit for 2006 and subsequent years until the bonded debt for the Riverside Parkway is paid in full. Therefore, the excess has been transferred to a debt service fund designated for payment of the Riverside Parkway bonds. In 2017, City voters authorized the use of those funds to be dedicated to street infrastructure improvements through 2022. The City is also subject to other TABOR requirements. For example, TABOR requires that no real estate transfer tax or income tax be imposed and that the City reserve 3% of its spending as an emergency reserve. The City is in compliance with these provisions. Finally, TABOR requires that the City has elections if it wishes to change its tax policy or issue general government debt.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grand Junction for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2017. This was the 34th consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. The City's submitted report satisfied both generally accepted accounting principles and applicable legal requirements.

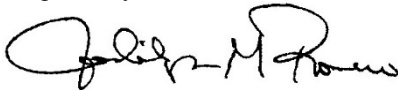
The Certificate of Achievement is valid for a period of one year. The City believes that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and the report will be submitted to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation of all members of the Finance Department who assisted in and contributed to its preparation. It should be noted that staff from other departments provide great assistance in the preparation of the report, and their work is also appreciated. I thank the Mayor and City Council for their direction and support of being responsible financial stewards for the citizens of Grand Junction.

The City's external auditors, Haynie & Company, P.C., are also commended for their comprehensive and efficient examination of the various funds of the City for the fiscal year ended December 31, 2018.

Respectfully submitted,



Jodi Romero
Finance Director





Government Finance Officers Association

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

Presented to

**City of Grand Junction
Colorado**

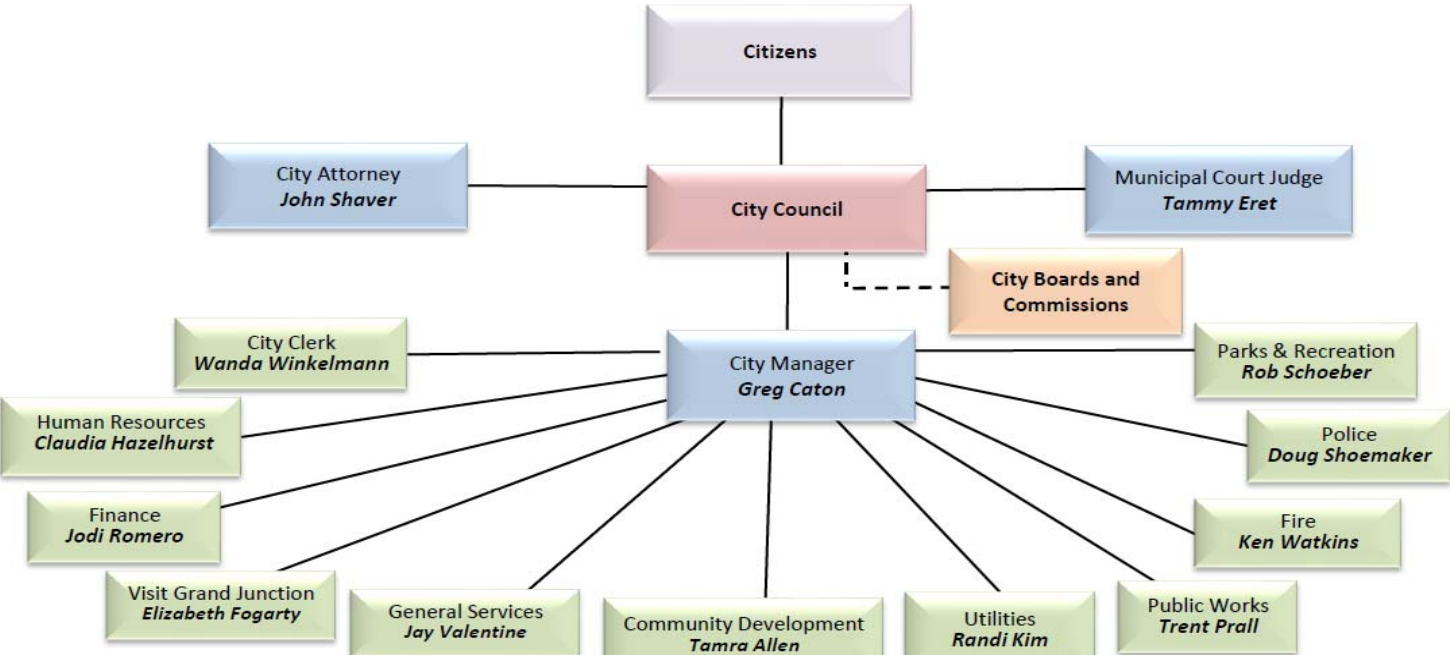
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

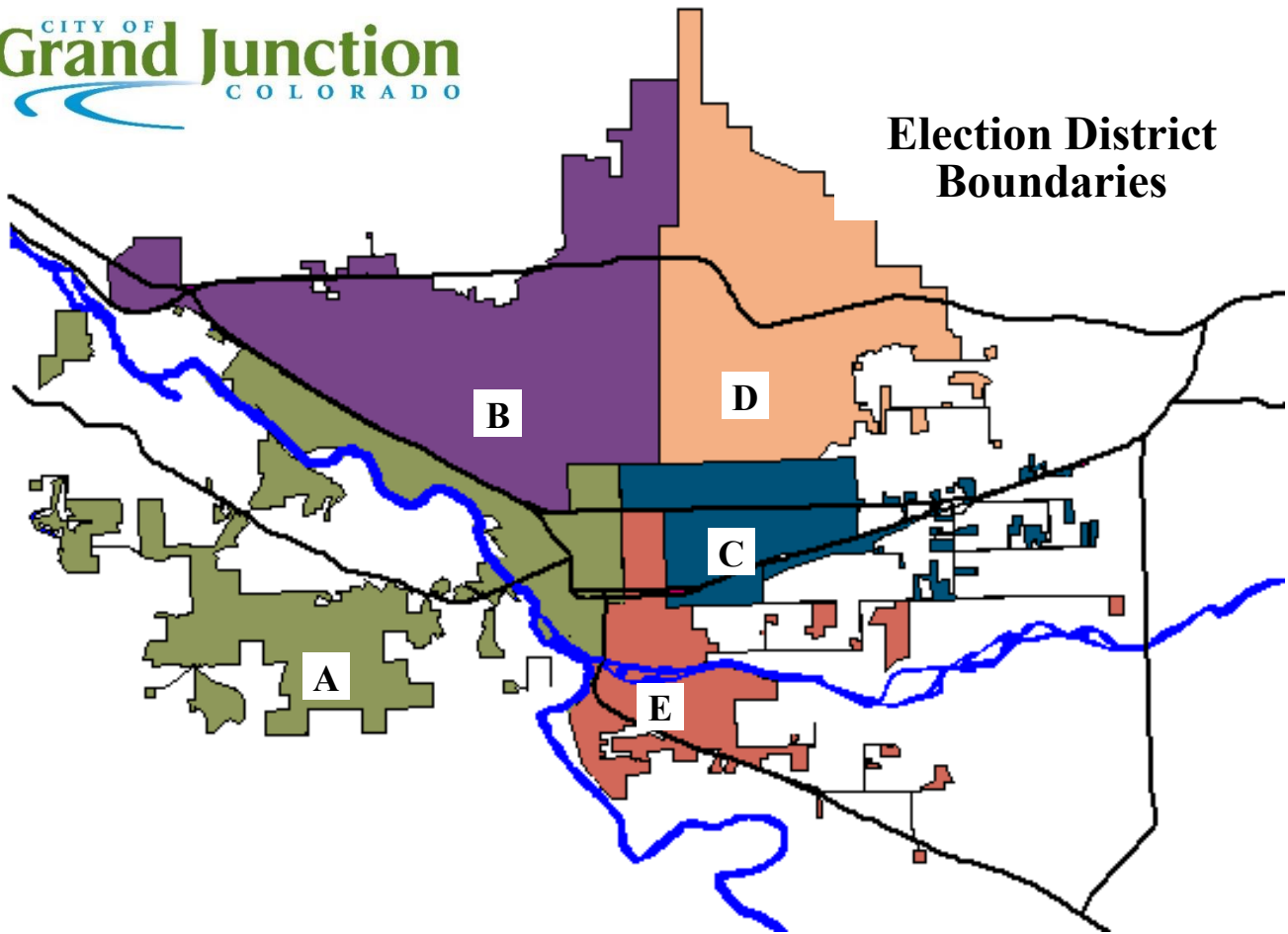
Christopher P. Morill

Executive Director/CEO

Organizational Chart



Election District Boundaries



Elected Officials

<u>City Council</u>	<u>District</u>	<u>Expires</u>
Rick Taggart, Mayor	At Large	May 2021
Duke Wortmann, Mayor Pro Tem	D	May 2021
Phyllis Norris	A	May 2021
Phillip Pe'a	B	May 2023
Anna Stout	C	May 2023
Vacant	E	May 2021
Chuck McDaniel	At Large	May 2023

Appointed Officials

Greg Caton	City Manager
John P. Shaver	City Attorney
Tammy Eret	Municipal Court Judge

Department Directors

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



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FINANCIAL SECTION



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

To the City Council
City of Grand Junction, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado (the "City"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 17 to the financial statements, management has implemented GASB Statement No 75. As a result of this change in accounting principle, the net position as of December 31, 2017 has been restated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

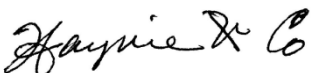
Accounting principles generally accepted in the United States of America require that the management's discussion and pension schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements,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

Other Information

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

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

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



Littleton, Colorado
June 28, 2019

MANAGEMENT'S DISCUSSION & ANALYSIS

Our discussion and analysis of the City of Grand Junction's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2018. 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 assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of 2018 by \$750.3 million (*net position*) primarily due to annexations and better than expected revenues, which increased cash and investments. Of this amount, \$21.6 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's General Fund revenues, on a budgetary basis, increased by 9.3% in 2018 after increases in most revenues (property taxes; sales, use, and lodging taxes; severance taxes; other taxes; licenses and permits; intergovernmental revenues; charges for services; fines and forfeitures; and investment income) and decreases in others (franchise taxes and other incomes). Sales, use, and lodging taxes are the single largest revenue source for the General Fund, comprising 59.3% of the \$73.7 million in total revenues.
- At the end of 2018, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$23.8 million, or 34.4% of the total General Fund expenditures. This is up from 2017 which was 22.4% of General Fund expenditures. The overall General Fund balance increased due to better than expected sales, use, and lodging tax revenues as well as a reduction in spending primarily due to vacancies and delayed economic development projects.
- The City invested over \$17.0 million in capital projects in 2018. These projects included street construction, machinery, buildings, parks development, convention center renovations, and water line and system replacements.
- In April of 2017, the voters authorized the City to use funds previously authorized to be accumulated for the early retirement of the Riverside Parkway Revenue Bonds towards street maintenance and neighborhood pavement preservation. At the close of 2018, the City had \$7.1 million remaining in these funds with another \$3.4 million budgeted to be used in 2019.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The *Governmental Activities* of the City include general government, public safety (police and fire), public works, parks and recreation,

and urban development and housing. The *Business-type Activities* of the City include water, convention center, solid waste, golf courses, parking, and irrigation.

Additionally, the government-wide financial statements include financial information for the Grand Junction Downtown Development Authority, a legally separate entity for which the City is financially accountable. The financial information for this component is reported separately from the financial information presented for the City itself.

The government-wide financial statements can be found on pages 30 and 31 of this report.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

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

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

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

The City adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget. The General Fund budgetary comparison is presented as part of the basic governmental fund financial statements, which can be found on pages 32 through 36 of this report. All other required budgetary comparisons, including the Sales Tax Capital Improvement Fund, General Debt Service Fund, and Parkway Debt Retirement Fund, can be found on pages 90 through 102 of this report.

2. **Proprietary Funds** – The City maintains two different types of proprietary funds. The first type is enterprise funds which are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility, convention center, solid waste, golf courses, parking, and irrigation.

As determined by GAAP, the water utility, Two Rivers Convention Center, golf courses, and parking enterprise funds meet the criteria of a major fund classification. All other funds are classified as non-major and are included in the combining statements within this report.

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

The basic proprietary fund financial statements can be found on pages 37 through 39.

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

The basic fiduciary fund financial statements can be found on pages 40 through 41.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43 through 76 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's Old Hire Police Pension Plan, Old Hire Fire Pension Plan, and the City's OPEB plan starting on page 77 of this report. Additionally, other supplemental information concerning the City's Local Highway Finance Report is also presented. This supplemental information can be found on pages 16; through 156 of this report.

The combining statements, referred to earlier in connection with non-major governmental funds, non-major proprietary funds, internal service funds, and fiduciary funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 86 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$750.3 million at the close of the 2018 fiscal year.

By far, the largest portion (94.3%) of the City's total net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

STATEMENT OF NET POSITION (in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 75,093	\$ 63,733	\$ 5,756	\$ 3,733	\$ 80,849	\$ 67,466
Capital assets	713,836	692,826	58,642	58,853	772,479	751,679
Total assets	<u>788,929</u>	<u>756,559</u>	<u>64,398</u>	<u>62,586</u>	<u>853,328</u>	<u>819,145</u>
Total deferred outflows of resources	<u>2,938</u>	<u>1,977</u>	<u>-</u>	<u>-</u>	<u>2,938</u>	<u>1,977</u>
Long-term debt outstanding	83,389	78,232	5,863	6,347	89,252	84,580
Other liabilities	7,672	5,010	743	625	8,415	5,635
Total liabilities	<u>91,061</u>	<u>83,242</u>	<u>6,606</u>	<u>6,972</u>	<u>97,667</u>	<u>90,215</u>
Total deferred inflows of resources	<u>8,290</u>	<u>7,591</u>	<u>-</u>	<u>-</u>	<u>8,290</u>	<u>7,591</u>
Net position:						
Net investment in capital assets	654,717	633,904	52,689	52,901	707,406	686,805
Restricted	21,297	18,335	-	-	21,297	18,335
Unrestricted	16,504	15,464	5,102	2,713	21,606	18,177
Total net position	<u>\$ 692,518</u>	<u>\$ 667,703</u>	<u>\$ 57,791</u>	<u>\$ 55,614</u>	<u>\$ 750,309</u>	<u>\$ 723,317</u>

An additional portion of the City's net position (2.8%) represents resources that are subject to external restrictions on how they may be used.

Changes in Net Position

The City's total revenues of \$149.3 million exceeded program expenses of \$110.2 million for an increase in net position of \$39.1 million.

CHANGES IN NET POSITION

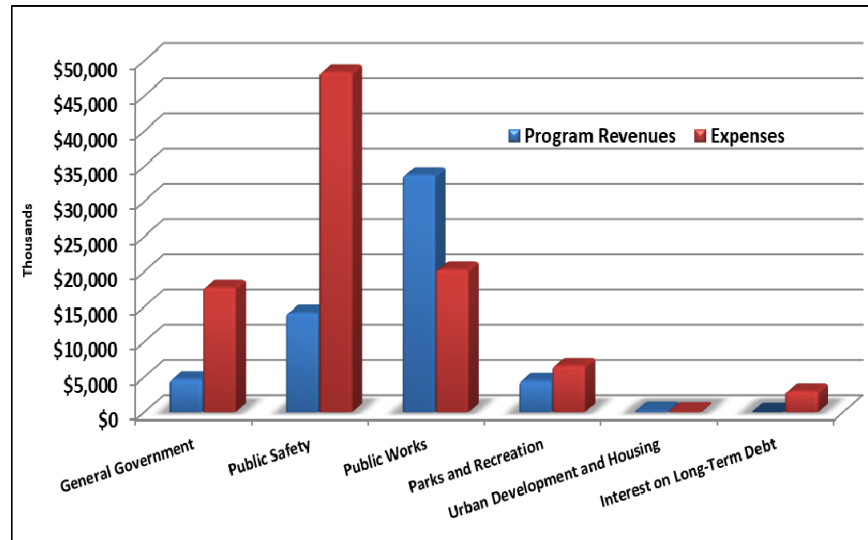
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 22,553	\$ 20,775	\$ 15,025	\$ 14,446	\$ 37,578	\$ 35,222
Operating grants	3,016	2,991	530	137	3,546	3,127
Capital grants	31,785	14,064	141	137	31,926	14,201
General revenue:						
Property taxes	8,702	8,463	-	-	8,702	8,463
Sales, use, and lodging taxes	59,441	54,889	-	-	59,441	54,889
Other taxes	7,012	6,464	-	-	7,012	6,464
Other general revenues	903	406	210	33	1,113	439
Total revenues	<u>133,412</u>	<u>108,052</u>	<u>15,906</u>	<u>14,753</u>	<u>149,318</u>	<u>122,804</u>
Expenses						
General government	17,777	13,491	-	-	17,777	13,491
Public safety	48,374	45,544	-	-	48,374	45,544
Public works	20,299	20,417	-	-	20,299	20,417
Parks and recreation	6,637	11,190	-	-	6,637	11,190
Urban development and housing	153	186	-	-	153	186
Interest on long-term debt	3,065	3,213	-	-	3,065	3,213
Water	-	-	6,150	5,137	6,150	5,137
Convention center	-	-	1,015	1,088	1,015	1,088
Solid waste removal	-	-	4,155	3,893	4,155	3,893
Golf	-	-	1,758	1,882	1,758	1,882
Parking	-	-	425	455	425	455
Irrigation systems	-	-	361	347	361	347
Total expenses	<u>96,305</u>	<u>94,041</u>	<u>13,864</u>	<u>12,802</u>	<u>110,169</u>	<u>106,842</u>
Increase (decrease) in net position before transfers	37,107	14,011	2,042	1,951	39,149	15,963
Transfers	(135)	(516)	135	516	-	-
Increase (decrease) in net position	<u>36,972</u>	<u>13,495</u>	<u>2,177</u>	<u>2,467</u>	<u>39,149</u>	<u>15,963</u>
Net position 1/1/18 - as restated	655,546	654,208	55,614	53,147	711,160	707,355
Net position 12/31/18	\$ 692,518	\$ 667,703	\$ 57,791	\$ 55,614	\$ 750,309	\$ 723,318

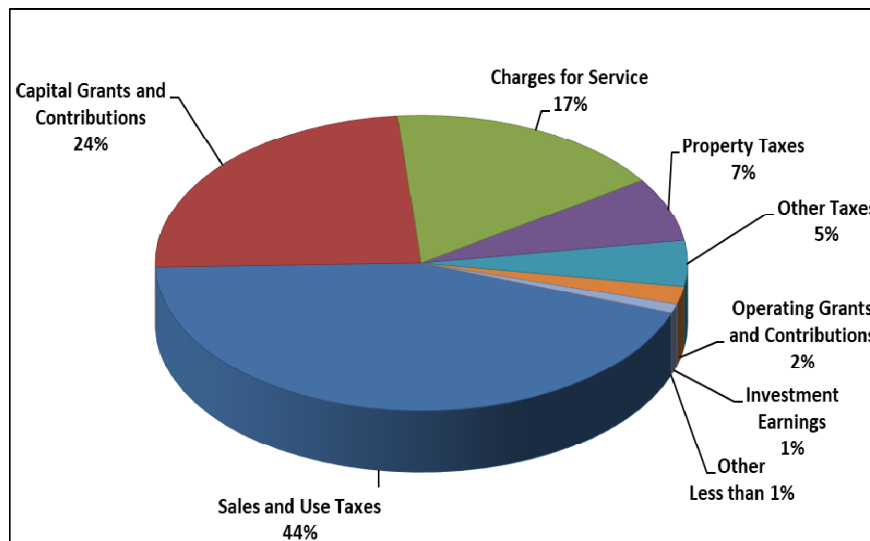
Governmental Activities

Governmental activities increased the City's net position by \$37.0 million. Following are illustrative charts of governmental activities summarizing expenses and program revenues (general revenues not included):

EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITES



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



While sales and lodging tax increased \$4.6 million and \$114 thousand, respectively, use tax decreased by \$138 thousand compared to 2017. The majority of use tax revenues come from the energy, construction, and development industries which continue to experience varying levels of activity from year to year. Property tax revenue increased by \$239 thousand, or 2.8%, during the year. This increase was attributed to an increase in assessed valuation and new construction. The mill levy has remained constant since 1992. Other tax revenues, including franchise fees and highway users tax, have increased by \$548 thousand, or 8.5%, compared to 2017.

Capital grants and contributions increased by \$17.7 million, or 126.0%, compared to 2017 primarily resulting from grants and contributions towards major capital projects.

Business-type Activities

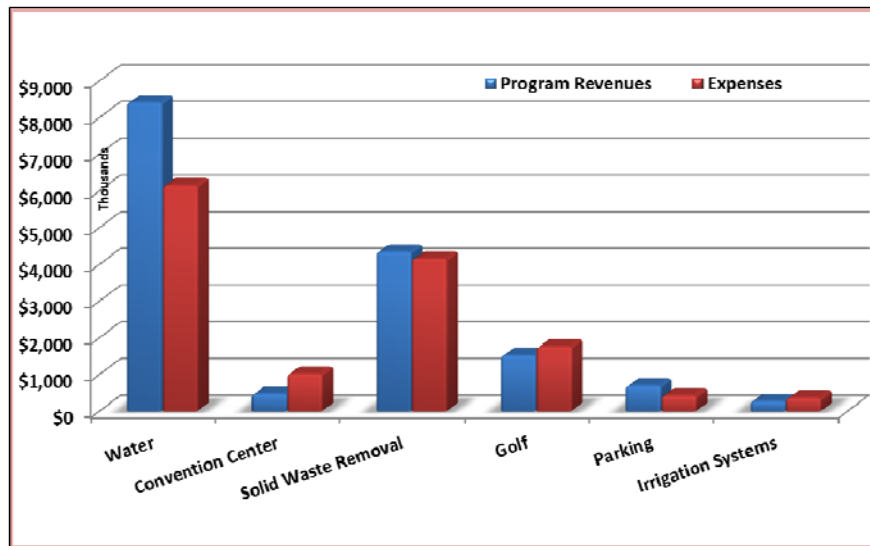
Net position of business-type activities increased by \$2.2 million. Business-type activities include water utility, convention center, solid waste, golf courses, parking, and irrigation.

The Two Rivers Convention Center and Golf Funds received transfers from the Visit Grand Junction Fund and Conservation Trust Fund to subsidize operations and help fund debt service.

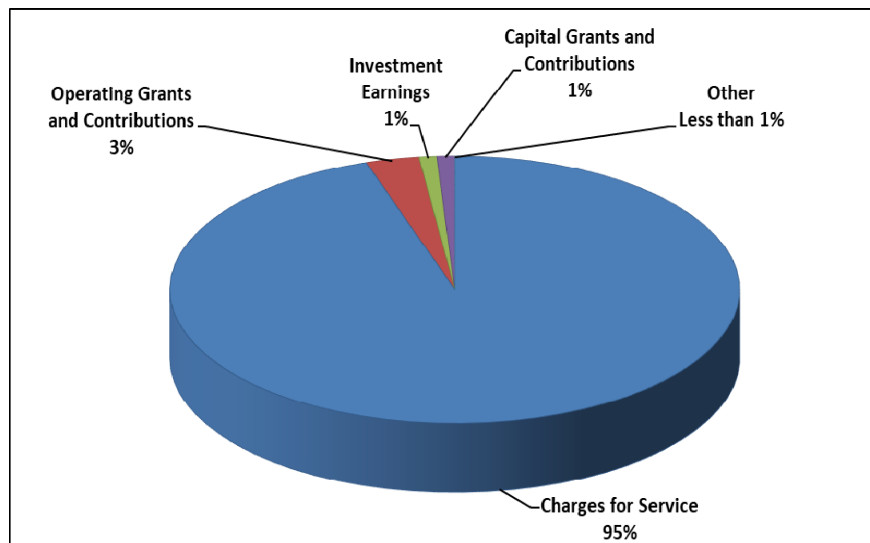
Unrestricted net position at the end of the year for business-type activities amounted to \$5.1 million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City business-type activities.

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

EXPENSE AND PROGRAM REVENUES – BUSINESS-TYPE ACTIVITIES



REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

As stated earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

As of December 31, 2018, the City's governmental funds (general, special revenue, debt service, capital projects, and permanent) reported combined fund balances of \$51.5 million. This represents an increase of \$11.5 million over last year's ending balances. The reasons for significant changes in fund balances are described below:

Revenues in the General Fund increased 9.0% over 2017 while expenditures increased 7.1%. The majority of these revenue increases were from sales tax resulting from a significant increase in retail sales activity from a growing local economy and the City's share of a County public safety tax that became effective January 1, 2018. The City also received an additional lump sum disbursement of Highway Users Tax from the State of Colorado in 2018. Grant revenue, interest income, and property taxes also increased. Expenditures increased due to wage increases, new positions added in public safety, increases in health insurance costs, spending of grant revenues, and the purchase of public safety special equipment. The General Fund's total fund balance increased \$8.8 million from last year. The City has continued to manage its expenditures to operate within its current financial resources and add funds to the General Fund balance each year.

The fund balance in the Sales Tax Capital Improvements Fund increased by \$2.7 million during the year ended December 31, 2018. The increase was due to better than expected sales tax revenues and a significant riverfront development project that was started but not completed in 2018. This project will be completed in 2019.

The fund balance in the Parkway Debt Retirement Fund decreased by \$2.1 million because the City used \$3.0 million for contract street maintenance. In April 2017, voters approved ballot question 2B, which authorized the City to use the excess TABOR funds to augment what was currently being invested in street maintenance projects and neighborhood pavement preservation. The transfer of TABOR revenue excess to be set aside for the payment of the outstanding Riverside Parkway bonded debt, as approved by the voters in April 2007, partially offset this reduction to the fund balance.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the General Fund budget was amended from an original appropriation total of \$71.1 million to a final budget of \$71.5 million. All recommended revisions for budget changes came through the Finance Department and City Manager to City Council, as required. Any budget revisions that require supplemental appropriations at the fund level are presented to City Council via ordinance and enactment requiring a public hearing and the opportunity for public discussion. The City does allow small intra-departmental budget changes that modify line items within departments within the same fund. The original and final adopted budgets for the General Fund are presented on page 36.

In the General Fund, the original budget for revenues was \$71.7 million, while the final budgeted amount was \$75.4 million, reflecting the increase in the projection for tax revenues. Actual revenues, on a budgetary basis, for 2018 came in \$3.1 million higher than the final budget at \$78.5 million. This was primarily charges for services, interest income, and seized funds performing better than expected as well, as the inclusion of the Employee Retiree Health activity, and a transfer from the Self-Insurance fund.

Actual General Fund expenditures, including transfers, totaled \$69.7 million. General Fund expenditures, including transfers, were approximately \$1.8 million (2.6%) lower than the final budget. This was due to achieving higher than expected budget savings in the department operating budgets from personnel vacancies, prudent spending, and unfinished projects that will need to be carried forward into the 2019 budget. The year-end budgetary basis fund balance of \$32.0 million was \$4.9 million above the final budgeted amount and includes funds assigned to the Employee Retiree Health Plan.

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 \$4.3 million during the year. The General Fund's total fund balance increased \$8.8 million from last year. An analysis for this fund balance shows that it represents over 44.3% of projected revenues for the new fiscal year which ends December 31, 2019.

Taxes continue to be the largest source of revenue in the General Fund and represent 80.7% of total General Fund revenues. The largest element of taxes is sales and use tax, as it has been for many years. Sales and use tax represents 73.6% of total tax revenues and 59.3% of total general fund revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the City had invested in a broad range of capital assets, including police and fire equipment, roads, parks, water systems, storm drainage, and other infrastructure.

The following table provides a summary of total capital assets at December 31, 2018:

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 331,783	\$ 311,567	\$ 5,141	\$ 5,141	\$ 336,923	\$ 316,707
Buildings and systems	74,279	77,296	45,076	46,141	119,355	123,437
Improvements other than buildings	11,394	12,286	4,263	4,499	15,657	16,785
Vehicles, machinery, and equipment	18,771	19,366	2,717	959	21,488	20,324
Infrastructure	269,259	270,728	-	-	269,259	270,728
Construction in progress	7,002	235	1,253	1,923	8,256	2,158
Intangible assets	1,348	1,348	191	190	1,540	1,539
Total	\$ 713,836	\$ 692,826	\$ 58,641	\$ 58,853	\$ 772,478	\$ 751,678

Major capital additions during 2018 include:

Las Colonias Business Park	\$ 4,077,562
Equipment replacement program	2,744,345
Street overlays	2,672,749
Biological nutrient removal effluent diffuser	2,599,542
7th Street reconstruction	1,417,832
Sewer line replacement	1,482,576
Pavement preservation high density mineral	368,423
9-1-1 telephone equipment upgrade	366,596
729 27 Road building, land, and improvements	327,989
Bridge replacement GRJ-F.5-30.8	319,499

The City remains committed to the upkeep and maintenance of the City's largest assets. More detailed information about the City's capital assets is presented in *Note 5* on pages 55 through 58.

Debt Administration

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

As of December 31, 2018, the City had \$63.5 million in outstanding debt. Of this amount, \$58.0 million represents General Government debt. The largest portion, \$35.8 million, is the liability from the issuance of certificates of participation for the Stadium Improvements Project and the Public Safety Buildings Project. The liability from the Riverside Parkway Refunding revenue bonds issued in 2012 is \$21.5 million. The remaining \$6.2 million of

outstanding debt consists of capital leases and loans to be repaid by fee revenue and appropriated funds. Total debt service payments of approximately \$5.2 million in 2019 represent 4.7% of total budgeted operating expenditures. Additional information on the City’s long-term debt can be found in *Note 7* on pages 58 through 61.

The table below provides a summary of total debt at December 31, 2018:

OUTSTANDING DEBT, AT YEAR-END						
(in Thousands)						
	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenue bonds and notes (backed by tax and fee revenue)	\$ 21,519	\$ 24,845	\$ -	\$ -	\$ 21,519	\$ 24,845
Certificates of participation (backed by the constructed assets)	35,752	36,762	-	-	35,752	36,762
Capital leases (backed by tax and fee revenue)	779	982	-	-	779	982
Loans (backed by fee revenue)	-	-	5,473	5,952	5,473	5,952
Total	<u>\$ 58,050</u>	<u>\$ 62,589</u>	<u>\$ 5,473</u>	<u>\$ 5,952</u>	<u>\$ 63,523</u>	<u>\$ 68,541</u>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The local economy has shown varying signs of recovery from year to year since the national recession. Sales tax revenues for 2018 were originally budgeted at a 1% increase from ending 2017 sales tax revenues but were amended to an 8% increase over 2017 because of better than expected local economy and consumer spending. For the 2019 budget, sales tax revenues have been budgeted at a conservative 3% increase compared to 2018. City-wide reserves are above levels currently directed by City Council. Grand Junction continues to be the educational, retail and medical center for most of Western Colorado and Eastern Utah and as a result of significant economic development investment is growing as a business location for the outdoor recreation industry. Those factors, coupled with tourism, the abundance of outdoor recreational opportunities, the continued expansion of Colorado Mesa University and the ability to attract new businesses and retirees all contribute to the local economy.

General Fund balances are above amounts set by City Council with the General Fund Minimum Reserve Policy formally adopted in 2018. The City’s investment in capital, transportation infrastructure, public safety, utility systems, parks, and economic development continues to be a significant portion, 24.6%, of the budget.

Rates in the Utility Funds will be set to cover operating and future capital investment. In 2019, utility revenues will be increased by an average of 6.1% in residential and commercial water fees, a 0% increase in sewer fees, and a 6.3% increase in solid waste rates.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

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





BASIC FINANCIAL STATEMENTS

City of Grand Junction
STATEMENT OF NET POSITION
December 31, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and investments	\$ 47,024,926	\$ 9,086,182	\$ 56,111,108	\$ 18,529,713
Other receivables, net of allowance for uncollectibles	21,830,991	1,527,150	23,358,141	1,449,167
Internal balances	4,917,873	(4,917,873)	-	-
Prepays	50,401	1,828	52,229	-
Inventories	203,465	58,782	262,247	-
Restricted cash and investments	541,006	-	541,006	-
Net pension asset	524,654	-	524,654	-
Capital assets (net of accumulated depreciation):				
Land	331,782,809	5,141,513	336,924,322	848,871
Buildings and systems	74,278,922	45,076,048	119,354,970	2,686,227
Improvements other than buildings	11,394,358	4,263,060	15,657,418	820,941
Equipment	18,770,908	2,717,028	21,487,936	261,880
Infrastructure	269,258,529	-	269,258,529	-
Construction in progress	7,002,480	1,253,321	8,255,801	-
Intangible assets	1,348,093	190,464	1,538,557	-
Total assets	<u>788,929,415</u>	<u>64,397,503</u>	<u>853,326,918</u>	<u>24,596,799</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	732,165	-	732,165	-
Deferred outflows related to pensions	1,277,308	-	1,277,308	-
Deferred outflows related to OPEB	928,477	-	928,477	-
Total deferred outflows of resources	<u>2,937,950</u>	<u>-</u>	<u>2,937,950</u>	<u>-</u>
LIABILITIES				
Accounts payable and other current liabilities	7,060,601	709,474	7,770,075	27,683
Accrued interest payable	531,958	33,683	565,641	25,821
Due to primary government	-	-	-	4,292,339
Unearned revenue	79,555	-	79,555	-
Noncurrent liabilities:				
Due within one year	5,798,421	518,166	6,316,587	1,040,466
Due in more than one year	77,589,246	5,344,693	82,933,939	17,215,101
Total liabilities	<u>91,059,781</u>	<u>6,606,016</u>	<u>97,665,797</u>	<u>22,601,410</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	7,639,482	-	7,639,482	1,449,007
Special assessments	4,449	-	4,449	-
Deferred inflows related to pensions	645,576	-	645,576	-
Total deferred inflows of resources	<u>8,289,507</u>	<u>-</u>	<u>8,289,507</u>	<u>1,449,007</u>
NET POSITION				
Net investment in capital assets	654,717,310	52,689,295	707,406,605	4,530,258
Restricted for:				
Perpetual care:				
Nonexpendable	1,435,189	-	1,435,189	-
Debt service	10,155,425	-	10,155,425	3,221,126
Emergency reserves	2,000,000	-	2,000,000	-
General capital improvements	4,415,978	-	4,415,978	-
Legends historical sculptures project	-	-	-	5,230
Parks and recreation	340,397	-	340,397	-
Public safety	2,886,437	-	2,886,437	-
Capital projects	63,451	-	63,451	-
Urban development and housing	-	-	-	10,982,529
Unrestricted	16,503,890	5,102,192	21,606,082	(18,192,761)
Total net position	<u>\$ 692,518,077</u>	<u>\$ 57,791,487</u>	<u>\$ 750,309,564</u>	<u>\$ 546,382</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, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component unit Downtown Development Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary Government:								
Governmental Activities:								
General government	\$ 17,776,852	\$ 3,611,696	\$ 1,077,654	\$ 9,555	\$ (13,077,947)	\$ -	\$ (13,077,947)	\$ -
Public safety	48,374,315	13,240,196	740,745	191,473	(34,201,901)	-	(34,201,901)	-
Public works	20,299,356	2,796,490	-	30,967,434	13,464,568	-	13,464,568	-
Parks and recreation	6,636,863	2,904,671	946,455	616,438	(2,169,299)	-	(2,169,299)	-
Urban development and housing	152,817	-	251,177	-	98,360	-	98,360	-
Interest on long-term debt	3,064,638	-	-	-	(3,064,638)	-	(3,064,638)	-
Total Governmental Activities	96,304,841	22,553,053	3,016,031	31,784,900	(38,950,857)	-	(38,950,857)	-
Business-type Activities:								
Water	6,149,893	8,180,914	85,744	140,853	-	2,257,618	2,257,618	-
Convention center	1,015,423	29,547	444,846	-	-	(541,030)	(541,030)	-
Solid waste removal	4,154,806	4,342,109	-	-	-	187,303	187,303	-
Golf	1,757,873	1,512,784	-	-	-	(245,089)	(245,089)	-
Parking	424,703	689,913	-	-	-	265,210	265,210	-
Irrigation systems	361,214	269,347	-	520	-	(91,347)	(91,347)	-
Total Business-type Activities	13,863,912	15,024,614	530,590	141,373	-	1,832,665	1,832,665	-
Total Primary Government	\$ 110,168,753	\$ 37,577,667	\$ 3,546,621	\$ 31,926,273	\$ (38,950,857)	\$ 1,832,665	\$ (37,118,192)	\$ -
Component Units:								
Downtown Development Authority	6,022,456	43,520	-	1,301,743				(4,677,193)
Total Component Units	\$ 6,022,456	\$ 43,520	\$ -	\$ 1,301,743				(4,677,193)
General revenues:								
Sales, use & lodging taxes					59,440,765	-	59,440,765	-
Property taxes					8,702,226	-	8,702,226	1,715,022
Franchise taxes					2,802,018	-	2,802,018	-
Highway users tax					2,825,138	-	2,825,138	-
Other shared taxes					1,384,561	-	1,384,561	-
Investment earnings					781,201	154,589	935,790	120,442
Gain on sale of capital assets					122,300	55,000	177,300	-
Transfers					(135,000)	135,000	-	-
Total general revenues and transfers					75,923,209	344,589	76,267,798	1,835,464
Change in net position					36,972,352	2,177,254	39,149,606	(2,841,729)
Net position - January 1, as restated					655,545,725	55,614,233	711,159,958	3,388,111
Net position - December 31					\$ 692,518,077	\$ 57,791,487	\$ 750,309,564	\$ 546,382

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

City of Grand Junction
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	General Debt Service Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 21,875,945	\$ -	\$ 1,990	\$ 7,055,725	\$ 8,807,916	\$ 37,741,576
Interest receivable	263,533	-	-	-	-	263,533
Accounts receivable, net of allowances for uncollectibles	1,651,610	-	-	-	335,362	1,986,972
Taxes receivable	12,196,176	5,457,990	-	-	140,258	17,794,424
Special assessments receivable	-	4,449	-	-	-	4,449
Intergovernmental receivable	488,817	966,290	-	-	65,389	1,520,496
Due from other funds	1,106,558	-	-	-	-	1,106,558
Prepaid items	29,572	-	-	-	5,861	35,433
Inventories	203,465	-	-	-	-	203,465
Restricted cash and investments	533,500	-	1,929	-	5,577	541,006
Advances to other funds	4,708,608	-	-	-	-	4,708,608
Total assets	<u>\$ 43,057,784</u>	<u>\$ 6,428,729</u>	<u>\$ 3,919</u>	<u>\$ 7,055,725</u>	<u>\$ 9,360,363</u>	<u>\$ 65,906,520</u>
LIABILITIES						
Accounts payable	2,523,403	1,553,714	-	-	1,464,403	5,541,520
Accrued liabilities	650,500	-	-	-	30,331	680,831
Due to other funds	-	454,588	-	-	-	454,588
Unearned revenue	54,555	-	-	-	25,000	79,555
Total liabilities	<u>3,228,458</u>	<u>2,008,302</u>	<u>-</u>	<u>-</u>	<u>1,519,734</u>	<u>6,756,494</u>
DEFERRED INFLOWS OF RESOURCES						
Property taxes	7,639,482	-	-	-	-	7,639,482
Unavailable revenue-special assessments	-	4,449	-	-	-	4,449
Total deferred inflows of resources	<u>7,639,482</u>	<u>4,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,643,931</u>
FUND BALANCES						
Nonspendable:						
Advances	\$ 4,708,608	\$ -	\$ -	\$ -	\$ -	\$ 4,708,608
Inventories and prepaids	233,037	-	-	-	5,861	238,898
Permanent fund principal	-	-	-	-	1,435,189	1,435,189
Restricted for:						
Debt service	1,387,553	-	3,919	7,055,725	2,241,728	10,688,925
Emergency reserves	2,000,000	-	-	-	-	2,000,000
General capital improvements	-	4,415,978	-	-	-	4,415,978
Parks and recreation	25,000	-	-	-	315,397	340,397
Public safety	-	-	-	-	2,695,251	2,695,251
Capital projects	-	-	-	-	63,451	63,451
Committed to:						
Open space	-	-	-	-	854,953	854,953
Tourism and convention	-	-	-	-	228,799	228,799
Assigned to:						
Cultural arts	3,856	-	-	-	-	3,856
Retiree health benefits	1,435,688	-	-	-	-	1,435,688
Subsequent years expenditures	7,774,099	-	-	-	-	7,774,099
Unassigned:	14,622,003	-	-	-	-	14,622,003
Total fund balances	<u>32,189,844</u>	<u>4,415,978</u>	<u>3,919</u>	<u>7,055,725</u>	<u>7,840,629</u>	<u>51,506,095</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 43,057,784</u>	<u>\$ 6,428,729</u>	<u>\$ 3,919</u>	<u>\$ 7,055,725</u>	<u>\$ 9,360,363</u>	<u>\$ 65,906,520</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 POSITION**
December 31, 2018

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

Total fund balance - governmental funds (page 32)	\$ 51,506,095
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	696,425,266
The net pension asset is not an available resource and therefore, is not reported in the funds.	524,654
Deferred outflows related to pension are not current assets or financial resources.	1,277,308
Deferred inflows related to pension are not current liabilities or financial uses.	(645,576)
Deferred outflows related to OPEB are not current assets or financial resources.	928,477
Other long-term assets are not available to pay current expenditures and therefore, are reported as unavailable revenue in the funds.	(370,181)
Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation and maintenance, self-insurance activities, communication services and facilities management to individual funds. The assets \$27,340,446 and liabilities \$(3,459,250) of the internal service funds are included in governmental activities on the statement of net position.	23,881,196
Interfund for internal service fund allocated to business-type activities.	(442,705)
Long-term liabilities including bonds and notes payable, net pension liability and related deferred outflows, capital leases, compensated absences and accrued interest are not due and payable in the current period. Therefore, these items are not reported in the funds.	
Revenue bonds	\$ (20,050,000)
Bond premium (to be amortized over life of debt)	(1,468,615)
Deferred charge on refunding (to be amortized over life of debt)	732,165
Certificates of participation	(36,040,000)
Discount on certificates of participation (to be amortized over life of lease)	287,943
Capital leases	(778,877)
Net pension liability	(3,699,189)
Accrued interest payable	(531,958)
Compensated absences	(3,335,061)
Other post-employment benefit obligation	(15,682,865)
	(80,566,457)
 Total net position - governmental activities (page 30)	 \$ 692,518,077

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, 2018

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	General Debt Service Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 8,702,226	\$ -	\$ -	\$ -	\$ -	\$ 8,702,226
Sales, use and lodging	43,770,999	13,503,012	-	-	2,166,754	59,440,765
Franchise	2,802,018	-	-	-	-	2,802,018
Severance	629,470	-	-	-	-	629,470
Other	3,580,229	-	-	-	-	3,580,229
Licenses and permits	159,540	-	-	-	-	159,540
Intergovernmental	3,601,338	5,964,616	722,025	-	1,004,790	11,292,769
Charges for services	9,299,689	149,584	-	-	3,872,118	13,321,391
Fines and forfeitures	657,611	-	-	-	3,550	661,161
Special assessments	-	4,045	-	-	-	4,045
Investment earnings	436,741	817	3,496	134,185	108,839	684,078
Other income	13,663	-	-	-	44,832	58,495
Other contributions	50,516	560,000	-	-	955,796	1,566,312
Total revenues	<u>73,704,040</u>	<u>20,182,074</u>	<u>725,521</u>	<u>134,185</u>	<u>8,156,679</u>	<u>102,902,499</u>
EXPENDITURES						
Current:						
General government	11,775,936	-	3,010	-	2,057,505	13,836,451
Public safety	40,445,199	-	-	-	-	40,445,199
Public works	8,348,485	-	-	-	-	8,348,485
Parks and recreation	8,787,839	-	-	-	-	8,787,839
Urban development and housing	-	-	-	-	152,817	152,817
Debt service:						
Principal retirement	-	-	3,635,000	-	240,000	3,875,000
Interest and fiscal charges	-	-	3,249,160	-	291,175	3,540,335
Capital outlay:						
Construction	-	11,323,801	-	-	145,384	11,469,185
Total expenditures	<u>69,357,459</u>	<u>11,323,801</u>	<u>6,887,170</u>	<u>-</u>	<u>2,886,881</u>	<u>90,455,311</u>
Excess (deficiency) of revenues over (under) expenditures	4,346,581	8,858,273	(6,161,649)	134,185	5,269,798	12,447,188
OTHER FINANCING SOURCES (USES)						
Transfers in	4,737,456	3,506,838	6,165,140	768,170	243,235	15,420,839
Transfers out	(305,079)	(9,655,116)	-	(3,017,000)	(3,439,366)	(16,416,561)
Sale of capital assets	61,001	-	-	-	-	61,001
Total other financing sources and (uses)	<u>4,493,378</u>	<u>(6,148,278)</u>	<u>6,165,140</u>	<u>(2,248,830)</u>	<u>(3,196,131)</u>	<u>(934,721)</u>
Net change in fund balances	8,839,959	2,709,995	3,491	(2,114,645)	2,073,667	11,512,467
Fund balances - beginning	23,349,885	1,705,983	428	9,170,370	5,766,962	39,993,628
Fund balances - ending	<u>\$ 32,189,844</u>	<u>\$ 4,415,978</u>	<u>\$ 3,919</u>	<u>\$ 7,055,725</u>	<u>\$ 7,840,629</u>	<u>\$ 51,506,095</u>

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

City of Grand Junction
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
 For the Year Ended December 31, 2018

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)	\$	11,512,467
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$14,795,251) exceeded capital outlays of \$11,438,784, in the current period.		(3,356,467)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trades and disposals) is to decrease net position.		(583,797)
The net effect of the donation of capital assets is to increase net position.		24,972,649
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		404
Current-year pension contributions are included in deferred outflows of resources for governmental activities.		809,523
Current-year OPEB contributions are included in deferred outflows of resources for governmental activities.		454,454
Current-year pension expense does not use current financial resources and is not included in expenses in the funds.		(72,172)
Current-year pension income is not a current financial resource and is not included in revenues in the funds.		17,258
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, this transaction has no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt principal payments	\$	4,078,360
Bond premium (to be amortized over the life of debt)		481,608
Certificates of participation discount (to be amortized over the life of debt)		(20,487)
Deferred charge on refunding (to be amortized over the life of debt)		(240,101)
Decrease in accrued interest		51,317
Decrease in compensated absences		52,459
		4,403,156
Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation and maintenance, central stores and printing, self-insurance activities and communication services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		
Revenues from external customers	\$	5,140,655
Expenses due to external customers		(5,988,432)
Grants and contributions		170,237
Gain/(loss) on disposition of property		61,299
Investment income		120,708
Operating (loss) from operations		(689,590)
		(1,185,123)
Change in net position of governmental activities (page 31)	\$	36,972,352

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, 2018

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	\$ 8,668,960	\$ 8,668,960	\$ 8,702,226	\$ -	\$ 8,702,226	\$ 33,266
Sales and use	40,538,541	43,252,201	43,770,999	(57,288)	43,713,711	461,510
Franchise	2,790,000	2,790,000	2,802,018	-	2,802,018	12,018
Severance	938,358	740,864	629,470	-	629,470	(111,394)
Other	3,012,202	3,636,836	3,580,229	-	3,580,229	(56,607)
Licenses and permits	135,862	150,050	159,540	-	159,540	9,490
Intergovernmental	3,337,614	3,590,266	3,601,338	-	3,601,338	11,072
Charges for services	8,323,326	8,744,689	9,299,689	-	9,299,689	555,000
Fines and forfeitures	528,460	374,460	657,611	-	657,611	283,151
Investment earnings	241,000	241,000	436,741	30,428	467,169	226,169
Other income	5,800	5,800	13,663	-	13,663	7,863
Other contributions	40,250	42,750	50,516	-	50,516	7,766
Total revenues	<u>68,560,373</u>	<u>72,237,876</u>	<u>73,704,040</u>	<u>(26,860)</u>	<u>73,677,180</u>	<u>1,439,304</u>
EXPENDITURES						
Current:						
General government:						
Administration	11,217,190	11,251,375	10,413,892	-	10,413,892	837,483
Community development	1,300,659	1,325,902	1,362,044	-	1,362,044	(36,142)
Total general government	<u>12,517,849</u>	<u>12,577,277</u>	<u>11,775,936</u>	<u>-</u>	<u>11,775,936</u>	<u>801,341</u>
Public safety:						
Police protection	23,007,050	23,685,571	22,888,090	-	22,888,090	797,481
Fire protection	17,260,956	17,431,047	17,557,109	-	17,557,109	(126,062)
Total public safety	<u>40,268,006</u>	<u>41,116,618</u>	<u>40,445,199</u>	<u>-</u>	<u>40,445,199</u>	<u>671,419</u>
Public works	8,688,401	8,584,553	8,348,485	-	8,348,485	236,068
Parks and recreation	8,837,351	8,857,515	8,787,839	-	8,787,839	69,676
Total expenditures	<u>70,311,607</u>	<u>71,135,963</u>	<u>69,357,459</u>	<u>-</u>	<u>69,357,459</u>	<u>1,778,504</u>
Excess (deficiency) of revenues over (under) expenditures	(1,751,234)	1,101,913	4,346,581	(26,860)	4,319,721	3,217,808
OTHER FINANCING SOURCES (USES)						
Transfers in	3,116,421	3,116,421	4,737,456	-	4,737,456	1,621,035
Transfers out	(800,000)	(359,550)	(305,079)	-	(305,079)	54,471
Sale of capital assets	12,000	12,000	61,001	-	61,001	49,001
Total other financing sources and (uses)	<u>2,328,421</u>	<u>2,768,871</u>	<u>4,493,378</u>	<u>-</u>	<u>4,493,378</u>	<u>1,724,507</u>
Net change in fund balances	577,187	3,870,784	8,839,959	(26,860)	8,813,099	4,942,315
Fund balances - beginning	23,173,219	23,173,219	23,349,885	(176,666)	23,173,219	-
Fund balances - ending	<u>\$ 23,750,406</u>	<u>\$ 27,044,003</u>	<u>\$ 32,189,844</u>	<u>\$ (203,526)</u>	<u>\$ 31,986,318</u>	<u>\$ 4,942,315</u>

City of Grand Junction, Colorado
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	Business-Type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	
ASSETS							
Current assets:							
Cash and investments	\$ 7,438,102	\$ -	\$ 122,618	\$ 414,075	\$ 1,111,387	\$ 9,086,182	\$ 9,283,350
Accounts receivable, net of allowance	668,819	284,185	10,173	970	561,193	1,525,340	510,866
Intergovernmental receivable	1,810	-	-	-	-	1,810	120,432
Prepaid items	-	-	1,828	-	-	1,828	14,968
Inventory	-	-	58,782	-	-	58,782	-
Total current assets	<u>8,108,731</u>	<u>284,185</u>	<u>193,401</u>	<u>415,045</u>	<u>1,672,580</u>	<u>10,673,942</u>	<u>9,929,616</u>
Noncurrent assets:							
Capital assets:							
Land	2,506,211	197,993	891,356	1,545,953	-	5,141,513	-
Buildings, improvements, plant and system	50,727,673	20,242,203	7,346,930	5,058,459	3,685,556	87,060,821	3,838,910
Equipment	2,785,634	1,075,979	218,233	323,882	1,382,709	5,786,437	42,960,349
Construction in progress	996,687	256,634	-	-	-	1,253,321	192,053
Intangible assets	190,464	-	-	-	-	190,464	-
Less accumulated depreciation	<u>(23,232,549)</u>	<u>(7,143,450)</u>	<u>(4,593,585)</u>	<u>(1,666,020)</u>	<u>(4,155,518)</u>	<u>(40,791,122)</u>	<u>(29,580,482)</u>
Total capital assets (net of accumulated depreciation)	<u>33,974,120</u>	<u>14,629,359</u>	<u>3,862,934</u>	<u>5,262,274</u>	<u>912,747</u>	<u>58,641,434</u>	<u>17,410,830</u>
Total noncurrent assets	<u>33,974,120</u>	<u>14,629,359</u>	<u>3,862,934</u>	<u>5,262,274</u>	<u>912,747</u>	<u>58,641,434</u>	<u>17,410,830</u>
Total assets	<u>42,082,851</u>	<u>14,913,544</u>	<u>4,056,335</u>	<u>5,677,319</u>	<u>2,585,327</u>	<u>69,315,376</u>	<u>27,340,446</u>
LIABILITIES							
Current liabilities:							
Accounts payable	176,811	103,507	65,824	63,807	113,787	523,736	616,964
Accrued liabilities	107,394	-	24,832	5,031	48,481	185,738	458,099
Accrued interest payable	33,683	-	-	-	-	33,683	-
Compensated absences payable	14,523	-	5,109	470	5,737	25,839	38,866
Claims payable	-	-	-	-	-	-	774,709
Current portion of promissory notes payable	492,327	-	-	-	-	492,327	-
Due to other funds	-	151,626	195,857	210,046	94,441	651,970	-
Total current liabilities	<u>824,738</u>	<u>255,133</u>	<u>291,622</u>	<u>279,354</u>	<u>262,446</u>	<u>1,913,293</u>	<u>1,888,638</u>
Noncurrent liabilities:							
Compensated absences payable	204,525	-	71,943	6,619	80,790	363,877	547,362
Claims payable	-	-	-	-	-	-	1,023,250
Advances from other funds - general fund	-	-	2,358,359	2,038,020	312,229	4,708,608	-
Promissory notes payable	4,980,816	-	-	-	-	4,980,816	-
Total noncurrent liabilities	<u>5,185,341</u>	<u>-</u>	<u>2,430,302</u>	<u>2,044,639</u>	<u>393,019</u>	<u>10,053,301</u>	<u>1,570,612</u>
Total liabilities	<u>6,010,079</u>	<u>255,133</u>	<u>2,721,924</u>	<u>2,323,993</u>	<u>655,465</u>	<u>11,966,594</u>	<u>3,459,250</u>
NET POSITION							
Net investment in capital assets	28,500,977	14,629,359	3,862,934	5,262,274	912,747	53,168,291	17,410,830
Restricted for:							
Public safety	-	-	-	-	-	-	191,186
Unrestricted	7,571,795	29,052	(2,528,523)	(1,908,948)	1,017,115	4,180,491	6,279,180
Total net position	<u>\$ 36,072,772</u>	<u>\$ 14,658,411</u>	<u>\$ 1,334,411</u>	<u>\$ 3,353,326</u>	<u>\$ 1,929,862</u>	<u>\$ 57,348,782</u>	<u>\$ 23,881,196</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						<u>442,705</u>	
Net position of business type activities						<u>\$ 57,791,487</u>	

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

City of Grand Junction, Colorado
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:							
Charges for sales and services	\$ 8,180,914	\$ 29,547	\$ 1,512,784	\$ 689,913	\$ 4,611,456	\$ 15,024,614	\$ 22,853,540
Other income	-	-	-	-	-	-	137,885
Total operating revenues	<u>8,180,914</u>	<u>29,547</u>	<u>1,512,784</u>	<u>689,913</u>	<u>4,611,456</u>	<u>15,024,614</u>	<u>22,991,425</u>
Operating expenses:							
Personnel services	2,701,757	-	733,642	141,489	1,193,070	4,769,958	8,443,910
Costs of sales and services	1,985,156	419,224	755,689	131,393	3,030,950	6,322,412	13,490,032
Depreciation and amortization	1,196,168	578,300	215,190	107,174	149,624	2,246,456	3,791,597
Total operating expenses	<u>5,883,081</u>	<u>997,524</u>	<u>1,704,521</u>	<u>380,056</u>	<u>4,373,644</u>	<u>13,338,826</u>	<u>25,725,539</u>
Operating income (loss)	<u>2,297,833</u>	<u>(967,977)</u>	<u>(191,737)</u>	<u>309,857</u>	<u>237,812</u>	<u>1,685,788</u>	<u>(2,734,114)</u>
Nonoperating revenues (expenses):							
Intergovernmental	26,677	255,759	-	-	-	282,436	198,917
Miscellaneous	59,067	189,087	-	-	-	248,154	-
Investment earnings	123,961	-	1,307	6,813	22,508	154,589	120,708
Gain (loss) on disposition of property and equipment	(6,543)	-	-	-	55,000	48,457	61,299
Interest expense	(148,165)	-	(26,208)	(36,825)	-	(211,198)	-
Total nonoperating revenues (expenses)	<u>54,997</u>	<u>444,846</u>	<u>(24,901)</u>	<u>(30,012)</u>	<u>77,508</u>	<u>522,438</u>	<u>380,924</u>
Income (loss) before contributions and transfers:	2,352,830	(523,131)	(216,638)	279,845	315,320	2,208,226	(2,353,190)
Capital contributions - tap fees	140,853	-	-	-	520	141,373	-
Transfers in	-	200,000	85,000	-	-	285,000	2,496,813
Transfers out	-	-	-	-	(150,000)	(150,000)	(1,636,091)
Change in net position	2,493,683	(323,131)	(131,638)	279,845	165,840	2,484,599	(1,492,468)
Net position - beginning	<u>33,579,089</u>	<u>14,981,542</u>	<u>1,466,049</u>	<u>3,073,481</u>	<u>1,764,022</u>	<u>54,864,183</u>	<u>25,373,664</u>
Net position - ending	<u>\$ 36,072,772</u>	<u>\$ 14,658,411</u>	<u>\$ 1,334,411</u>	<u>\$ 3,353,326</u>	<u>\$ 1,929,862</u>	<u>\$ 57,348,782</u>	<u>\$ 23,881,196</u>
Change in net position						2,484,599	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						<u>(307,345)</u>	
Change in net position of business type activities						<u>\$ 2,177,254</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, 2018

	Business-Type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:							
Cash received from interfund	\$ 747,263	\$ -	\$ -	\$ -	\$ -	\$ 747,263	\$ 19,072,160
Cash received from customers and users	7,760,616	(223,907)	1,505,698	699,363	4,583,748	14,325,518	3,697,301
Cash paid to interfund	(1,227,323)	(195,966)	(297,172)	(85,634)	(1,558,745)	(3,364,840)	(1,985,469)
Cash paid to suppliers	(774,399)	(223,414)	(410,511)	(4,148)	(1,480,408)	(2,892,880)	(13,082,442)
Cash paid to employees	(2,601,398)	-	(713,367)	(137,283)	(1,137,398)	(4,589,446)	(7,936,077)
Miscellaneous disbursements	-	-	-	-	-	-	(436,444)
Miscellaneous receipts	59,067	189,087	-	-	-	248,154	151,047
Net cash provided (used) by operating activities	<u>3,963,826</u>	<u>(454,200)</u>	<u>84,648</u>	<u>472,298</u>	<u>407,197</u>	<u>4,473,769</u>	<u>(519,924)</u>
Cash flows from noncapital financing activities:							
Transfers from other funds	-	200,000	85,000	-	-	285,000	2,496,813
Transfers to other funds	-	-	-	-	(150,000)	(150,000)	(1,636,091)
Increase (decrease) in amount due other funds	-	151,626	2,894	3,104	2,483	160,107	-
Intergovernmental receipts	46,371	-	-	-	-	46,371	28,679
Net cash provided by noncapital financing activities	<u>46,371</u>	<u>351,626</u>	<u>87,894</u>	<u>3,104</u>	<u>(147,517)</u>	<u>341,478</u>	<u>889,401</u>
Cash flows from capital and related financing activities:							
Tap fees	140,853	-	-	-	520	141,373	-
Principal payments:							
Promissory notes	(482,231)	-	-	-	-	(482,231)	-
Repayment of interfund capital loans	-	-	(195,857)	(210,046)	(94,441)	(500,344)	-
Interest paid	(154,935)	-	(26,208)	(36,825)	-	(217,968)	-
Proceeds from disposition of capital assets	1,968	-	-	-	55,000	56,968	55,033
Purchase of capital assets	(1,669,380)	(153,257)	-	-	(306,382)	(2,129,019)	(3,809,131)
Intergovernmental receipts	26,678	255,759	-	-	-	282,437	170,238
Net cash provided (used) by capital and related financing activities	<u>(2,137,047)</u>	<u>102,502</u>	<u>(222,065)</u>	<u>(246,871)</u>	<u>(345,303)</u>	<u>(2,848,784)</u>	<u>(3,583,860)</u>
Cash flows from investing activities:							
Investment income received	123,961	-	1,307	6,813	22,508	154,589	120,708
Net cash provided by investing activities	<u>123,961</u>	<u>-</u>	<u>1,307</u>	<u>6,813</u>	<u>22,508</u>	<u>154,589</u>	<u>120,708</u>
Net increase (decrease) in cash and cash equivalents	<u>1,997,111</u>	<u>(72)</u>	<u>(48,216)</u>	<u>235,344</u>	<u>(63,115)</u>	<u>2,121,052</u>	<u>(3,093,675)</u>
Cash and cash equivalents, January 1	5,440,991	72	170,834	178,731	1,174,502	6,965,130	12,377,025
Cash and cash equivalents, December 31	<u>\$ 7,438,102</u>	<u>\$ -</u>	<u>\$ 122,618</u>	<u>\$ 414,075</u>	<u>\$ 1,111,387</u>	<u>\$ 9,086,182</u>	<u>\$ 9,283,350</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	\$ 2,297,833	\$ (967,977)	\$ (191,737)	\$ 309,857	\$ 237,812	\$ 1,685,788	\$ (2,734,114)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization expense	1,196,168	578,300	215,190	107,174	149,624	2,246,456	3,791,597
(Increase) decrease in accounts receivable	326,965	(253,454)	(7,086)	9,450	(27,708)	48,167	(507,361)
Miscellaneous receipts	59,067	189,087	-	-	-	248,154	-
(Increase) decrease in inventory	-	-	(90)	-	-	(90)	-
(Increase) decrease in prepaid items	38,350	-	(1,828)	-	-	36,522	(7,441)
Increase (decrease) in accounts payable	(247,426)	103,220	49,924	41,611	(8,203)	(60,874)	(52,774)
Increase (decrease) in claims payable	-	-	-	-	-	-	(1,502,939)
Increase (decrease) in accrued liabilities and compensated absences payable	100,359	-	20,275	4,206	55,672	180,512	507,833
(Increase) decrease in accounts payable due to the purchase of capital assets on account	192,510	(103,376)	-	-	-	89,134	(14,725)
Total adjustments	1,665,993	513,777	276,385	162,441	169,385	2,787,981	2,214,190
Net cash provided (used) by operating activities	<u>\$ 3,963,826</u>	<u>\$ (454,200)</u>	<u>\$ 84,648</u>	<u>\$ 472,298</u>	<u>\$ 407,197</u>	<u>\$ 4,473,769</u>	<u>\$ (519,924)</u>
Noncash Investing, Capital and Financing Activities							
Purchase of capital assets on account	\$ 102,925	\$ 103,377	\$ -	\$ -	\$ -	\$ 206,302	\$ 78,213
Net book value of capital assets traded in on capital assets acquired	-	-	-	-	-	-	25,228
Trade in value of disposed assets	-	-	-	-	-	-	69,500
Intergovernmental receipts from noncapital financing activities	-	-	-	-	-	-	20,679

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

City of Grand Junction, Colorado
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2018

	Private Purpose Trust Funds	Joint Sewer Investment Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 204,867	\$ 26,023,174	\$ 483,170
Total assets	<u>204,867</u>	<u>26,023,174</u>	<u>483,170</u>
LIABILITIES			
Accounts payable	-	-	37,198
Due to other governments	-	-	445,972
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 483,170</u>
NET POSITION			
Held in trust for:			
External investment pool participants	-	26,023,174	
Individuals, organizations and others	204,867	-	
Total net position	<u>\$ 204,867</u>	<u>\$ 26,023,174</u>	

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

City of Grand Junction, Colorado
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2018

	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund
ADDITIONS		
Additions by participants	\$ 426,360	\$ 16,993,999
Total contributions	<u>426,360</u>	<u>16,993,999</u>
Investment earnings:		
Interest income (loss)	3,068	426,735
Net investment earnings	<u>3,068</u>	<u>426,735</u>
Total additions	<u>429,428</u>	<u>17,420,734</u>
DEDUCTIONS		
Distributions to participants	359,496	10,952,458
Administrative expenses	11,118	-
Total deductions	<u>370,614</u>	<u>10,952,458</u>
Change in net position	58,814	6,468,276
Net position - beginning	<u>146,053</u>	<u>19,554,898</u>
Net position - ending	<u>\$ 204,867</u>	<u>\$ 26,023,174</u>

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



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NOTES TO FINANCIAL STATEMENTS



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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

As required by GAAP, these financial statements present the City (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

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

The Ridges Metropolitan District was annexed into the City and dissolved as a separate district in 1992. The District served 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. That debt has been fully paid and the district will be dissolved.

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Government-Wide, Proprietary, and Fiduciary Financial Statements:

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

Governmental Fund Financial Statements:

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

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

recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The City reports the following major governmental funds:

The **General Fund** is the general operating fund of the City. It accounts for all activities of the general government except those required to be accounted for in another fund.

The **Sales Tax Capital Improvements Fund** is a capital projects fund used to account for the financing and construction of projects financed completely or partially with the $\frac{3}{4}$ percent portion of the City's $2\frac{3}{4}$ percent sales and use tax. The $\frac{3}{4}$ percent portion is currently dedicated to general capital improvements and economic development.

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

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

The City reports the following major proprietary funds:

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

The **Two Rivers Convention Center Fund** accounts for the management of the municipally owned meeting and convention center and Avalon Theater.

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

The **Parking Fund** is used to account for the revenue and expense associated with the operation of all municipally owned and leased parking facilities.

Additionally, the City reports the following fund types:

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

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

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

The **Investment Trust Fund** accounts for the net position held on behalf of the City of Grand Junction/Mesa County Joint Sewer System in the City's cash pool. The Joint Sewer System is not part of the City's financial reporting entity.

The **Agency Funds** account for custodial functions in operations of an advisory board and collecting and forwarding special assessment debt payments for property owners.

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

Amounts reported as program revenues include:

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

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

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

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Cash and Investments

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

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

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

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

Assets of pension plans may be invested by the Fire and Police Pension Association of Colorado (FPPA) in publicly traded common and preferred stock, convertible bonds, venture capital, and real estate. Investments are presented at fair value, except real-estate, which is recorded at estimated fair value based upon periodic appraisals and valuations;

investments in limited partnerships, which are recorded at estimated fair value as derived from financial statements; and guaranteed investment contracts, which are recorded at contract value.

Investments are stated at fair value determined from quoted market prices. The state investment pools exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State of Colorado. The state investment pools and mutual funds are similar to money market funds with each share valued at \$1.

Investments in joint ventures by governmental funds are recorded as expenditures at the time the investment is made.

2. Interfund Receivables and Payables

Receivables and payables classified as “due from other funds” or “due to other funds” on the balance sheet arise from negative equity in pooled cash and investments. Current portions of long-term interfund loan receivables are classified as “interfund receivables” and “interfund payables” on the balance sheet. Non-current portions of long term interfund loan receivables are reported as “advances” and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources, and therefore are not available for appropriation. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as “internal balances.”

3. Property Taxes

Property taxes, as set by the City Council, are collected by the County Treasurer. The County Treasurer remits property taxes collected to the City by the 10th day of the month following collection. Property taxes receivable represent 2018 taxes collectible in 2019 and are also shown as unavailable revenue. Following are details of the property tax calendar:

Levy date:	November 15 (prior year)
Lien date:	January 1 (current year)
First 1/2 installment due:	February 28
Second 1/2 installment due:	June 15
If paid in full:	April 30

4. Special Assessments Receivable

Special assessments receivable is recorded for the property owners' share of the cost of street or utility improvements within special improvement districts. Corresponding unavailable revenue is recorded until the assessments meet the revenue recognition availability criteria. Special assessments receivable for projects which were initially financed with existing governmental resources are recorded together with the corresponding deferred inflow of resources in the fund which provided the resources.

5. Inventories and Prepaid Items

All inventories are valued at cost using the moving average method. Inventories in governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items in governmental funds are recorded as expenditures when consumed rather than when purchased.

6. Restricted Cash and Investments

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

7. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., streets, bridges, alleys, traffic signal systems and storm drainage), and intangible assets (e.g., water rights and permanent easements) are reported in

the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$25,000 or more and an estimated life in excess of three years. However, assets purchased with grant funds, regardless of the granting entity, have an initial, individual cost of \$5,000 or more and an estimated life greater than three years. All assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their acquisition value on the date donated.

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

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

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

Estimated useful lives for asset types are as follows:

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

8. Deferred Outflows/Inflows of Resources

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

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

9. Compensated Absences

During 1992, the City implemented a "Paid Time Off" (PTO) policy. This policy integrates holidays, vacation leave, and sick leave into a single leave time accrual. An employee may accrue a maximum of 248 to 898 hours of PTO, depending upon years of service and job type.

The City pays a terminating employee for all accumulated PTO up to 80 to 213 hours, depending on years of service and job type. One-half of accumulated PTO in excess of this base amount will be paid to a terminating employee. In addition, employees hired prior to 1992 may have vacation and sick leave balances. The City pays a terminating employee for all accumulated vacation time and one-third of accumulated sick leave in excess of 720 hours.

Compensated absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example as a result of an employee's resignation or retirement.

10. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure are recorded during the year as an extension of formal budgetary integration in order to reserve that portion of the applicable appropriation, is not included for financial reporting purposes at year-end because unused appropriations and encumbrances lapse at year-end and must be reappropriated in the following year to be expended.

11. Long Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximates the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Net Position Flow Assumption

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

13. Fund Balance Policies and Flow Assumptions

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

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

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

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

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

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

14. Comparative Data/Reclassifications

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

15. Adoption of New Accounting Pronouncements

Effective January 1, 2018, the City adopted ***GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*** (GASB 75). GASB 75 requires a liability for other postemployment benefits (OPEB) obligations, known as the Net OPEB Liability (Total OPEB Liability for unfunded plans), to be recognized on the balance sheets of participating funds. Changes in the Net OPEB Liability are immediately recognized as OPEB expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

The details of the budget calendar follow:

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

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

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

Supplemental appropriation ordinances during 2018 resulted in changes to original budget as follows:

Fund	Original Appropriation	Adjusted Appropriation
<i>Primary Government - City of Grand Junction:</i>		
<i>Governmental Activities</i>		
General Fund	\$ 71,111,607	\$ 72,265,591
Special Revenue Funds:		
Visit Grand Junction	2,185,801	2,271,474
Capital Projects Fund:		
Sales Tax Capital	24,633,919	31,106,600
Storm Drainage Development	16,000	143,010
<i>Business-type Activities</i>		
Enterprise Funds:		
Water	8,363,699	8,781,864
Golf	1,953,525	2,008,986
Internal Service Funds:		
Equipment	7,195,547	8,236,214
Self-Insurance	4,293,286	7,821,580
Communications Center	7,754,347	7,891,737

B. Excess of Expenditures Over Appropriations

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

NOTE 3. DEPOSITS AND INVESTMENTS

Substantially all the City's cash and investments are part of the City's sponsored cash pool, which includes both internal and external participants. The pool is not registered with the Securities and Exchange Commission as an investment company. Authority to manage the investment program is granted to the General Services Director (Investment Officer). The Investment Officer shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with the City's Investment Policy. The Investment Officer carries out his/her responsibilities through the issuance of procedures and internal controls that are established by the Finance Director. The Finance Director also authorizes and monitors all investment activity.

Cash and investments held for the City of Grand Junction/Mesa County, Colorado Joint Sewer System are included in and inseparable from the City's pooled cash and investments. Since the Joint Sewer System is not part of the City's reporting entity, they are considered involuntary external participants of the City's cash pool. Under GASB Statement No. 31, the Joint Sewer System's pool share value is reported as an Investment Trust Fund in the City's financial statements. See *Note 12* for more information on the Joint Sewer System.

Cash Deposits

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

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

The composition of all cash held by the City cash pool at December 31, 2018 was as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Cash on hand	\$ -	\$ 10,976
Insured deposits	250,000	250,000
Deposits collateralized in single institutional pools	4,030,329	5,112,059
	<u>\$ 4,280,329</u>	<u>\$ 5,373,035</u>

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

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

As of December 31, 2018, the City had the following investments:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>
Federal agency securities	AA+	\$ 33,552,821	26.50
Treasury coupon securities	AAA	13,281,040	26.04
Certificates of deposit	NR	4,635,000	24.46
Municipal securities	AA+	498,300	14.47
Corporate holdings	AA-	2,997,225	20.85
Pass through securities (GNMA/CMO)	AA+	4,835	49.43
State investment pools	AAAm	24,446,190	0.00
Total		<u>\$ 79,415,411</u>	<u>17.86</u>

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

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

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

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

NOTE 4. ACCOUNTS RECEIVABLE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts receivable of the City's various funds at December 31, 2018 was as follows:

General Fund	\$ 331,962
Enterprise Funds:	
Water	\$ 41
Solid Waste Removal	2
	\$ 43

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

Primary Government - City of Grand Junction:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 311,566,882	\$ 20,617,795	\$ 401,868	\$ 331,782,809
Construction in progress	235,256	6,912,111	144,887	7,002,480
Intangible assets	1,348,093	-	-	1,348,093
Total capital assets, not being depreciated	313,150,231	27,529,906	546,755	340,133,382
<i>Capital assets, being depreciated:</i>				
Buildings	104,655,021	346,460	-	105,001,481
Improvements other than buildings	33,729,925	434,415	-	34,164,340
Equipment	56,044,437	4,249,521	1,877,349	58,416,609
Infrastructure	423,480,560	7,889,373	-	431,369,933
Total capital assets, being depreciated	617,909,943	12,919,769	1,877,349	628,952,363
<i>Less accumulated depreciation for:</i>				
Buildings	27,764,923	2,957,636	-	30,722,559
Improvements other than buildings	21,443,879	1,326,103	-	22,769,982
Equipment	36,678,767	4,538,120	1,571,186	39,645,701
Infrastructure	152,346,416	9,764,988	-	162,111,404
Total accumulated depreciation	238,233,985	18,586,847	1,571,186	255,249,646
Total capital assets, being depreciated, net	379,675,958	(5,667,078)	306,163	373,702,717
Governmental activities capital assets, net	\$ 692,826,189	\$ 21,862,828	\$ 852,918	\$ 713,836,099
Business-type Activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,141,513	\$ -	\$ -	\$ 5,141,513
Construction in progress	1,922,784	988,851	1,658,314	1,253,321
Intangible assets	190,464	-	-	190,464
Total capital assets, not being depreciated	7,254,761	988,851	1,658,314	6,585,298
<i>Capital assets, being depreciated:</i>				
Buildings and systems	77,801,748	668,826	57,359	78,413,215
Improvements other than buildings	8,647,606	-	-	8,647,606
Equipment	3,765,534	2,040,523	19,620	5,786,437
Total capital assets, being depreciated	90,214,888	2,709,349	76,979	92,847,258
<i>Less accumulated depreciation for:</i>				
Buildings and systems	31,660,977	1,725,037	48,847	33,337,167
Improvements other than buildings	4,148,634	235,912	-	4,384,546
Equipment	2,806,758	282,271	19,620	3,069,409
Total accumulated depreciation	38,616,369	2,243,220	68,467	40,791,122
Total capital assets, being depreciated, net	51,598,519	466,129	8,512	52,056,136
Business-type activities capital assets, net	\$ 58,853,280	\$ 1,454,980	\$ 1,666,826	\$ 58,641,434

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

Governmental Activities:	
General government	\$ 1,055,193
Public safety	1,633,630
Public works	10,284,858
Parks and recreation	1,821,570
Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets	3,791,597
Total depreciation expense – governmental activities	<u>\$ 18,586,848</u>
Business-Type Activities:	
Water	\$ 1,192,932
Solid waste	61,556
Two Rivers Convention Center	578,300
Golf courses	215,190
Parking	107,174
Irrigation	88,068
Total depreciation expense – business-type activities	<u>\$ 2,243,220</u>

Discretely Presented Component Unit

Activity for the ***Downtown Development Authority (DDA)*** for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 848,871	\$ -	\$ -	\$ 848,871
Total capital assets, not being depreciated	<u>848,871</u>	<u>-</u>	<u>-</u>	<u>848,871</u>
<i>Capital assets, being depreciated:</i>				
Buildings and systems	3,363,230	-	-	3,363,230
Improvements other than buildings	1,045,026	-	-	1,045,026
Equipment	1,552,415	-	-	1,552,415
Total capital assets, being depreciated	<u>5,960,671</u>	<u>-</u>	<u>-</u>	<u>5,960,671</u>
<i>Less accumulated depreciation for:</i>				
Buildings and systems	587,226	89,778	-	677,004
Improvements other than buildings	170,941	53,143	-	224,084
Equipment	1,195,547	94,988	-	1,290,535
Total accumulated depreciation	<u>1,953,714</u>	<u>237,909</u>	<u>-</u>	<u>2,191,623</u>
Total capital assets, being depreciated, net	<u>4,006,957</u>	<u>(237,909)</u>	<u>-</u>	<u>3,769,048</u>
DDA capital assets, net	<u>\$ 4,855,828</u>	<u>\$ (237,909)</u>	<u>\$ -</u>	<u>\$ 4,617,919</u>

Construction Commitments

The City had several ongoing construction projects, as of December 31, 2018, composed of the following:

	Spent to 12/31/2018	Projected Cost of Completion
Primary Government		
Street projects	\$ 2,202,887	\$ 5,646,817
Drainage projects	996,687	5,544,695
Park development	4,505,951	19,670,908
Facilities/equipment/other	3,336,780	20,233,087

NOTE 6. CAPITAL LEASES

Certificates of Participation

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

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

The interest rate is 4.76% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2018 follows:

<u>Year ending December 31,</u>	<u>Schedule of Base Rents</u>
2019	528,675
2020	530,406
2021	531,163
2022	529,900
2023	533,212
2024-2028	2,658,525
2029-2033	2,648,750
2034-2035	1,059,500
Total base rentals	9,020,131
Less amounts representing interest	(2,980,131)
Present value of minimum lease payments	6,040,000

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

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

The interest rates range from 4.23% to 7.48% payable semiannually on May 15 and November 15. A schedule, by years, of future minimum lease payments as of December 31, 2018 follows:

<u>Year ending December 31,</u>	<u>Schedule of Base Rents</u>
2019	3,028,985
2020	3,011,547
2021	2,990,247
2022	2,970,510
2023	2,948,072
2024-2028	14,380,925
2029-2033	13,600,073
2034-2038	12,576,425

2039-2040	4,680,393
Total base rentals	60,187,177
Less amounts representing interest	(30,187,177)
Present value of minimum lease payments	<u>\$ 30,000,000</u>

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

Capital Leases

The City also enters into lease agreements as a lessee for financing the acquisition of various equipment for governmental activities. The capital assets acquired from the lease agreements are included with capital assets and the amortization of leased equipment is included with depreciation in the financial statements. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been reflected at the present value of their future minimum lease payments as of the inception date. The City had \$778,877 of capital leases outstanding as of December 31, 2018.

	Ending Balance
Equipment	\$ 1,217,597
Accumulated depreciation	(450,537)
Net book value	<u>\$ 767,060</u>

NOTE 7. LONG-TERM LIABILITIES

The following is a summary of long term liability activity of the City for the year ended December 31, 2018:

Primary Government - City of Grand Junction:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Revenue bonds:					
<i>Parkway refunding</i>	\$ 22,895,000	\$ -	\$ 2,845,000	\$ 20,050,000	\$ 2,975,000
<i>Parkway refunding premium</i>	1,950,222	-	481,607	1,468,615	421,504
Capital leases:					
<i>Certificates of participation</i>	37,070,000	-	1,030,000	36,040,000	1,070,000
<i>Discount on certificates of participation</i>	(308,430)	20,487	-	(287,943)	(21,834)
<i>Equipment leases</i>	982,237	-	203,360	778,877	303,360
Net pension liability					
<i>Fire defined benefit plan</i>	4,640,436	-	941,247	3,699,189	-
Claims payable	3,300,898	13,527	1,516,466	1,797,959	774,709
Compensated absences	4,140,699	5,031,161	5,013,755	4,158,105	275,682
Other post-employment benefits	15,717,241	17,258	51,634	15,682,865	-
Governmental activity long-term liabilities	<u>\$ 90,388,303</u>	<u>\$ 5,082,433</u>	<u>\$ 12,083,069</u>	<u>\$ 83,387,667</u>	<u>\$ 5,798,421</u>
Business-type activities:					
Loans payable					
<i>Water systems</i>	\$ 5,962,564	\$ -	\$ 482,231	\$ 5,480,333	\$ 494,978
Less deferred amounts:					
For loan discount	(10,425)	3,235	-	(7,190)	(2,651)
Compensated absences	394,942	471,543	476,769	389,716	25,838
Business-type activity long-term liabilities	<u>\$ 6,347,081</u>	<u>\$ 474,778</u>	<u>\$ 959,000</u>	<u>\$ 5,862,859</u>	<u>\$ 518,166</u>

Component Unit – Downtown Development Authority:

Tax increment bonds	\$ 9,120,000	\$ 10,000,000	\$ 879,000	\$ 18,241,000	\$ 1,039,500
Compensated absences	12,804	25,777	24,014	14,567	966
Component unit long-term liabilities	<u>\$ 9,132,804</u>	<u>\$ 10,025,777</u>	<u>\$ 903,014</u>	<u>\$ 18,255,567</u>	<u>\$ 1,040,466</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for internal service funds were included as part of the above totals for governmental activities. At year end, \$586,228 of internal service funds compensated absences and \$406,720 of internal service funds capital leases are included in the above amounts. For the governmental activities, compensated absences and net pension obligation are generally liquidated by the general fund.

Bonds, notes, and loans payable as of December 31, 2018 are comprised of the following:

Primary Government – City of Grand Junction:

REVENUE BONDS:

The City of Grand Junction issued \$30,645,000 of General Fund Revenue Refunding Bonds Series 2012 bearing interest at 2% to 5%, payable March 1 and September 1 annually through March 1, 2024. The principal and interest on the bonds is payable solely from pledged sales and use tax revenues. There was \$20,050,000 of unpaid principal at December 31, 2018, payable over the following term:

Year	Principal	Interest	Total
2019	\$ 2,975,000	\$ 883,625	\$ 3,858,625
2020	3,095,000	761,375	3,856,375
2021	3,240,000	613,000	3,853,000
2022	3,405,000	449,375	3,854,375
2023	3,575,000	277,375	3,852,375
2024	3,760,000	94,000	3,854,000
	<u>\$ 20,050,000</u>	<u>\$ 3,078,750</u>	<u>\$ 23,128,750</u>

LOANS PAYABLE:

The City entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance improvements on the City’s water system. The original principal amount was \$3,566,522, at a net effective interest rate of 4.02%, payable February 1 and August 1 annually through 2022. The water system net revenues are pledged as security for the loan. The unpaid principal at December 31, 2018 was \$937,425, payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2019	\$ 215,500	\$ 33,825	\$ 249,325
2020	226,275	29,151	255,426
2021	237,050	21,845	258,895
2022	258,600	6,925	265,525
	<u>\$ 937,425</u>	<u>\$ 91,746</u>	<u>\$ 1,029,171</u>

The City entered into a loan agreement dated February 2, 2010 with the Colorado Water Resources and Power Development Authority to finance improvements on the City’s water system. The original principal amount was \$3,800,000, at a net effective interest rate of 2.5%, payable May 1 and November 1 annually through 2030. The water system net revenues are pledged as security for the loan. The unpaid principal at December 31, 2018 was \$2,432,944, payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2019	\$ 185,064	\$ 59,674	\$ 244,738
2020	189,719	55,019	244,738
2021	194,492	50,246	244,738
2022	199,385	45,353	244,738
2023	204,400	40,337	244,737
2024-2028	1,101,767	121,923	1,223,690
2029-2030	358,117	8,990	367,107
	<u>\$ 2,432,944</u>	<u>\$ 381,542</u>	<u>\$ 2,814,486</u>

The City entered into a loan agreement dated November 17, 2016 with the Colorado Water Resources and Power Development Authority (CWRPDA) to finance improvements on the City’s water system. The original principal amount was \$1,615,100, at a net effective interest rate of 2.0%, payable May 1 and November 1 annually through 2036. The water system net revenues are pledged as security for the loan. The loan was amended in 2017 after the project was completed under budget to match the actual expenses incurred in the project. The unpaid principal at December 31, 2018 was \$1,374,634, payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2019	\$ 64,141	\$ 27,174	\$ 91,315
2020	65,431	25,884	91,315
2021	66,746	24,569	91,315
2022	68,087	23,228	91,315
2023	69,456	21,859	91,315
2024-2028	368,791	87,785	456,576
2029-2033	407,375	49,201	456,576
2034-2036	264,607	9,338	273,945
	<u>\$ 1,374,634</u>	<u>\$ 269,038</u>	<u>\$ 1,643,672</u>

The City entered into a loan agreement dated March 1, 2017 with the Colorado Water Conservation Board (CWCB) to finance improvements on the City’s water system. The original principal amount was \$764,821, at a net effective interest rate of 2.65%, payable March 1 annually through 2037. The water system net revenues are pledged as security for the loan. The unpaid principal at December 31, 2018 was \$735,330, payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2019	\$ 30,273	\$ 19,486	\$ 49,759
2020	31,075	18,684	49,759
2021	31,898	17,861	49,759
2022	32,744	17,015	49,759
2023	33,611	16,148	49,759
2024-2028	181,899	66,895	248,794
2029-2033	207,313	41,482	248,795
2034-2037	186,517	12,518	199,035
	<u>\$ 735,330</u>	<u>\$ 210,089</u>	<u>\$ 945,419</u>

Component Unit – Downtown Development Authority:

SHORT-TERM OBLIGATION:

During 2015, a revolving line of credit was established with a bank for a 5-year period in the amount of \$1,000,000 to finance DDA projects and programs in accordance with its approved plan of development. There were no draws or amount outstanding as of December 31, 2018.

TAX INCREMENT BONDS:

During 2017, the DDA issued \$9,120,000 of Tax Increment Financing Bonds. The bonds bear interest at a rate of 3.36% and are payable on June 15 and December 15 of each year through 2032. The unpaid principal at December 31, 2018 was \$8,325,000, payable over the following term:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 830,000	\$ 276,517	\$ 1,106,517
2020	870,000	248,599	1,118,599
2021	905,000	217,963	1,122,963
2022	956,000	186,697	1,142,697
2023	392,000	158,946	550,946
2024-2028	2,246,000	579,546	2,825,546
2029-2032	2,126,000	165,583	2,291,583
	<u>\$ 8,325,000</u>	<u>\$ 1,833,851</u>	<u>\$ 10,158,851</u>

During 2018, the DDA issued \$10,000,000 of Tax Increment Financing Bonds. The bonds bear interest at a rate of 3.36% and are payable on June 15 and December 15 of each year through 2032. The unpaid principal at December 31, 2018 was \$9,916,000, payable over the following term:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 209,500	\$ 336,089	\$ 545,589
2020	205,000	329,900	534,900
2021	206,500	322,002	528,502
2022	193,500	315,078	508,578
2023	796,000	303,345	1,099,345
2024-2028	4,325,500	1,093,301	5,418,801
2029-2032	3,980,000	311,538	4,291,538
	<u>\$ 9,916,000</u>	<u>\$ 3,011,253</u>	<u>\$ 12,927,253</u>

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

NOTE 8. BUDGET TO ACTUAL PRESENTATION – PROPRIETARY FUNDS

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

	<u>Budgeted Amounts</u>		<u>Expenditures Reported on the Basis of GAAP</u>	<u>Adjustment to Budgetary Basis</u>	<u>Expenditures on Budgetary Basis</u>	<u>Variance with Final Budget – Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<i>Enterprise Funds:</i>						
Water	\$ 8,363,699	\$ 8,781,864	\$ 6,031,246	\$ 776,739	\$ 6,807,985	\$ 1,973,879
Solid Waste Removal	4,621,632	4,621,632	4,175,227	275,953	4,451,180	170,452
Two Rivers						
Convention Center	3,421,340	3,421,340	997,524	(321,666)	675,858	2,745,482
Golf Courses	1,953,525	2,008,986	1,730,729	(17,670)	1,713,059	295,927
Parking Authority	534,696	534,696	416,881	100,592	517,473	17,223
Irrigation	262,162	262,162	348,417	(89,428)	258,989	3,173
<i>Internal Service Funds:</i>						
Data Processing	7,096,740	7,096,740	7,121,091	(595,849)	6,525,242	571,498
Equipment	7,195,547	8,236,214	5,760,874	845,696	6,606,570	1,629,644

Self-Insurance	4,293,286	7,821,580	5,011,806	504,241	5,516,047	2,305,533
Communication Center	7,754,347	7,891,737	6,706,982	(276,810)	6,430,172	1,461,565
Facilities	2,815,049	2,815,049	2,760,877	(9,294)	2,751,583	63,466

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2018 was as follows:

Due to/from other funds:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,106,558	\$ -
Sales Tax Capital Projects Fund to cover the cost of capital	-	454,588
Parking Enterprise Fund to pay current portion of advance	-	210,046
Two Rivers Convention Center Fund to cover the cost of capital	-	151,626
Solid Waste Removal Enterprise Fund to pay current portion of advance	-	94,441
Tiara Rado Golf Course Enterprise Fund to pay current portion of advance	-	195,857
Total	<u>\$ 1,106,558</u>	<u>\$ 1,106,558</u>

Advances to/from other funds:

	Advance to Other Funds	Advance from Other Funds
General Fund	\$ 4,708,608	\$ -
Solid Waste Removal Enterprise Fund to cover the cost of operations	-	312,229
Tiara Rado Golf Enterprise Fund to cover the cost of new irrigation system	-	2,358,359
Parking Enterprise Fund to cover partial cost of new parking garage	-	2,038,020
Total	<u>\$ 4,708,608</u>	<u>\$ 4,708,608</u>

Interfund transfers:

	General Fund	Sales Tax CIP Fund	Nonmajor Governmental Funds	Parkway Debt Retirement Fund	Internal Service Funds	Nonmajor Proprietary Funds	Total
<i>Transfers in:</i>							
General Fund	\$ -	\$ 2,904,921	\$ 46,444	\$ -	\$ 1,636,091	\$ 150,000	\$ 4,737,456
Sales Tax CIP	170,529	-	319,309	3,017,000	-	-	3,506,838
General Debt Service Fund	-	5,665,140	500,000	-	-	-	6,165,140
Parkway Debt Retirement	-	768,170	-	-	-	-	768,170
Two Rivers Convention Center	-	-	200,000	-	-	-	200,000
Golf Courses	-	-	85,000	-	-	-	85,000
Nonmajor Governmental	-	10,560	232,675	-	-	-	243,235
Internal Service	134,550	306,325	2,055,938	-	-	-	2,496,813
Total transfers out	<u>\$ 305,079</u>	<u>\$ 9,655,116</u>	<u>\$ 3,439,366</u>	<u>\$ 3,017,000</u>	<u>\$ 1,636,091</u>	<u>\$ 150,000</u>	<u>\$ 18,202,652</u>

Transfers into the General Fund were to assist with cemetery operations (\$21,500), to reimburse administrative costs of the Community Development Block Grant (\$24,944), for economic development contributions (\$1,365,000), for operating capital, projects, and operations (\$1,689,921), and for moving Retiree Healthcare plan fund balance out of the Self-Insurance fund (\$1,636,091). Transfers out of the General Fund were for capital construction and cultural arts.

Transfers into the Sales Tax CIP Fund were for various capital construction projects. Transfers out of the Sales Tax CIP Fund were to repay the parkway debt (\$3,855,125), to make the lease payment on the Public Safety Certificates of Participation (\$1,810,015), to set aside dollars for street maintenance and neighborhood pavement preservation (\$768,170), and for capital and economic development projects.

Transfers into the Two Rivers Convention Center Fund were to subsidize management contract costs.

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

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

Transfers into the Internal Service Fund (\$2,055,938) were for equipment and facility upgrades funded by the E-911 surcharge and sales tax.

NOTE 10. RETIREMENT PLANS

A. Defined Contributions Plans

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

Under City ordinances, substantially all full time City employees, other than sworn police officers and firefighters and elected officials, are covered by a mandatory contributory defined contribution retirement plan. The plan is administered by the International City Manager's Association Retirement Corporation (ICMA-RC) with the City of Grand Junction General Employees Retirement Plan Board having the option to alter, amend or terminate the plan. 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, 2018 was \$46,199,725. At December 31, 2018, there were no amounts due from the City to the plan. Covered wages and contributions in 2018 were as follows:

General Employee Plan	
Covered wages	\$ 23,308,483
City contribution	1,450,090
Employee contribution	1,450,008

Effective January 1, 1980, under state statutes, all firefighters and police officers hired after April 8, 1978 are covered under fire and police defined contribution pension plans (new hire plans). Firefighters and police officers hired prior to this date had the option to remain in the defined benefit plans (old hire plans) or to transfer to the applicable new plan. The new plans are administered by independent boards. The assets of the New Hire Police Money Purchase Pension Plan and the New Hire Fire Money Purchase Pension Plan are maintained by ICMA-RC. Vesting is accomplished over a five-year period. Amounts forfeited by employees who leave employment before becoming fully vested are retained by the plan for administrative expenses of the plan. The rate of contribution under the new plan is 10.65% of regular salary for the employee and the City. At December 31, 2018, there were no amounts due from the City to the plan. Covered wages and contributions in 2018 were as follows:

New Hire - Police & Fire	Police Officers	Firefighters
Covered wages	\$ 8,228,418	\$ 6,826,993
City contribution	876,320	726,910
Employee contribution	876,320	727,077

In 1988, the City established supplemental defined contribution plans (new supplemental plans) for firefighters and police officers hired before April 8, 1978 whom remained participants in the defined benefit plans (old plans). The Old Hire Police Officers Rank Escalation Pension Plan and the Old Hire Firefighters Rank Escalation Pension Plan were established in exchange for a freeze in rank escalation benefits in the old plans at 1980 levels. The plans are administered by ICMA-RC. Under these new supplemental plans, the City contributes 6.65% of the employee's gross wages to the plan and the employee contributes .65%. Employees' balances became fully vested upon establishment of the plans.

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

B. Defined Benefit Plans

Grand Junction Old Hire Fire and Police Pension Funds (FPPA Old Hire Fire and Police)

Plan Description. The City, on behalf of certain full-time paid firefighters and police officers, contributes to the FPPA Old Hire Fire and Police plans, both defined benefit, agent multiple-employer plans that are affiliated with the Fire and Police Pension Association of Colorado (FPPA). Assets of the plans are commingled for investment purposes in the Fire and Police Member’s Benefit Investment Fund; a combination of agent, multiple-employer defined benefit pension plans administered by FPPA with over 200 participating employers in the State of Colorado. The plans provide retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of each plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plans. **FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.**

All City police officers and firefighters hired prior to April 8, 1978 participated in the plan until January 1, 1980, when they could remain in the plan or transfer and become a participant in a defined contribution plan (new hire plan). Police officers’ benefits become vested after 20 years of service and age 55 or after 25 years of service. Firefighters’ benefits become vested after 20 years of service and age 50. Vested employees who retire are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to one half of one month’s salary at the time of retirement, plus any vested rank escalation. Rank escalation benefits allow for increases in benefits equal to one half of any salary increases given to current City employees in the retiree’s last position. Rank escalation benefits are vested at 5% for each year of service until 1980. Benefits vested after 1979 are limited to increases of 3% per year for inflation, as determined by the state. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City ordinance.

Contributions. Plan members and the City are required to contribute at a rate set by statute. The State of Colorado also contributes to the plans in an amount set by statute. The contribution requirements of plan members and the City are established under Title 31, Article 30 of the CRS, as amended.

City employees participating in the system are required to contribute 10% of their base earnings to the system. During 2018, there were no active police officers covered by the Old Hire Police Plan and 13 retirees and beneficiaries receiving benefits. There were no active firefighters contributing to the Old Hire Fire Plan and 34 retirees and beneficiaries receiving benefits. Contributions to the funds for the year ended December 31, 2018 were as follows:

	Old Hire Police Plan	Old Hire Fire Plan	Total
City contribution	\$ -	\$ 424,262	\$ 424,262
Total	\$ -	\$ 424,262	\$ 424,262

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2018, the City reported a liability of \$3,699,189 for its net pension liability related to the Old Hire Fire Plan. The net pension liability was measured as of December 31, 2017, and the total liability used

to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. The City's net pension liability was based on a projection of the City's long-term contributions to the pension plan, actuarially determined.

At December 31, 2018, the City reported an asset of \$524,654 for its net pension asset related to the Old Hire Police Plan. The net pension asset was measured as of December 31, 2017, and the total liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018. The City's net pension asset was based on a projection of the City's long-term contributions to the pension plan, actuarially determined.

For the year ended December 31, 2018, the City recognized pension income of \$29,315 for the Old Hire Fire plan and pension expense of \$101,487 for the Old Hire Police plan. As a result of the Old Hire Fire plan not having any active employees, there were no forfeitures as part of the pension expense for the year ended December 31, 2018. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Old Hire Police Plan		Old Hire Fire Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual results	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in assumptions	-	-	-	-	-	-
Net difference between projected and actual earnings on Plan investments	148,401	201,410	319,384	444,166	467,785	645,576
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-	-	-	-	-
City contributions subsequent to the measurement date	-	-	424,262	-	424,262	-
Total	<u>\$ 148,401</u>	<u>\$ 201,410</u>	<u>\$ 743,646</u>	<u>\$ 444,166</u>	<u>\$ 892,047</u>	<u>\$ 645,576</u>

Deferred outflows of resources of \$424,262 related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending December 31,	Old Hire Police Plan	Old Hire Fire Plan
	Net Deferred Outflows/ (Inflows) of Resources	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 18,330	\$ 36,452
2020	12,571	24,647
2021	(33,559)	(74,841)
2022	(50,351)	(111,040)
2023	-	-
Thereafter	-	-
Total	<u>\$ (53,009)</u>	<u>\$ (124,782)</u>

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

	Old Hire Police Plan			Old Hire Fire Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of January 1, 2018	\$ 3,377,336	\$ 3,733,382	\$ (356,046)	\$ 12,814,078	\$ 8,173,642	\$ 4,640,436
Changes for the year:						
Service cost	-	-	-	-	-	-
Interest	237,616	-	237,616	918,633	-	918,633
Difference between expected and actual experience	106,611	-	106,611	(409,149)	-	(409,149)
Changes of assumptions	-	-	-	-	-	-
Contributions – employer	-	-	-	-	320,273	(320,273)
Contributions – employee	-	-	-	-	-	-
Net investment income	-	515,967	(515,967)	-	1,137,348	(1,137,348)
Benefit payments	(425,944)	(425,944)	-	(1,152,099)	(1,152,099)	-
Administrative expense	-	(3,132)	3,132	-	(6,890)	6,890
Other changes	-	-	-	-	-	-
Total net changes	<u>\$ (81,717)</u>	<u>\$ 86,891</u>	<u>\$ (168,608)</u>	<u>\$ (642,615)</u>	<u>\$ 298,632</u>	<u>\$ (941,247)</u>
Balances as of December 31, 2018	<u>\$ 3,295,619</u>	<u>\$ 3,820,273</u>	<u>\$ (524,654)</u>	<u>\$ 12,171,463</u>	<u>\$ 8,472,274</u>	<u>\$ 3,699,189</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation, determined using the following assumptions, was applied to all periods included in the measurement:

	Old Hire Police Plan	Old Hire Fire Plan
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar, Open	Level Dollar, Open
Remaining amortization period	12 years	18 years
Asset valuation method	5-Year smoothed, FMV	5-Year smoothed, FMV
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases	N/A	N/A
Includes inflation at	2.50%	2.50%
Cost of living adjustment	N/A	N/A

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

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

	Old Hire Police Plan		
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability/(Asset)	(310,624)	(524,654)	(715,310)
	Old Hire Fire Plan		
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability/(Asset)	4,721,020	3,699,189	2,812,164

Fire Pension Plan - Statewide Defined Benefit Plan (SWDB)

Plan Description. As of September 2018, the City, on behalf of certain full-time paid firefighters, contributes to the Statewide Defined Benefit Plan (SWDB). SWDB is a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). Substantially all of the City's full-time fire employees hired on or after April 8, 1978 (New Hires), participate in the plan, provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The plan became effective January 1, 1980.

The plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members). **FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.**

Description of Benefits. A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0% to the higher of 3% of the Consumer Price Index.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least 5 years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least 5 years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' base salary for each year of credited service up to 10 years plus 2.5% for each year of service thereafter.

Contributions. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers were contributing at a rate of 9.5% and 8%, respectively, of base salary for a total contribution rate of 17.5% in 2017. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% of base salary. Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group had a combined contribution rate of 21.5% of base salary in 2017. It is a local decision as to whether the member or employer pays the additional 4% contribution. Per the 2014 member election, the reentry group also had their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24% in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.75% and 4%, respectively, of base salary for a total contribution rate of 8.75% in 2017. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25% annually beginning in 2015 to 2022 to a total of 6% of base salary. Employer contributions will remain at 4% resulting in a combined contribution rate of 10% in 2022.

Net Pension Asset. The total pension asset is based on an actuarial valuation performed as of January 1, 2018 with a measurement date of December 31, 2017. There were no firefighters enrolled in this plan during the 2017 valuation period, therefore, no financial information is presented on this plan.

Pension income and Deferred Outflows/Inflows of Resources. The City's contributions to the SWDB Plan for the year ended December 31, 2018 were \$244,301, related to the entry of 90 current active firefighters. The \$244,301 reported as a deferred outflow of resources resulting from the City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2018.

Fire Pension Plan - Statewide Hybrid Plan - Defined Benefit Component (SWH)

Plan Description. As of September 2018, the City, on behalf of certain full-time paid firefighters, contributes to the Statewide Hybrid Fire Pension Plan (SWH). SWH is a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). The plan may also cover clerical staff, other fire district personnel whose services are auxiliary to fire protection, or chiefs who have opted out of the Statewide Defined Benefit Plan. The Plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, members have the option of choosing among various investment options offered by an outside investment manager. Employers may not withdraw from the Plan once affiliated. State statute assigns authority to establish and amend benefit provision to the FPPA. **FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.**

The Plan assets associated with the Defined Benefit Component are included in the Fire & Police Members' Benefit Investment Fund and the Plan assets associated with the Money Purchase Component are included in the Fire & Police Members' Self-Directed Investment Fund.

Description of Benefits. A member is eligible for a normal retirement pension at any time after age 55 if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5% of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1st. The amount of any increase is based on the FPPA Board's discretion and can range from 0% to 3%.

A member is eligible for an early retirement within the Defined Benefit Component after completion of 30 years of service or attainment of age 50 with at least 5 years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have all contributions, along with 5% as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least 5 years of accredited service may leave contributions with the defined benefit component of the plan and remain eligible for a retirement pension at age 55 equal to 1.5% of the average of the member's highest three years' base salary for each year of credited service.

Contributions. The City is required to contribute at a statutorily determined rate. The FPPA Board sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWH plan are set by each individual employer; however, the rate for both employer and members must be at least 8% of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2017 through June 30, 2018 was 14.8%. The Defined Benefit Component contribution rate from July 1, 2016 through June 30, 2017 was 13.5%.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20% per year after the first year of service to be 100% vested after 5 years of service. Employer and member contributions are invested in funds at the discretion of members.

Net Pension Asset. The total pension asset is based on an actuarial valuation performed as of January 1, 2018 with a measurement date of December 31, 2017. There were no firefighters enrolled in this plan during the 2017 valuation period, therefore, no financial information is presented on this plan.

Pension income and Deferred Outflows/Inflows of Resources. The City's contributions to the SWH Plan for the year ended December 31, 2018 were \$140,960, related to the entry of 4 current active firefighters. The \$140,960 reported as a deferred outflow of resources resulting from the City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2018.

NOTE 11. POST EMPLOYMENT HEALTHCARE PLAN

Plan Description. The City of Grand Junction’s Employee Retirement Health Benefit Plan is a single-employer defined benefit OPEB plan administered by the City of Grand Junction (the City). The Retiree Health Benefit Plan (RHBP) was implemented by the City in 1998, after a favorable vote by employees, to provide affordable healthcare coverage to its retirees and their dependents. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Postretirement Benefits

Health care benefits. As of January 1, 2018, the RHBP pays either 100%, 90%, or 78% of the retiree-only premium (dependent on retirement year) for health care coverage under the current retiree health care plans administered by Rocky Mountain Health Plans (RMHP). For 2018, the primary retiree health plan option is the RMHP Classic 3000 Plan. Employees who have participated in the HDHP HSA plan for five or more years can make a one-time election to enroll in either the HMO HSA 3250B Retiree Plan or RMHP Classic 3000 Plan. Spouses and other dependents may remain on the Plan by paying 100% of the additional required contribution. Coverage for retirees, spouses, and dependents ends at the earlier of each individual's attainment of age 65, or eligibility for Medicare, whichever comes first.

Vision benefits. Eligible retirees may also continue to enroll in the Voluntary VSP Vision Plan. Retirees pay the same premiums plus a 2% administrative fee.

Survivorship benefits. Former employees and dependents not eligible for benefits under the terms of the Plan may be eligible for coverage under COBRA. Upon a retiree's death, the retiree's surviving spouse may retain coverage until age 65 or Medicare eligibility, whichever comes first.

Employees covered by benefit terms. At December 31, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	54
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	452
	506

As of November 1, 2017, RHBP was closed to new entrants.

Total OPEB Liability

The City's total OPEB liability of \$15,682,865 was measured as of December 31, 2017 and was determined by an actuarial valuation as of June 30, 2016.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Expected long-term rates of inflation	2.75%
Expected long-term real wage growth	0.50%
Expected long-term payroll growth rate	3.25%
Salary increases, including wage inflation	3.25% - 3.71%
Municipal bond index rate	
Prior measurement date	3.78%
Current measurement date	3.44%
Health care cost trend rates	
claims/member contributions	6.80% for 2018, decreasing to an ultimate rate of 4.75% by 2027

The discount rate was based on Municipal Bond Index Rate at measurement date.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2012.

Changes in the total OPEB liability

	Total OPEB liability
Balance at January 1, 2018	\$ 15,717,241
Changes for the year:	
Service cost	991,609
Interest	617,237
Changes of benefit terms	(1,411,099)
Differences between expected and actual experience	87,282
Changes in assumptions or other inputs	447,358
Benefit payments	(766,763)
Net changes	(34,376)
Balance at December 31, 2018	\$ 15,682,865

In November 2017, the City offered its active employees a one-time election that would end active member contributions for those who elected to "opt out." Active employees who opted out are no longer eligible to participate in the Plan at retirement. Approximately 77 active employees who were included in the census data as of June 30, 2016 made the one-time election to opt out of the Plan. This change was reflected in the measurement of the Plan's benefit obligation and is included in the changes of benefit terms above.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.44%) or one percentage point higher (4.44%) than the current discount rate:

1% Decrease (2.44%)	Current Discount Rate (3.44%)	1% Increase (4.44%)
16,915,533	15,682,865	14,539,315

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.8% decreasing to 3.75%) or one percentage point higher (7.8% decreasing to 5.75%) than the current healthcare cost trend rates:

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial health care cost trend rate	5.80%	6.80%	7.80%
Ultimate health care cost trend rate	3.75%	4.75%	5.75%
Total OPEB liability	13,936,766	15,682,865	17,737,295

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB income of \$17,258. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual experience	\$ 77,386	\$ -
Changes of assumptions or other inputs	396,637	-
Contributions subsequent to measurement date	454,454	-
Total unrecognized balance as of December 31, 2017	<u>\$ 928,477</u>	<u>\$ -</u>

Deferred outflows of resources of \$454,454 related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Net Deferred Outflows/(Inflows) of Resources
2019	\$ 60,617
2020	60,617
2021	60,617
2022	60,617
2023	60,617
Thereafter	170,938
Total	<u>\$ 474,023</u>

NOTE 12. RELATED ENTITIES

A. Joint Ventures

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

The City operates and manages the City of Grand Junction/Mesa County, Colorado Joint Sewer System, a regional sewer system. The regional sewer system was organized by agreements made in 1979 and 1980 to provide sewer collection and treatment for the metropolitan area in the Grand Valley. The City contributed all assets which were included in its preexisting Sewer Fund while Mesa County contributed its name through the issuance of revenue bonds, which are payable from and secured by revenue of the sewer system. After contribution of these assets, the City's preexisting Sewer Fund was terminated. The City does not have a measurable present or future claim to the

net resources of the Joint Sewer System, and therefore, does not record an equity interest in its financial statements. The agreements provide that both the City and Mesa County approve the sewer system's annual appropriation budget. The City's utility department operates and manages the sewer system. The agreements provide that upon dissolution of the joint venture, ownership of the assets of the Joint Sewer system shall be determined by mutual agreement. Condensed financial statements of the sewer system at December 31, 2018 and for the year then ended are as follows:

<u>Statement of Net Position</u>	
Assets:	
Current assets	\$ 27,642,301
Noncurrent assets	17,759
Net property, plant and equipment	92,610,155
Total assets	\$ 120,270,215
Liabilities:	
Current liabilities	\$ 3,553,883
Long-term debt	2,914,952
Total liabilities	6,468,835
Net Position:	
Net investment in capital assets	88,409,007
Unrestricted	25,392,373
Total net position	\$ 113,801,380
<u>Statement of Revenue and Expenses</u>	
Operating revenues	\$ 13,837,288
Operating expenses	(10,820,384)
Operating income/(loss)	3,016,904
Net nonoperating revenue/(expenses)	264,179
Capital contributions	3,335,736
Change in net position	6,616,819
Net position - beginning	107,184,561
Net position - ending	\$ 113,801,380

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 \$26,023,174 reported as an Investment Trust Fund in the City's reporting entity. See *Note 3* for disclosure of all investing policies concerning the pool.

Operating expense includes \$3,690,372 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 5th Street, Grand Junction, Colorado 81501-2668.

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

LOAN PAYABLE

The Joint Sewer System entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance the elimination of combined storm and sanitary sewer lines and for septic system elimination. The principal amount was \$13,490,000 at a net effective interest rate of 3.62%, payable February 1 and August 1 annually through 2024. The sewer system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the Joint Sewer System with disbursements occurring upon receipt of a requisition executed by the City/County. The unpaid principal at December 31, 2018 was \$3,085,000, payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2019	\$ 450,000	\$ 145,591	\$ 595,591
2020	465,000	131,884	596,884
2021	480,000	117,802	597,802
2022	520,000	82,071	602,071
2023	565,000	55,091	620,091
2024	605,000	15,104	620,104
	<u>\$ 3,085,000</u>	<u>\$ 547,543</u>	<u>\$ 3,632,543</u>

BONDS PAYABLE

The Joint Sewer System issued \$5,200,000 of approved revenue bonds (Direct Pay Build America Bonds Series 2009) bearing interest at 3.99% payable June 1 and December 1 annually through December 2019. The revenue bonds were issued to extend, better, otherwise improve, and equip its joint wastewater system. The unpaid principal at December 31, 2018 was \$1,040,000, payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2019	1,040,000	48,807	1,088,807
	<u>\$ 1,040,000</u>	<u>\$ 48,807</u>	<u>\$ 1,088,807</u>

B. Related Organizations

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

Grand Junction Housing Authority

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

Horizon Drive Business Improvement District

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

NOTE 13. CONTINGENCIES

A. Risk Management

The City is exposed to various risks of loss related to employee health claims; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established the Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss. Prior to 2018, the City was self-insured for workers compensation with an excess policy purchased from the Colorado Intergovernmental Risk Sharing Agency (CIRSA). Effective January 1, 2018, the City became fully insured with CIRSA for workers compensation. The Self-Insurance Internal Service Fund provides coverage for up to a maximum of \$150,000 per occurrence on each workers compensation, general liability or property damage claim.

For excess liability, property and workers compensation, the City is involved with CIRSA, a separate and independent governmental and legal entity formed by an intergovernmental agreement by member municipalities pursuant to the provision of 24-10-1 15.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2). The City’s share of surplus contributions held by CIRSA at December

31, 2018 was \$173,797. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

All funds of the City and the Joint Sewer System participate in the program and make payments to the Self-Insurance Internal Service Fund at amounts that approximate amounts which would have been paid to outside insurance providers. The claims liability of \$1,797,959 in the Self-Insurance Internal Service Fund at December 31, 2018 includes estimated ultimate losses for claims made and claims incurred but not reported, where information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider these factors. Changes in the Self-Insurance Internal Service Fund's claims liability amount in 2017 and 2018 were:

	January 1, Claims Payable	Claims and Changes in Estimates	Claim Payments	December 31, Claims Payable
2017	\$ 1,956,906	\$ 2,454,852	\$ (1,110,860)	\$ 3,300,898
2018	\$ 3,300,898	\$ (286,356)	\$ (1,216,583)	\$ 1,797,959

It is the intent of the members of CIRSA to create an entity of perpetuity, which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss to the limit of the financial resource of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the City does not approve budgets nor does it have the ability to significantly affect the operations of the unit.

B. Grants

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

C. Litigation

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

NOTE 14. CONDUIT DEBT OBLIGATIONS

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

Special Assessment Bonds were issued in 2003 for \$3,980,000 to fund improvements to the Rimrock Marketplace General Improvement District. The City is not liable for repayment of the debt, but the General Services Director acts as agent for the property owners in collecting the assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, if applicable. Final payment on these bonds was made June 1, 2018.

NOTE 15. SEIZED FUNDS

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

NOTE 16. TAX, SPENDING AND DEBT LIMITATIONS

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

Future spending and revenue limits are determined based on the prior year's "Fiscal Year Spending" adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. In April 2007, City of Grand Junction voters approved the retention by the City of all revenues exceeding the Fiscal Year Spending limit for 2006 and subsequent years until the Riverside Parkway bonded debt is paid in full with all amounts retained to be used exclusively for payment of the debt. To that end, \$25,313,350 has been restricted for payment of the debt. In addition to these funds, City Council assigned \$7,163,046 of general fund balance to be used for the early retirement of the Riverside Parkway Bonds. In 2012, the City used \$19,000,000 of these available resources with proceeds from the 2012 General Fund Revenue Refunding Bonds to advance refund \$49,340,000 of the outstanding Riverside Parkway Revenue 2004 Series Bonds.

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

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Emergency reserves as of December 31, 2018, totaling \$2,000,000, are presented as a reservation of fund balance in the General Fund. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

NOTE 17. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

Effective January 1, 2018, the City adopted *GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB 75")*. GASB 75 requires a liability for other postemployment benefits (OPEB) obligations, known as the Net OPEB Liability (Total OPEB Liability for unfunded plans), to be recognized on the balance sheets of participating funds. Changes in the Net OPEB liability are immediately recognized as OPEB expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

As this statement is applied retroactively, the financial statements for the year ended December 31, 2017 have been restated to apply the changes associated with the implementation of GASB 75 and adjust the total OPEB liability. The decrease in net position for governmental activities for the Total OPEB liability was as follows:

Total net position December 31, 2017, as previously reported	\$ 667,702,598
Removal of net OPEB obligation	3,560,368
Net OPEB liability	<u>(15,717,241)</u>
Total net position December 31, 2017, as restated	<u>\$ 655,545,725</u>



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**REQUIRED
SUPPLEMENTARY INFORMATION**

Required Supplementary Information

City of Grand Junction, Colorado

SCHEDULE OF CHANGES IN NET PENSION LIABILITY(ASSET) AND RELATED RATIOS

Old Hire Police Pension Plan

Last 10 Fiscal Years (to be built prospectively)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Pension Liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest on the total pension liability	279,666	267,434	251,061	237,616
Benefit changes	-	-	-	-
Difference between expected and actual experience	-	(346,587)	-	106,611
Assumption changes	-	292,298	-	-
Benefit payments	(456,535)	(428,478)	(434,546)	(425,944)
Total change in total pension liability	<u>(176,869)</u>	<u>(215,333)</u>	<u>(183,485)</u>	<u>(81,717)</u>
Total pension liability-beginning	3,953,023	3,776,154	3,560,821	3,377,336
Total pension liability-ending (a)	<u>\$ 3,776,154</u>	<u>\$ 3,560,821</u>	<u>\$ 3,377,336</u>	<u>\$ 3,295,619</u>
Plan Fiduciary Net Position				
Employer contributions	\$ -	\$ -	\$ -	\$ -
Employee contributions	-	-	-	-
Pension plan net investment income	292,173	78,404	198,081	515,967
Benefit payments	(456,535)	(428,478)	(434,546)	(425,944)
Pension plan administrative expense	(10,032)	(6,275)	(8,095)	(3,132)
Net change in plan fiduciary net position	<u>(174,394)</u>	<u>(356,349)</u>	<u>(244,560)</u>	<u>86,891</u>
Plan fiduciary net position beginning	4,508,685	4,334,291	3,977,942	3,733,382
Plan fiduciary net position ending (b)	<u>\$ 4,334,291</u>	<u>\$ 3,977,942</u>	<u>\$ 3,733,382</u>	<u>\$ 3,820,273</u>
Net pension liability/(asset) ending (a)-(b)	<u>(558,137)</u>	<u>(417,121)</u>	<u>(356,046)</u>	<u>(524,654)</u>
Plan fiduciary net position as a percentage of total pension liability	114.78%	111.71%	110.54%	115.92%
Covered payroll	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

Required Supplementary Information

City of Grand Junction, Colorado

SCHEDULE OF CHANGES IN NET PENSION LIABILITY(ASSET) AND RELATED RATIOS

Old Hire Fire Pension Plan

Last 10 Fiscal Years (to be built prospectively)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Pension Liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest on the total pension liability	899,930	882,137	935,176	918,633
Benefit changes	-	-	-	-
Difference between expected and actual experience	-	97,834	-	(409,149)
Assumption changes	-	880,892	-	-
Benefit payments	(1,126,445)	(1,148,291)	(1,159,261)	(1,152,099)
Total change in total pension liability	<u>(226,515)</u>	<u>712,572</u>	<u>(224,085)</u>	<u>(642,615)</u>
Total pension liability-beginning	<u>12,552,106</u>	<u>12,325,591</u>	<u>13,038,163</u>	<u>12,814,078</u>
Total pension liability-ending (a)	<u>\$ 12,325,591</u>	<u>13,038,163</u>	<u>12,814,078</u>	<u>12,171,463</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 271,552	\$ 317,653	\$ 307,037	\$ 320,273
Employee contributions	-	-	-	-
Pension plan net investment income	623,843	167,814	432,691	1,137,348
Benefit payments	(1,126,445)	(1,148,291)	(1,159,261)	(1,152,099)
Pension plan administrative expense	(17,764)	(13,094)	(15,321)	(6,890)
Net change in plan fiduciary net position	<u>(248,814)</u>	<u>(675,918)</u>	<u>(434,854)</u>	<u>298,632</u>
Plan fiduciary net position beginning	<u>9,533,228</u>	<u>9,284,414</u>	<u>8,608,496</u>	<u>8,173,642</u>
Plan fiduciary net position ending (b)	<u>\$ 9,284,414</u>	<u>\$ 8,608,496</u>	<u>\$ 8,173,642</u>	<u>\$ 8,472,274</u>
Net pension liability/(asset) ending (a)-(b)	<u>3,041,177</u>	<u>4,429,667</u>	<u>4,640,436</u>	<u>3,699,189</u>
Plan fiduciary net position as a percentage of total pension liability	75.33%	66.03%	63.79%	69.61%
Covered payroll	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

Required Supplementary Information

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

FY Ending December 31,	Actuarially Determined Contribution*	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
[a]	[b]	[c]	[d] = [b] - [c]	[e]	[f]
2009	\$ 715,629	\$ 443,213	\$ 272,416	N/A	N/A
2010	\$ 312,934	\$ 410,383	\$ (97,449)	N/A	N/A
2011	\$ 271,787	\$ 426,798	\$ (155,011)	N/A	N/A
2012	\$ 271,787	\$ 514,379	\$ (242,592)	N/A	N/A
2013	\$ 116,037	\$ 1,148,079	\$ (1,032,042)	N/A	N/A
2014	\$ 116,037	\$ -	\$ 116,037	N/A	N/A
2015	\$ -	\$ -	\$ -	N/A	N/A
2016	\$ -	\$ -	\$ -	N/A	N/A
2017	\$ -	\$ -	\$ -	N/A	N/A
2018	\$ -	\$ -	\$ -	N/A	N/A

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

Required Supplementary Information

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

FY Ending December 31,	Actuarially Determined Contribution*	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
[a]	[b]	[c]	[d] = [b] - [c]	[e]	[f]
2008	\$ 303,815	\$ 313,763	\$ (9,948)	N/A	N/A
2009	\$ 192,143	\$ 205,493	\$ (13,350)	N/A	N/A
2010	\$ 192,143	\$ 184,753	\$ 7,390	N/A	N/A
2011	\$ 247,566	\$ 245,434	\$ 2,132	N/A	N/A
2012	\$ 247,566	\$ 247,566	\$ -	N/A	N/A
2013	\$ 276,015	\$ 279,384	\$ (3,369)	N/A	N/A
2014	\$ 276,015	\$ 271,552	\$ 4,463	N/A	N/A
2015	\$ 307,037	\$ 317,653	\$ (10,616)	N/A	N/A
2016	\$ 307,037	\$ 307,037	\$ -	N/A	N/A
2017	\$ 424,262	\$ 320,273	\$ 103,989	N/A	N/A

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

Required Supplementary Information

City of Grand Junction, Colorado
**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
 AND RELATED RATIOS**
 Post-Employment Retiree Healthcare Plan

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 991,609
Interest	617,237
Benefit changes	(1,411,099)
Differences between expected and actual experience	87,282
Assumption changes	12,604,231
Benefit payments	<u>(766,763)</u>
Net change in total OPEB liability	12,122,497
Total OPEB liability - beginning	<u>3,560,368</u>
Total OPEB liability - ending	<u>\$ 15,682,865</u>
Covered payroll	\$ 33,175,223
Total OPEB liability as a percentage of covered payroll	47.27%

Notes to Schedule

Change of benefit terms:

Amounts presented reflect a decrease of 77 active employees due to a one-time election to opt out of the Plan. Furthermore, no new entrants were allowed after November 1, 2017.

Changes of assumptions:

Changes of assumption and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.44%
2016	3.78%

Information for Fiscal Year 2009 through 2017 is not available.



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Visit Grand Junction (f.k.a. Visitors and Convention Bureau) ~ to accumulate resources from a lodging tax approved by the voters in 1994 and other taxes committed by City Council to proactively market the Grand Junction area and promote tourism.

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

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

Conservation Trust Fund ~ to account for lottery proceeds received from the State of Colorado for the development and improvement of City Parks.

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

Capital Project Funds

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

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

economic development and debt service on the sales tax improvement bond issue and the public safety building certificated of participation issue.

Capital Projects Funds (Continued)

Storm Drainage Development Fund ~ to account for storm drainage development projects funded partially or in whole with assessments to property owners.

Street Assessment Projects Fund ~ to account for various street improvement projects funded partially or in whole with assessments to property owners.

Debt Service Funds

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

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

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

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

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

Permanent Funds

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

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



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City of Grand Junction
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2018

	Special Revenue				
	Visit Grand Junction	Enhanced 911	Parkland Expansion	Conservation Trust	Community Development
ASSETS					
Cash and investments	\$ 316,155	\$ 2,356,030	\$ 853,703	\$ 315,397	\$ -
Accounts receivable	156	333,956	1,250	-	-
Taxes receivable	140,258	-	-	-	-
Intergovernmental receivable	-	5,265	-	-	60,124
Prepays	5,861	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Total assets	<u>\$ 462,430</u>	<u>\$ 2,695,251</u>	<u>\$ 854,953</u>	<u>\$ 315,397</u>	<u>\$ 60,124</u>
LIABILITIES					
Accounts payable	172,439	-	-	-	60,124
Accrued liabilities	30,331	-	-	-	-
Unearned revenue	25,000	-	-	-	-
Total liabilities	<u>227,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,124</u>
FUND BALANCES					
Nonspendable:					
Inventories and prepaids	\$ 5,861	\$ -	\$ -	\$ -	\$ -
Permanent fund principal	-	-	-	-	-
Restricted for:					
Debt service	-	-	-	-	-
Parks and recreation	-	-	-	315,397	-
Public safety	-	2,695,251	-	-	-
Capital projects	-	-	-	-	-
Committed to:					
Open space	-	-	854,953	-	-
Tourism and convention	228,799	-	-	-	-
Total fund balances	<u>234,660</u>	<u>2,695,251</u>	<u>854,953</u>	<u>315,397</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 462,430</u>	<u>\$ 2,695,251</u>	<u>\$ 854,953</u>	<u>\$ 315,397</u>	<u>\$ 60,124</u>

Debt Service		Capital Projects		Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJ Public Finance	Storm Drainage Development	Street Assessment Improvements	Cemetery Perpetual Care	
\$ 17,397	\$ 9,596	\$ 63,451	\$ 3,440,998	\$ 1,435,189	\$ 8,807,916
-	-	-	-	-	335,362
-	-	-	-	-	140,258
-	-	-	-	-	65,389
-	-	-	-	-	5,861
-	5,577	-	-	-	5,577
<u>\$ 17,397</u>	<u>\$ 15,173</u>	<u>\$ 63,451</u>	<u>\$ 3,440,998</u>	<u>\$ 1,435,189</u>	<u>\$ 9,360,363</u>
-	-	-	1,231,840	-	1,464,403
-	-	-	-	-	30,331
-	-	-	-	-	25,000
-	-	-	1,231,840	-	1,519,734
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,861
-	-	-	-	1,435,189	1,435,189
17,397	15,173	-	2,209,158	-	2,241,728
-	-	-	-	-	315,397
-	-	-	-	-	2,695,251
-	-	63,451	-	-	63,451
-	-	-	-	-	854,953
-	-	-	-	-	228,799
<u>17,397</u>	<u>15,173</u>	<u>63,451</u>	<u>2,209,158</u>	<u>1,435,189</u>	<u>7,840,629</u>
<u>\$ 17,397</u>	<u>\$ 15,173</u>	<u>\$ 63,451</u>	<u>\$ 3,440,998</u>	<u>\$ 1,435,189</u>	<u>\$ 9,360,363</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, 2018

	Special Revenue				
	Visit Grand Junction	Enhanced 911	Parkland Expansion	Conservation Trust	Community Development
REVENUES					
Lodging taxes	\$ 2,166,754	\$ -	\$ -	\$ -	\$ -
Intergovernmental	40,768	-	-	712,845	251,177
Charges for services	10,086	2,372,848	-	-	-
Fines and forfeitures	-	-	3,550	-	-
Investment earnings	4,395	55,510	13,886	5,442	-
Other income	10,334	-	-	-	-
Other contributions	-	-	655,796	-	-
Total revenues	<u>2,232,337</u>	<u>2,428,358</u>	<u>673,232</u>	<u>718,287</u>	<u>251,177</u>
EXPENDITURES					
Current:					
General government	2,021,715	-	-	-	-
Urban development and housing	-	-	-	-	152,817
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay:					
Construction	-	-	-	-	-
Total expenditures	<u>2,021,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,817</u>
Excess (deficiency) of revenues over (under) expenditures	210,622	2,428,358	673,232	718,287	98,360
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(200,000)	(2,555,938)	(59,792)	(503,776)	(98,360)
Total other financing sources and (uses)	<u>(200,000)</u>	<u>(2,555,938)</u>	<u>(59,792)</u>	<u>(503,776)</u>	<u>(98,360)</u>
Net change in fund balance	10,622	(127,580)	613,440	214,511	-
Fund balances - beginning	224,038	2,822,831	241,513	100,886	-
Fund balances - ending	<u>\$ 234,660</u>	<u>\$ 2,695,251</u>	<u>\$ 854,953</u>	<u>\$ 315,397</u>	<u>\$ -</u>

Debt Service		Capital Projects		Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJ Public Finance	Storm Drainage Development	Street Assessment Improvements	Cemetery Perpetual Care	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,166,754
-	-	-	-	-	1,004,790
-	-	-	1,470,384	18,800	3,872,118
-	-	-	-	-	3,550
285	5,736	-	-	23,585	108,839
-	-	34,498	-	-	44,832
-	300,000	-	-	-	955,796
<u>285</u>	<u>305,736</u>	<u>34,498</u>	<u>1,470,384</u>	<u>42,385</u>	<u>8,156,679</u>
-	1,500	-	34,290	-	2,057,505
-	-	-	-	-	152,817
-	240,000	-	-	-	240,000
-	291,175	-	-	-	291,175
-	-	10,560	134,824	-	145,384
-	532,675	10,560	169,114	-	2,886,881
285	(226,939)	23,938	1,301,270	42,385	5,269,798
-	232,675	10,560	-	-	243,235
-	-	-	-	(21,500)	(3,439,366)
-	232,675	10,560	-	(21,500)	(3,196,131)
285	5,736	34,498	1,301,270	20,885	2,073,667
17,112	9,437	28,953	907,888	1,414,304	5,766,962
<u>\$ 17,397</u>	<u>\$ 15,173</u>	<u>\$ 63,451</u>	<u>\$ 2,209,158</u>	<u>\$ 1,435,189</u>	<u>\$ 7,840,629</u>

City of Grand Junction, Colorado
VISIT GRAND JUNCTION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2018

	Budgeted Amounts		Actual GAAP Basis Amount	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final				
REVENUES						
Taxes	\$ 2,222,063	\$ 2,306,469	\$ 2,166,754	\$ -	\$ 2,166,754	\$ (139,715)
Intergovernmental	-	40,767	40,768	-	40,768	1
Charges for services	10,000	12,000	10,086	-	10,086	(1,914)
Investment earnings	700	700	4,395	325	4,720	4,020
Other income	-	-	10,334	-	10,334	10,334
Total revenues	<u>2,232,763</u>	<u>2,359,936</u>	<u>2,232,337</u>	<u>325</u>	<u>2,232,662</u>	<u>(127,274)</u>
EXPENDITURES						
Current:						
General government	1,985,801	2,033,541	2,021,715	-	2,021,715	11,826
Total expenditures	<u>1,985,801</u>	<u>2,033,541</u>	<u>2,021,715</u>	<u>-</u>	<u>2,021,715</u>	<u>11,826</u>
Excess (deficiency) of revenues over (under) expenditures	246,962	326,395	210,622	325	210,947	(115,448)
OTHER FINANCING SOURCES (USES)						
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	46,962	126,395	10,622	325	10,947	(115,448)
Fund balances - beginning	224,038	224,038	224,038	-	224,038	-
Fund balances - ending	<u>\$ 271,000</u>	<u>\$ 350,433</u>	<u>\$ 234,660</u>	<u>\$ 325</u>	<u>\$ 234,985</u>	<u>\$ (115,448)</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, 2018

	Budgeted Amounts		Actual GAAP Basis Amount	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final				
REVENUES						
Charges for services	\$ 2,350,000	\$ 2,350,000	\$ 2,372,848	\$ -	\$ 2,372,848	\$ 22,848
Investment earnings	37,000	37,000	55,510	4,100	59,610	22,610
Total revenues	<u>2,387,000</u>	<u>2,387,000</u>	<u>2,428,358</u>	<u>4,100</u>	<u>2,432,458</u>	<u>45,458</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	(3,672,611)	(3,496,357)	(2,555,938)	-	(2,555,938)	940,419
Net change in fund balance	(1,285,611)	(1,109,357)	(127,580)	4,100	(123,480)	985,877
Fund balances - beginning	2,822,831	2,822,831	2,822,831	-	2,822,831	-
Fund balances - ending	<u>\$ 1,537,220</u>	<u>\$ 1,713,474</u>	<u>\$ 2,695,251</u>	<u>\$ 4,100</u>	<u>\$ 2,699,351</u>	<u>\$ 985,877</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, 2018

	Budgeted Amounts		Actual GAAP Basis Amount	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final				
REVENUES						
Fines and forfeitures	\$ 8,000	\$ 8,000	\$ 3,550	\$ -	\$ 3,550	\$ (4,450)
Investment earnings	2,100	2,100	13,886	1,026	14,912	12,812
Other contributions	124,700	600,056	655,796	-	655,796	55,740
Total revenues	<u>134,800</u>	<u>610,156</u>	<u>673,232</u>	<u>1,026</u>	<u>674,258</u>	<u>64,102</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	<u>(184,792)</u>	<u>(59,792)</u>	<u>(59,792)</u>	<u>-</u>	<u>(59,792)</u>	<u>-</u>
Net change in fund balance	(49,992)	550,364	613,440	1,026	614,466	64,102
Fund balances - beginning	241,513	241,513	241,513	-	241,513	-
Fund balances - ending	<u>\$ 191,521</u>	<u>\$ 791,877</u>	<u>\$ 854,953</u>	<u>\$ 1,026</u>	<u>\$ 855,979</u>	<u>\$ 64,102</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, 2018

	Budgeted Amounts		Actual GAAP Basis Amount	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final				
REVENUES						
Intergovernmental	\$ 715,666	\$ 756,666	\$ 712,845	\$ -	\$ 712,845	\$ (43,821)
Investment earnings	700	700	5,442	402	5,844	5,144
Total revenues	<u>716,366</u>	<u>757,366</u>	<u>718,287</u>	<u>402</u>	<u>718,689</u>	<u>(38,677)</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	<u>(567,657)</u>	<u>(567,657)</u>	<u>(503,776)</u>	<u>-</u>	<u>(503,776)</u>	<u>63,881</u>
Net change in fund balance	148,709	189,709	214,511	402	214,913	25,204
Fund balances - beginning	100,886	100,886	100,886	-	100,886	-
Fund balances - ending	<u>\$ 249,595</u>	<u>\$ 290,595</u>	<u>\$ 315,397</u>	<u>\$ 402</u>	<u>\$ 315,799</u>	<u>\$ 25,204</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, 2018

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 400,521	\$ 400,521	\$ 251,177	\$ (149,344)
Total revenues	<u>400,521</u>	<u>400,521</u>	<u>251,177</u>	<u>(149,344)</u>
EXPENDITURES				
Current:				
Urban development and housing	<u>134,538</u>	<u>134,538</u>	<u>152,817</u>	<u>(18,279)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>265,983</u>	<u>265,983</u>	<u>98,360</u>	<u>(167,623)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(235,686)</u>	<u>(162,000)</u>	<u>(98,360)</u>	<u>63,640</u>
Net change in fund balance	30,297	103,983	-	(103,983)
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ 30,297</u>	<u>\$ 103,983</u>	<u>\$ -</u>	<u>\$ (103,983)</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, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget- Positive (Negative)
REVENUES					
Investment earnings	\$ -	\$ 285	\$ 21	\$ 306	\$ 306
Total revenues	<u>-</u>	<u>285</u>	<u>21</u>	<u>306</u>	<u>306</u>
Net change in fund balance	-	285	21	306	306
Fund balances - beginning	17,112	17,112	-	17,112	-
Fund balances - ending	<u>\$ 17,112</u>	<u>\$ 17,397</u>	<u>\$ 21</u>	<u>\$ 17,418</u>	<u>\$ 306</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, 2018

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 5,736	\$ 5,736
Other income	-	-	-	-
Other contributions	300,000	300,000	300,000	-
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>305,736</u>	<u>5,736</u>
EXPENDITURES				
Current:				
General government	1,510	1,510	1,500	10
Debt service:				
Principal retirement	240,000	240,000	240,000	-
Interest and fiscal charges	291,175	291,175	291,175	-
Total expenditures	<u>532,685</u>	<u>532,685</u>	<u>532,675</u>	<u>10</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(232,685)</u>	<u>(232,685)</u>	<u>(226,939)</u>	<u>5,746</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>232,675</u>	<u>232,675</u>	<u>232,675</u>	<u>-</u>
Net change in fund balance	(10)	(10)	5,736	5,746
Fund balances - beginning	9,437	9,437	9,437	-
Fund balances - ending	<u>\$ 9,427</u>	<u>\$ 9,427</u>	<u>\$ 15,173</u>	<u>\$ 5,746</u>

City of Grand Junction, Colorado
GENERAL DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2018

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 722,025	\$ 722,025	\$ 722,025	\$ -
Investment earnings	-	-	3,496	3,496
Total revenues	<u>722,025</u>	<u>722,025</u>	<u>725,521</u>	<u>3,496</u>
EXPENDITURES				
Current:				
General government	3,010	3,010	3,010	-
Debt service:				
Principal retirement	3,635,000	3,635,000	3,635,000	-
Interest and fiscal charges	<u>3,249,160</u>	<u>3,249,160</u>	<u>3,249,160</u>	<u>-</u>
Total expenditures	<u>6,887,170</u>	<u>6,887,170</u>	<u>6,887,170</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(6,165,145)	(6,165,145)	(6,161,649)	3,496
OTHER FINANCING SOURCES (USES)				
Transfers in	6,165,140	6,165,140	6,165,140	-
Total other financing sources (uses)	<u>6,165,140</u>	<u>6,165,140</u>	<u>6,165,140</u>	<u>-</u>
Net change in fund balance	(5)	(5)	3,491	3,496
Fund balances - beginning	428	428	428	-
Fund balances - ending	<u>\$ 423</u>	<u>\$ 423</u>	<u>\$ 3,919</u>	<u>\$ 3,496</u>

City of Grand Junction, Colorado
PARKWAY DEBT RETIREMENT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2018

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Investment earnings	\$ 110,000	\$ 110,000	\$ 134,185	\$ 9,912	\$ 144,097	\$ 34,097
OTHER FINANCING SOURCES (USES)						
Transfers in	845,184	768,170	768,170	-	768,170	-
Transfers out	(3,167,000)	(3,017,000)	(3,017,000)	-	(3,017,000)	-
Total other financing sources (uses)	<u>(2,321,816)</u>	<u>(2,248,830)</u>	<u>(2,248,830)</u>	<u>-</u>	<u>(2,248,830)</u>	<u>-</u>
Net change in fund balance	(2,211,816)	(2,138,830)	(2,114,645)	9,912	(2,104,733)	34,097
Fund balances - beginning	9,229,374	9,229,374	9,170,370	59,004	9,229,374	-
Fund balances - ending	<u>\$ 7,017,558</u>	<u>\$ 7,090,544</u>	<u>\$ 7,055,725</u>	<u>\$ 68,916</u>	<u>\$ 7,124,641</u>	<u>\$ 34,097</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, 2018

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive - (Negative)
	Original	Final				
REVENUES						
Sales, use, and lodging taxes	\$ 12,438,245	\$ 13,289,120	\$ 13,503,012	\$ (25,365)	\$ 13,477,647	\$ 188,527
Intergovernmental	7,458,679	11,642,189	5,964,616	-	5,964,616	(5,677,573)
Charges for services	30,000	30,000	149,584	-	149,584	119,584
Special assessments	-	-	4,045	-	4,045	4,045
Investment earnings	-	-	817	-	817	817
Other contributions	220,000	560,000	560,000	-	560,000	-
Total revenues	<u>20,146,924</u>	<u>25,521,309</u>	<u>20,182,074</u>	<u>(25,365)</u>	<u>20,156,709</u>	<u>(5,364,600)</u>
EXPENDITURES						
Capital outlay:						
Construction	14,866,674	19,294,721	11,323,801	-	11,323,801	7,970,920
Total expenditures	<u>14,866,674</u>	<u>19,294,721</u>	<u>11,323,801</u>	<u>-</u>	<u>11,323,801</u>	<u>7,970,920</u>
Excess (deficiency) of revenues over (under) expenditures	5,280,250	6,226,588	8,858,273	(25,365)	8,832,908	2,606,320
OTHER FINANCING SOURCES (USES)						
Transfers in	4,597,460	3,673,774	3,506,838	-	3,506,838	(166,936)
Transfers out	<u>(9,767,245)</u>	<u>(9,817,241)</u>	<u>(9,655,116)</u>	<u>-</u>	<u>(9,655,116)</u>	<u>162,125</u>
Total other financing sources (uses)	<u>(5,169,785)</u>	<u>(6,143,467)</u>	<u>(6,148,278)</u>	<u>-</u>	<u>(6,148,278)</u>	<u>(4,811)</u>
Net change in fund balance	110,465	83,121	2,709,995	(25,365)	2,684,630	2,601,509
Fund balances - beginning	1,644,791	1,644,791	1,705,983	(61,192)	1,644,791	-
Fund balances - ending	<u>\$ 1,755,256</u>	<u>\$ 1,727,912</u>	<u>\$ 4,415,978</u>	<u>\$ (86,557)</u>	<u>\$ 4,329,421</u>	<u>\$ 2,601,509</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, 2018

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Development fees	16,000	40,000	34,498	(5,502)
Total revenues	<u>16,000</u>	<u>40,000</u>	<u>34,498</u>	<u>(5,502)</u>
EXPENDITURES				
Current:				
Capital outlay:				
Construction	16,000	143,010	10,560	132,450
Total expenditures	<u>16,000</u>	<u>143,010</u>	<u>10,560</u>	<u>132,450</u>
Excess (deficiency) of revenues over (under) expenditures	-	(103,010)	23,938	126,948
OTHER FINANCING SOURCES (USES)				
Transfers in	-	127,010	10,560	(116,450)
Net change in fund balance	-	24,000	34,498	10,498
Fund balances - beginning	28,953	28,953	28,953	-
Fund balances - ending	<u>\$ 28,953</u>	<u>\$ 52,953</u>	<u>\$ 63,451</u>	<u>\$ 10,498</u>

City of Grand Junction, Colorado
STREET ASSESSMENT IMPROVEMENTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2018

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Miscellaneous:				
Development fees	1,530,000	1,530,000	1,470,384	(59,616)
Total revenues	<u>1,580,000</u>	<u>1,580,000</u>	<u>1,470,384</u>	<u>(109,616)</u>
EXPENDITURES				
Current:				
General government	-	4,000	34,290	(30,290)
Capital outlay:				
Construction	1,300,000	800,000	134,824	665,176
Total expenditures	<u>1,300,000</u>	<u>804,000</u>	<u>169,114</u>	<u>634,886</u>
Net change in fund balance	280,000	776,000	1,301,270	525,270
Fund balances - beginning	907,888	907,888	907,888	-
Fund balances - ending	<u>\$ 1,187,888</u>	<u>\$ 1,683,888</u>	<u>\$ 2,209,158</u>	<u>\$ 525,270</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, 2018

	Original and Final Budgeted Amounts	Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget- Positive (Negative)
REVENUES					
Perpetual care revenue	\$ 20,000	\$ 18,800	\$ -	\$ 18,800	\$ (1,200)
Investment earnings	20,000	23,585	1,742	25,327	5,327
Total revenues	<u>40,000</u>	<u>42,385</u>	<u>1,742</u>	<u>44,127</u>	<u>4,127</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(21,500)</u>	<u>(21,500)</u>	<u>-</u>	<u>(21,500)</u>	<u>-</u>
Net change in fund balance	18,500	20,885	1,742	22,627	4,127
Fund balances - beginning	1,414,304	1,414,304	-	1,414,304	-
Fund balances - ending	<u>\$ 1,432,804</u>	<u>\$ 1,435,189</u>	<u>\$ 1,742</u>	<u>\$ 1,436,931</u>	<u>\$ 4,127</u>



NONMAJOR PROPRIETARY FUNDS

Enterprise Funds

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

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

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

Internal Service Funds

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

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

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

Self-Insurance Fund ~ to account for the expenses associated with providing workers' compensation, property and liability, health and retiree health insurance coverage, as well as the related charges to the various departments within the City.

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

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

City of Grand Junction, Colorado
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
December 31, 2018

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
ASSETS			
Current assets:			
Cash and investments	\$ 981,288	\$ 130,099	\$ 1,111,387
Accounts receivable, net of allowance	530,515	30,678	561,193
Total current assets	<u>1,511,803</u>	<u>160,777</u>	<u>1,672,580</u>
Noncurrent assets:			
Capital assets:			
Buildings, improvements, plant and system	249,750	3,435,806	3,685,556
Equipment	1,362,398	20,311	1,382,709
Less accumulated depreciation	<u>(1,100,815)</u>	<u>(3,054,703)</u>	<u>(4,155,518)</u>
Total capital assets (net of accumulated depreciation)	<u>511,333</u>	<u>401,414</u>	<u>912,747</u>
Total noncurrent assets	<u>511,333</u>	<u>401,414</u>	<u>912,747</u>
Total assets	<u>2,023,136</u>	<u>562,191</u>	<u>2,585,327</u>
LIABILITIES			
Current liabilities:			
Accounts payable	107,209	6,578	113,787
Accrued liabilities	44,122	4,359	48,481
Compensated absences payable	4,809	928	5,737
Due to other funds	94,441	-	94,441
Total current liabilities	<u>250,581</u>	<u>11,865</u>	<u>262,446</u>
Noncurrent liabilities:			
Compensated absences payable	67,725	13,065	80,790
Advances from other funds - general fund	312,229	-	312,229
Total noncurrent liabilities	<u>379,954</u>	<u>13,065</u>	<u>393,019</u>
Total liabilities	<u>630,535</u>	<u>24,930</u>	<u>655,465</u>
NET POSITION			
Net investment in capital assets	511,333	401,414	912,747
Unrestricted	881,268	135,847	1,017,115
Total net position	<u>\$ 1,392,601</u>	<u>\$ 537,261</u>	<u>\$ 1,929,862</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the year ended December 31, 2018

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Irrigation	Total
Operating revenues:			
Charges for sales and services, net of allowances	\$ 4,342,109	\$ 269,347	\$ 4,611,456
Operating expenses:			
Personnel services	1,087,529	105,541	1,193,070
Costs of sales and services	2,876,142	154,808	3,030,950
Depreciation and amortization	61,556	88,068	149,624
Total operating expenses	<u>4,025,227</u>	<u>348,417</u>	<u>4,373,644</u>
Operating income (loss)	<u>316,882</u>	<u>(79,070)</u>	<u>237,812</u>
Nonoperating revenues:			
Investment earnings	20,366	2,142	22,508
Gain (loss) on disposition of property and equipment	55,000	-	55,000
Total nonoperating revenues	<u>75,366</u>	<u>2,142</u>	<u>77,508</u>
Income (loss) before contributions and transfers	<u>392,248</u>	<u>(76,928)</u>	<u>315,320</u>
Capital contributions - tap fees	-	520	520
Transfers out	<u>(150,000)</u>	<u>-</u>	<u>(150,000)</u>
Change in net position	<u>242,248</u>	<u>(76,408)</u>	<u>165,840</u>
Net position - beginning	1,150,353	613,669	1,764,022
Net position - ending	<u>\$ 1,392,601</u>	<u>\$ 537,261</u>	<u>\$ 1,929,862</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the year ended December 31, 2018

	Business-Type Activities - Enterprise Funds		
	Solid Waste		Total
	Removal	Irrigation	
Cash flows from operating activities:			
Cash received from customers and users	\$ 4,314,150	\$ 269,598	\$ 4,583,748
Cash paid to interfund	(1,418,644)	(140,101)	(1,558,745)
Cash paid to suppliers	(1,466,824)	(13,584)	(1,480,408)
Cash paid to employees	(1,037,576)	(99,822)	(1,137,398)
Net cash provided by operating activities	<u>391,106</u>	<u>16,091</u>	<u>407,197</u>
Cash flows from noncapital financing activities:			
Transfers to other funds	(150,000)	-	(150,000)
Increase in amount due other funds	2,483	-	2,483
Net cash provided by noncapital financing activities	<u>(147,517)</u>	<u>-</u>	<u>(147,517)</u>
Cash flows from capital and related financing activities:			
Tap fees	-	520	520
Repayment of interfund capital loans	(94,441)	-	(94,441)
Proceeds from disposition of fixed assets	55,000	-	55,000
Purchase of capital assets	(306,382)	-	(306,382)
Net cash (used) in capital and related financing activities	<u>(345,823)</u>	<u>520</u>	<u>(345,303)</u>
Cash flows from investing activities:			
Investment earnings received	20,366	2,142	22,508
Net cash provided by investing activities	<u>20,366</u>	<u>2,142</u>	<u>22,508</u>
Net increase in cash and cash equivalents	(81,868)	18,753	(63,115)
Cash and cash equivalents, January 1	1,063,156	111,346	1,174,502
Cash and cash equivalents, December 31	<u>\$ 981,288</u>	<u>\$ 130,099</u>	<u>\$ 1,111,387</u>
Reconciliation of Operating Income (loss) to Net cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 316,882	\$ (79,070)	\$ 237,812
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	61,556	88,068	149,624
(Increase) decrease in accounts receivable	(27,959)	251	(27,708)
Increase (decrease) in accounts payable	(9,326)	1,123	(8,203)
Increase (decrease) in accrued liabilities and compensated absences payable	49,953	5,719	55,672
Total adjustments	<u>74,224</u>	<u>95,161</u>	<u>169,385</u>
Net cash provided by operating activities	<u>\$ 391,106</u>	<u>\$ 16,091</u>	<u>\$ 407,197</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2018

	Data Processing	Equipment	Self- Insurance	Communication s Center	Facilities Management	Total
ASSETS						
Current assets:						
Cash and investments	\$ 3,106,950	\$ 2,691,625	\$ 2,001,948	\$ 1,101,938	\$ 380,889	\$ 9,283,350
Accounts receivable, net of allowance	3,680	8,305	451,550	21,007	26,324	510,866
Intergovernmental receivable	-	113,184	-	7,248	-	120,432
Prepaid items	-	-	385	14,583	-	14,968
Total current assets	<u>3,110,630</u>	<u>2,813,114</u>	<u>2,453,883</u>	<u>1,144,776</u>	<u>407,213</u>	<u>9,929,616</u>
Noncurrent assets:						
Capital assets:						
Buildings, improvements, plant and system	321,638	3,319,363	-	13,700	184,209	3,838,910
Equipment	5,601,548	26,313,884	-	10,842,229	202,688	42,960,349
Construction in progress	-	-	-	192,053	-	192,053
Less accumulated depreciation	<u>(4,517,244)</u>	<u>(16,679,370)</u>	<u>-</u>	<u>(8,315,897)</u>	<u>(67,971)</u>	<u>(29,580,482)</u>
Total capital assets (net of accumulated depreciation)	<u>1,405,942</u>	<u>12,953,877</u>	<u>-</u>	<u>2,732,085</u>	<u>318,926</u>	<u>17,410,830</u>
Total assets	<u>4,516,572</u>	<u>15,766,991</u>	<u>2,453,883</u>	<u>3,876,861</u>	<u>726,139</u>	<u>27,340,446</u>
LIABILITIES						
Current liabilities:						
Accounts payable	90,530	195,100	119,503	29,216	182,615	616,964
Accrued liabilities	110,483	43,543	119,196	163,379	21,498	458,099
Compensated absences payable	13,336	4,182	211	18,561	2,576	38,866
Claims payable	-	-	774,709	-	-	774,709
Total current liabilities	<u>214,349</u>	<u>242,825</u>	<u>1,013,619</u>	<u>211,156</u>	<u>206,689</u>	<u>1,888,638</u>
Noncurrent liabilities:						
Compensated absences payable	187,811	58,904	2,976	261,398	36,273	547,362
Claims payable	-	-	1,023,250	-	-	1,023,250
Total noncurrent liabilities	<u>187,811</u>	<u>58,904</u>	<u>1,026,226</u>	<u>261,398</u>	<u>36,273</u>	<u>1,570,612</u>
Total liabilities	<u>402,160</u>	<u>301,729</u>	<u>2,039,845</u>	<u>472,554</u>	<u>242,962</u>	<u>3,459,250</u>
NET POSITION						
Net investment in capital assets	1,405,942	12,953,877	-	2,732,085	318,926	17,410,830
Restricted for:						
Public safety	191,186	-	-	-	-	191,186
Unrestricted	<u>2,517,284</u>	<u>2,511,385</u>	<u>414,038</u>	<u>672,222</u>	<u>164,251</u>	<u>6,279,180</u>
Total net position	<u>\$ 4,114,412</u>	<u>\$ 15,465,262</u>	<u>\$ 414,038</u>	<u>\$ 3,404,307</u>	<u>\$ 483,177</u>	<u>\$ 23,881,196</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the year ended December 31, 2018

	Data Processing	Equipment	Self- Insurance	Communications Center	Facilities Management	Total
Operating revenues:						
Charges for sales and services	\$ 6,524,362	\$ 5,787,629	\$ 3,449,833	\$ 4,511,815	\$ 2,579,901	\$ 22,853,540
Other income	36,857	2,380	18,892	52,256	27,500	137,885
Total operating revenues	<u>6,561,219</u>	<u>5,790,009</u>	<u>3,468,725</u>	<u>4,564,071</u>	<u>2,607,401</u>	<u>22,991,425</u>
Operating expenses:						
Personnel services	2,228,930	1,031,154	546,582	4,144,995	492,249	8,443,910
Costs of sales and services	4,109,329	2,588,890	2,829,133	1,720,326	2,242,354	13,490,032
Depreciation and amortization	782,832	2,140,830	-	841,661	26,274	3,791,597
Total operating expenses	<u>7,121,091</u>	<u>5,760,874</u>	<u>3,375,715</u>	<u>6,706,982</u>	<u>2,760,877</u>	<u>25,725,539</u>
Operating income (loss)	<u>(559,872)</u>	<u>29,135</u>	<u>93,010</u>	<u>(2,142,911)</u>	<u>(153,476)</u>	<u>(2,734,114)</u>
Nonoperating revenues (expenses):						
Intergovernmental	8,000	76,500	-	114,417	-	198,917
Investment earnings	50,527	37,023	33,158	-	-	120,708
Gain (loss) on disposition of property and equipment	4,478	56,821	-	-	-	61,299
Total nonoperating revenues (expenses)	<u>63,005</u>	<u>170,344</u>	<u>33,158</u>	<u>114,417</u>	<u>-</u>	<u>380,924</u>
Income (loss) before contributions and transfers	(496,867)	199,479	126,168	(2,028,494)	(153,476)	(2,353,190)
Transfers in	-	440,875	-	2,055,938	-	2,496,813
Transfers out	-	-	(1,636,091)	-	-	(1,636,091)
Change in net position	<u>(496,867)</u>	<u>640,354</u>	<u>(1,509,923)</u>	<u>27,444</u>	<u>(153,476)</u>	<u>(1,492,468)</u>
Net position - beginning	4,611,279	14,824,908	1,923,961	3,376,863	636,653	25,373,664
Net position - ending	<u>\$ 4,114,412</u>	<u>\$ 15,465,262</u>	<u>\$ 414,038</u>	<u>\$ 3,404,307</u>	<u>\$ 483,177</u>	<u>\$ 23,881,196</u>

City of Grand Junction, Colorado
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended December 31, 2018

	Data Processing	Equipment	Self- Insurance	Communications Center	Facilities Management	Total
Cash flows from operating activities:						
Cash received from interfund	\$ 6,425,151	\$ 5,026,798	\$ 2,396,995	\$ 2,643,315	\$ 2,579,901	\$ 19,072,160
Cash received from customers and users	96,861	700,922	1,052,838	1,846,680	-	3,697,301
Cash paid to interfund	(240,115)	(250,110)	(21,042)	(1,341,515)	(132,687)	(1,985,469)
Cash paid to suppliers	(3,955,504)	(2,355,442)	(4,288,367)	(373,722)	(2,109,407)	(13,082,442)
Cash paid to employees	(2,078,555)	(992,966)	(446,169)	(3,958,818)	(459,569)	(7,936,077)
Miscellaneous disbursements	-	-	(436,444)	-	-	(436,444)
Miscellaneous receipts	36,857	2,380	18,892	52,256	40,662	151,047
Net cash provided (used) by operating activities	<u>284,695</u>	<u>2,131,582</u>	<u>(1,723,297)</u>	<u>(1,131,804)</u>	<u>(81,100)</u>	<u>(519,924)</u>
Cash flows from noncapital financing activities:						
Transfers from other funds	-	440,875	-	2,055,938	-	2,496,813
Transfers to other funds	-	-	(1,636,091)	-	-	(1,636,091)
Intergovernmental receipts	8,000	-	-	20,679	-	28,679
Net cash provided (used) by noncapital financing activities	<u>8,000</u>	<u>440,875</u>	<u>(1,636,091)</u>	<u>2,076,617</u>	<u>-</u>	<u>889,401</u>
Cash flows from capital and related financing activities:						
Intergovernmental receipts	-	76,500	-	93,738	-	170,238
Proceeds from disposition of capital assets	10,000	45,033	-	-	-	55,033
Purchase of capital assets	(226,876)	(2,966,445)	-	(587,649)	(28,161)	(3,809,131)
Net cash used in capital and related financing activities	<u>(216,876)</u>	<u>(2,844,912)</u>	<u>-</u>	<u>(493,911)</u>	<u>(28,161)</u>	<u>(3,583,860)</u>
Cash flows from investing activities:						
Investment earnings received	50,527	37,023	33,158	-	-	120,708
Net cash provided by investing activities	<u>50,527</u>	<u>37,023</u>	<u>33,158</u>	<u>-</u>	<u>-</u>	<u>120,708</u>
Net increase in cash and cash equivalents	126,346	(235,432)	(3,326,230)	450,902	(109,261)	(3,093,675)
Cash and cash equivalents, January 1	2,980,604	2,927,057	5,328,178	651,036	490,150	12,377,025
Cash and cash equivalents, December 31	<u>\$ 3,106,950</u>	<u>\$ 2,691,625</u>	<u>\$ 2,001,948</u>	<u>\$ 1,101,938</u>	<u>\$ 380,889</u>	<u>\$ 9,283,350</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (559,872)	\$ 29,135	\$ 93,010	\$ (2,142,911)	\$ (153,476)	\$ (2,734,114)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	782,832	2,140,830	-	841,661	26,274	3,791,597
(Increase) decrease in accounts receivable	(2,350)	(59,909)	(436,444)	(21,820)	13,162	(507,361)
(Increase) decrease in prepaid items	2,479	-	(386)	(9,534)	-	(7,441)
Increase (decrease) in accounts payable	(88,769)	(1,937)	23,049	14,623	260	(52,774)
Increase (decrease) in claims payable	-	-	(1,502,939)	-	-	(1,502,939)
Increase (decrease) in accrued wages and compensated absences payable	150,375	38,188	100,413	186,177	32,680	507,833
(Increase) decrease in accounts payable due to purchase of capital assets on account	-	(14,725)	-	-	-	(14,725)
Total adjustments	<u>844,567</u>	<u>2,102,447</u>	<u>(1,816,307)</u>	<u>1,011,107</u>	<u>72,376</u>	<u>2,214,190</u>
Net cash provided (used) by operating activities	<u>\$ 284,695</u>	<u>\$ 2,131,582</u>	<u>\$ (1,723,297)</u>	<u>\$ (1,131,804)</u>	<u>\$ (81,100)</u>	<u>\$ (519,924)</u>
Noncash Investing, Capital, and Financing Activities						
Purchase of capital assets on account	\$ -	\$ 78,213	\$ -	\$ -	\$ -	\$ 78,213
Net book value of capital assets traded in on capital assets acquired	-	25,228	-	-	-	25,228
Trade in value of disposed assets	-	69,500	-	-	-	69,500
Intergovernmental receipts from noncapital financing activities	-	-	-	20,679	-	20,679



FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City in a fiduciary capacity, or as an agent for individuals, private organizations, other governments, and/or other funds. These include private-purpose trust, investment trust and agency funds. Since the City has only one investment trust fund, it is presented in the Basic Financial Statements section of this report.

Private Purpose Trust Funds

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

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

Agency Funds

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

Rimrock Marketplace General Improvement District Fund ~ to act as an agent for property owners in collection assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, if applicable.

Downtown Business Improvement District Fund ~ to provide the custodial function of accounting for operations of the Downtown Business Improvement District.

City of Grand Junction, Colorado
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
December 31, 2018

	Mesa County Valley School District 51 SLD Fee	General Trust	Total
ASSETS			
Cash and investments	\$ 204,399	\$ 468	\$ 204,867
NET POSITION HELD IN TRUST FOR			
Individuals, organizations and others	\$ 204,399	\$ 468	\$ 204,867

City of Grand Junction, Colorado
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
For the year ended December 31, 2018

	Mesa County Valley School District 51 SLD Fee	General Trust	Total
ADDITIONS			
Additions by participants	\$ 426,360	\$ -	\$ 426,360
Interest income (loss)	3,068	-	3,068
Total additions	<u>429,428</u>	<u>-</u>	<u>429,428</u>
DEDUCTIONS			
Distributions to participants	359,496	-	359,496
Administrative expenses	11,118	-	11,118
Total deductions	<u>370,614</u>	<u>-</u>	<u>370,614</u>
Change in net position	<u>58,814</u>	<u>-</u>	<u>58,814</u>
Net position - beginning	145,585	468	146,053
Net position - ending	<u>\$ 204,399</u>	<u>\$ 468</u>	<u>\$ 204,867</u>

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

For the year ended December 31, 2018

	Balance Beginning	Additions	Deletions	Balance Ending
<u>PARK IMPROVEMENT ADVISORY BOARD</u>				
ASSETS				
Cash and investments	\$ 106,580	\$ 296,655	\$ 115,214	\$ 288,021
LIABILITIES				
Accounts payable	\$ -	\$ 48,050	\$ 24,800	\$ 23,250
Due to other governments	106,580	248,605	90,414	264,771
Total liabilities	<u>\$ 106,580</u>	<u>\$ 296,655</u>	<u>\$ 115,214</u>	<u>\$ 288,021</u>
<u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ 356,039	\$ 159,376	\$ 403,858	\$ 111,557
LIABILITIES				
Due to other governments	\$ 356,039	\$ 159,376	\$ 403,858	\$ 111,557
<u>DOWNTOWN BUSINESS IMPROVEMENT DISTRICT</u>				
ASSETS				
Cash and investments	\$ 41,789	\$ 460,480	\$ 418,677	\$ 83,592
LIABILITIES				
Accounts payable	\$ 17,180	\$ 280,887	\$ 284,119	\$ 13,948
Due to other governments	24,609	179,593	134,558	69,644
Total liabilities	<u>\$ 41,789</u>	<u>\$ 460,480</u>	<u>\$ 418,677</u>	<u>\$ 83,592</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 504,408	\$ 916,511	\$ 937,749	\$ 483,170
Total assets	<u>\$ 504,408</u>	<u>\$ 916,511</u>	<u>\$ 937,749</u>	<u>\$ 483,170</u>
LIABILITIES				
Accounts payable	\$ 17,180	\$ 328,937	\$ 308,919	\$ 37,198
Due to other governments	487,228	587,574	628,830	445,972
Total liabilities	<u>\$ 504,408</u>	<u>\$ 916,511</u>	<u>\$ 937,749</u>	<u>\$ 483,170</u>



DOWNTOWN DEVELOPMENT AUTHORITY

A Component Unit of the City of Grand Junction, Colorado

The Downtown Development Authority (DDA) was formed to improve the downtown area of the City of Grand Junction. Since this is the only component unit of the City, it is reported on the Government-wide Financial Statements. However, since it does not issue its own financial report, the following fund information for the DDA is provided:

Special Revenue Funds

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

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

Debt Service Funds

Debt service funds are used to account for all resources being accumulated for general long-term debt principal and interest payments maturing in future years, other than long-term debt accounted for in enterprise and internal service funds.

DDA TIF Debt Service Fund ~ to account for those resources which are being accumulated for long-term debt, principal and interest payments on DDA Tax Increment Bonds maturing in future years.

Capital Project Funds

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

DDA Capital Improvements Fund ~ to account for capital improvements within the boundaries of the DDA.

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	DDA Operations Special Revenue Fund	DDA TIF Debt Service Fund	Capital Improvements Capital Project Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 1,425,329	\$ 3,221,126	\$ 13,883,258	\$ 18,529,713
Property taxes receivable	227,542	1,221,465	-	1,449,007
Accounts receivable	160	-	-	160
Total assets	<u>1,653,031</u>	<u>4,442,591</u>	<u>13,883,258</u>	<u>19,978,880</u>
LIABILITIES				
Accounts payable	20,015	-	1,442	21,457
Accrued liabilities	5,914	-	312	6,226
Due to other funds	-	-	4,292,339	4,292,339
Compensated absences payable	942	-	24	966
Total liabilities	<u>26,871</u>	<u>-</u>	<u>4,294,117</u>	<u>4,320,988</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	227,542	1,221,465	-	1,449,007
Total deferred inflows of resources	<u>227,542</u>	<u>1,221,465</u>	<u>-</u>	<u>1,449,007</u>
FUND BALANCES				
Restricted for:				
Debt service	-	3,221,126	-	3,221,126
Legends historical sculptures project	5,230	-	-	5,230
Urban development and housing	1,393,388	-	9,589,141	10,982,529
Total fund balances	<u>1,398,618</u>	<u>3,221,126</u>	<u>9,589,141</u>	<u>14,208,885</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,653,031</u>	<u>\$ 4,442,591</u>	<u>\$ 13,883,258</u>	<u>\$ 19,978,880</u>

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

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

4,617,919

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

Bonds payable	\$ (18,241,000)	
Accrued interest payable	(25,821)	
Compensated absences	(13,601)	(18,280,422)

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

\$ 546,382

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, 2018

	DDA Operations Special Revenue Fund	DDA TIF Debt Service Fund	Capital Improvements Capital Project Fund	Total Governmental Funds
REVENUES				
Taxes	\$ 284,319	\$ 1,430,703	\$ -	\$ 1,715,022
Intergovernmental	-	346,822	-	346,822
Charges for services	50	-	1,500	1,550
Miscellaneous	32,370	-	9,600	41,970
Investment income	10,435	-	110,007	120,442
Operating contributions	954,921	-	-	954,921
Total revenues	<u>1,282,095</u>	<u>1,777,525</u>	<u>121,107</u>	<u>3,180,727</u>
EXPENDITURES				
Current:				
Urban development and housing	837,097	24,970	-	862,067
Debt service:				
Principal retirement	-	879,000	-	879,000
Interest and fiscal charges	-	521,070	-	521,070
Bond issuance costs	-	45,000	-	45,000
Capital outlay	-	-	4,341,364	4,341,364
Total expenditures	<u>837,097</u>	<u>1,470,040</u>	<u>4,341,364</u>	<u>6,648,501</u>
Excess (deficiency) of revenues over (under) expenditures	444,998	307,485	(4,220,257)	(3,467,774)
OTHER FINANCING SOURCES				
Transfers in	281,104	-	-	281,104
Transfer out	-	-	(281,104)	(281,104)
Tax increment bond proceeds	-	725,500	9,274,500	10,000,000
Total other financing sources	<u>281,104</u>	<u>725,500</u>	<u>8,993,396</u>	<u>10,000,000</u>
Net change in fund balances	<u>726,102</u>	<u>1,032,985</u>	<u>4,773,139</u>	<u>6,532,226</u>
Fund balances - beginning	672,516	2,188,141	4,816,002	7,676,659
Fund balances - ending	<u>\$ 1,398,618</u>	<u>\$ 3,221,126</u>	<u>\$ 9,589,141</u>	<u>\$ 14,208,885</u>
Amounts reported for Component Unit - Downtown Development Authority on the statement of activities (page 33) are different because:				
Net change in fund balances - total governmental funds (above)				\$ 6,532,226
Governmental funds report capital outlays as expenditures. However, on the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of (\$237,909) exceeded capital outlays of \$0 in the current period.				(237,909)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, these transactions have no effect on net position. Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:				
	Issuance of long-term debt		\$ (10,000,000)	
	Debt principal payments		879,000	
	Increase in accrued interest		(13,479)	
				(9,134,479)
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.				(1,567)
Change in net position of the Component Unit - Downtown Development Authority (page 33)				<u>\$ (2,841,729)</u>

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
DDA OPERATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2018

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes	\$ 301,650	\$ 301,650	\$ 284,319	\$ -	\$ 284,319	\$ (17,331)
Charges for services	-	-	50	-	50	50
Miscellaneous	29,300	29,300	32,370	-	32,370	3,070
Investment earnings	12,000	12,000	10,435	771	11,206	(794)
Operating contributions	954,921	954,921	954,921	-	954,921	-
Total revenues	<u>1,297,871</u>	<u>1,297,871</u>	<u>1,282,095</u>	<u>771</u>	<u>1,282,866</u>	<u>(15,005)</u>
EXPENDITURES						
Current:						
Urban development and housing	<u>1,163,715</u>	<u>796,715</u>	<u>837,097</u>	<u>-</u>	<u>837,097</u>	<u>(40,382)</u>
Excess (deficiency) of revenues over (under) expenditures	134,156	501,156	444,998	771	445,769	(55,387)
OTHER FINANCING SOURCES						
Transfers in	<u>281,104</u>	<u>281,104</u>	<u>281,104</u>	<u>-</u>	<u>281,104</u>	<u>-</u>
Total other financing sources	<u>281,104</u>	<u>281,104</u>	<u>281,104</u>	<u>-</u>	<u>281,104</u>	<u>-</u>
Net change in fund balance	415,260	782,260	726,102	771	726,873	(55,387)
Fund balances - beginning	<u>672,516</u>	<u>672,516</u>	<u>672,516</u>	<u>-</u>	<u>672,516</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,087,776</u>	<u>\$ 1,454,776</u>	<u>\$ 1,398,618</u>	<u>\$ 771</u>	<u>\$ 1,399,389</u>	<u>\$ (55,387)</u>

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
DDA TIF DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2018

	Budgeted Amounts		Actual	Adjustment	Actual	Variance with
	Original	Final	GAAP Basis Amounts	to Budgetary Basis	on Budgetary Basis	Final Budget - Positive (Negative)
REVENUES						
Taxes	\$ 1,333,882	\$ 1,333,882	\$ 1,430,703	\$ -	\$ 1,430,703	\$ 96,821
Intergovernmental	346,822	346,822	346,822	-	346,822	-
Investment earnings	31,000	31,000	-	-	-	(31,000)
Total revenues	<u>1,711,704</u>	<u>1,711,704</u>	<u>1,777,525</u>	<u>-</u>	<u>1,777,525</u>	<u>65,821</u>
EXPENDITURES						
Current:						
Urban development and housing	25,500	25,500	24,970	-	24,970	530
Debt service:						
Principal retirement	900,000	900,000	879,000	-	879,000	21,000
Interest and fiscal charges	393,441	393,441	521,070	(2,725)	518,345	(124,904)
Bond issuance costs	60,000	60,000	45,000	-	45,000	15,000
Total expenditures	<u>1,378,941</u>	<u>1,378,941</u>	<u>1,470,040</u>	<u>(2,725)</u>	<u>1,467,315</u>	<u>(88,374)</u>
Excess (deficiency) of revenues over (under) expenditures	332,763	332,763	307,485	2,725	310,210	(22,553)
OTHER FINANCING SOURCES						
Tax increment bond proceeds	60,000	60,000	725,500	-	725,500	665,500
Total other financing sources	<u>60,000</u>	<u>60,000</u>	<u>725,500</u>	<u>-</u>	<u>725,500</u>	<u>665,500</u>
Net change in fund balance	392,763	392,763	1,032,985	2,725	1,035,710	642,947
Fund balances - beginning	2,188,141	2,188,141	2,188,141	-	2,188,141	-
Fund balances - ending	<u>\$ 2,580,904</u>	<u>\$ 2,580,904</u>	<u>\$ 3,221,126</u>	<u>\$ 2,725</u>	<u>\$ 3,223,851</u>	<u>\$ 642,947</u>

DOWNTOWN DEVELOPMENT AUTHORITY
A Component Unit of the City of Grand Junction, Colorado
DDA CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the year ended December 31, 2018

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Charges for service	\$ -	\$ -	\$ 1,500	\$ -	\$ 1,500	\$ 1,500
Miscellaneous	30,000	30,000	9,600	-	9,600	(20,400)
Investment earnings	69,000	69,000	110,007	(1,328)	108,679	39,679
Total revenues	<u>99,000</u>	<u>99,000</u>	<u>121,107</u>	<u>(1,328)</u>	<u>119,779</u>	<u>20,779</u>
EXPENDITURES						
Current:						
Capital outlay	9,030,000	9,030,000	4,341,364	-	4,341,364	4,688,636
Total expenditures	<u>9,030,000</u>	<u>9,030,000</u>	<u>4,341,364</u>	<u>-</u>	<u>4,341,364</u>	<u>4,688,636</u>
Excess (deficiency) of revenues over (under) expenditures	(8,931,000)	(8,931,000)	(4,220,257)	(1,328)	(4,221,585)	4,709,415
OTHER FINANCING SOURCES						
Transfer out	(281,104)	(281,104)	(281,104)	-	(281,104)	-
Tax increment bond proceeds	9,060,000	9,060,000	9,274,500	-	9,274,500	214,500
Total other financing sources	<u>8,778,896</u>	<u>8,778,896</u>	<u>8,993,396</u>	<u>-</u>	<u>8,993,396</u>	<u>214,500</u>
Net change in fund balance	(152,104)	(152,104)	4,773,139	(1,328)	4,771,811	4,923,915
Fund balances - beginning	4,816,002	4,816,002	4,816,002	-	4,816,002	-
Fund balances - ending	<u>\$ 4,663,898</u>	<u>\$ 4,663,898</u>	<u>\$ 9,589,141</u>	<u>\$ (1,328)</u>	<u>\$ 9,587,813</u>	<u>\$ 4,923,915</u>



STATISTICAL SECTION

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

Contents	Pages
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the City's financial condition has changed over time.	122-131
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the City's largest revenue source, sales tax.	132-136
<u>Debt Capacity</u> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	137-141
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	142-143
<u>Operating Information</u> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	144-145

TABLE 1

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

	2009	2010	2011	2012	2013
Governmental activities:					
Net investment in capital assets	\$ 529,106,956	\$ 555,543,770	\$ 581,854,487	\$ 607,986,872	\$ 617,381,868
Restricted	18,544,790	21,495,852	30,951,878	13,618,901	14,511,996
Unrestricted	28,682,910	28,430,021	26,937,580	26,568,548	23,367,630
Total governmental activities net position	<u>\$ 576,334,656</u>	<u>\$ 605,469,643</u>	<u>\$ 639,743,945</u>	<u>\$ 648,174,321</u>	<u>\$ 655,261,494</u>
Business-type activities:					
Net investment in capital assets	\$ 46,087,527	\$ 47,807,739	\$ 45,541,828	\$ 45,880,136	\$ 45,720,564
Restricted	-	-	-	-	-
Unrestricted	(2,881,656)	(4,987,177)	(4,277,701)	(4,545,053)	(4,148,827)
Total business-type activities net position	<u>\$ 43,205,871</u>	<u>\$ 42,820,562</u>	<u>\$ 41,264,127</u>	<u>\$ 41,335,083</u>	<u>\$ 41,571,737</u>
Primary government:					
Net investment in capital assets	\$ 575,194,483	\$ 603,351,509	\$ 627,396,315	\$ 653,867,008	\$ 663,102,432
Restricted	18,544,790	21,495,852	30,951,878	13,618,901	14,511,996
Unrestricted	25,801,254	23,442,844	22,659,879	22,023,495	19,218,803
Total primary governmental net position	<u>\$ 619,540,527</u>	<u>\$ 648,290,205</u>	<u>\$ 681,008,072</u>	<u>\$ 689,509,404</u>	<u>\$ 696,833,231</u>
Component unit:					
Net investment in capital assets	\$ 6,222,119	\$ 5,697,948	\$ 4,870,916	\$ 4,295,348	\$ 4,542,743
Restricted	2,810,117	1,462,300	1,278,049	955,845	1,890,167
Unrestricted	(5,147,792)	(5,468,141)	(6,144,689)	(4,189,009)	(6,637,278)
Total component unit net position	<u>\$ 3,884,444</u>	<u>\$ 1,692,107</u>	<u>\$ 4,276</u>	<u>\$ 1,062,184</u>	<u>\$ (204,368)</u>

Source: Current and prior years' financial statements

2014	2015	2016	2017	2018
\$ 611,760,765	\$ 613,450,583	\$ 619,706,429	\$ 633,903,756	\$ 654,717,310
17,330,295	18,491,942	20,012,395	18,334,955	21,296,877
19,178,570	17,737,303	14,489,969	15,463,887	16,503,890
<u>\$ 648,269,630</u>	<u>\$ 649,679,828</u>	<u>\$ 654,208,793</u>	<u>\$ 667,702,598</u>	<u>\$ 692,518,077</u>
\$ 56,207,881	\$ 54,680,110	\$ 53,748,958	\$ 52,901,140	\$ 52,689,295
-	-	857,852	-	-
(3,729,277)	(1,753,775)	(1,460,333)	2,713,093	5,102,192
<u>\$ 52,478,604</u>	<u>\$ 52,926,335</u>	<u>\$ 53,146,477</u>	<u>\$ 55,614,233</u>	<u>\$ 57,791,487</u>
\$ 667,968,646	\$ 668,130,693	\$ 673,455,387	\$ 686,804,896	\$ 707,406,605
17,330,295	18,491,942	20,870,247	18,334,955	21,296,877
15,449,293	15,983,528	13,029,636	18,176,980	21,606,082
<u>\$ 700,748,234</u>	<u>\$ 702,606,163</u>	<u>\$ 707,355,270</u>	<u>\$ 723,316,831</u>	<u>\$ 750,309,564</u>
\$ 3,816,756	\$ 5,211,363	\$ 5,026,241	\$ 4,767,167	\$ 4,530,258
2,508,894	2,801,932	2,529,816	7,676,659	14,208,885
(5,879,286)	(6,245,696)	(4,593,155)	(9,055,715)	(18,192,761)
<u>\$ 446,364</u>	<u>\$ 1,767,599</u>	<u>\$ 2,962,902</u>	<u>\$ 3,388,111</u>	<u>\$ 546,382</u>

TABLE 2

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

	2009	2010	2011	2012	2013
Expenses					
Governmental activities:					
General government	\$ 14,022,155	\$ 11,591,395	\$ 12,583,783	\$ 12,735,595	\$ 16,206,096
Public safety	32,487,535	33,423,757	33,105,266	41,301,254	40,054,201
Public works	21,353,413	20,728,384	6,512,483	19,980,846	20,093,321
Parks and recreation	8,924,292	8,771,342	8,425,816	10,281,037	7,279,163
Urban development and housing	572,726	561,457	645,572	477,886	591,545
Interest on long-term debt	3,188,419	3,645,322	5,443,771	4,713,532	3,952,399
Total governmental activities expense	<u>80,548,540</u>	<u>78,721,657</u>	<u>66,716,691</u>	<u>89,490,150</u>	<u>88,176,725</u>
Business-type activities:					
Water	5,283,655	5,419,125	4,881,038	5,405,744	5,420,503
Convention center	3,396,100	2,857,866	2,600,896	2,881,584	2,591,225
Solid waste removal	4,196,468	3,462,854	3,113,744	3,179,267	3,130,852
Swimming pools	1,025,401	1,038,563	983,212	-	-
Golf	2,472,997	2,266,394	2,181,540	2,072,890	2,064,247
Parking	531,711	480,383	415,355	405,744	405,157
Irrigation systems	300,130	306,572	298,694	302,106	315,178
Ambulance transport	2,308,421	2,173,362	1,961,509	-	-
Total business-type activities expense	<u>19,514,883</u>	<u>18,005,119</u>	<u>16,435,988</u>	<u>14,247,335</u>	<u>13,927,162</u>
Total primary government expenses	<u>\$ 100,063,423</u>	<u>\$ 96,726,776</u>	<u>\$ 83,152,679</u>	<u>\$ 103,737,485</u>	<u>\$ 102,103,887</u>
Total component unit expenses	<u>\$ 2,636,069</u>	<u>\$ 4,826,697</u>	<u>\$ 4,622,211</u>	<u>\$ 1,511,186</u>	<u>\$ 3,753,663</u>
Program revenues					
Governmental activities:					
Charge for service:					
General government	\$ 2,639,601	\$ 3,274,890	\$ 3,224,426	\$ 3,002,193	\$ 2,725,767
Public safety	6,406,830	7,104,163	8,071,588	10,741,763	10,718,690
Public works	1,884,073	2,659,523	1,895,207	1,927,747	3,200,996
Parks and recreation	1,423,145	1,461,584	1,456,400	2,069,864	2,051,380
Operating grants and contributions	1,661,118	2,184,680	3,608,414	3,204,209	3,950,533
Capital grants and contributions	23,963,787	26,800,939	12,816,892	9,936,906	7,190,063
Total governmental activities program revenues	<u>37,978,554</u>	<u>43,485,779</u>	<u>31,072,927</u>	<u>30,882,682</u>	<u>29,837,429</u>
Business-type activities:					
Water	5,527,333	5,231,378	4,913,952	5,271,849	5,303,609
Convention center	2,657,327	2,322,730	2,279,695	2,385,684	1,998,488
Solid waste removal	2,976,883	3,251,274	3,324,152	3,311,362	3,337,992
Swimming pools	760,756	590,332	532,456	-	-
Golf	2,147,161	1,901,601	1,949,258	1,980,120	1,748,166
Parking	540,054	412,578	487,517	491,203	454,184
Irrigation systems	212,043	219,820	219,367	216,915	229,676
Ambulance transport	2,315,001	2,027,458	2,117,997	-	-
Operating grants and contributions	-	595,361	148,215	85,190	79,894
Capital grants and contributions	406,834	496,259	211,850	221,151	339,734
Total business-type activities program revenues	<u>17,543,392</u>	<u>17,048,791</u>	<u>16,184,459</u>	<u>13,963,474</u>	<u>13,491,743</u>
Total primary government program revenues	<u>\$ 55,521,946</u>	<u>\$ 60,534,570</u>	<u>\$ 47,257,386</u>	<u>\$ 44,846,156</u>	<u>\$ 43,329,172</u>
Total component unit program revenues	<u>\$ 601,094</u>	<u>\$ 439,960</u>	<u>\$ 752,974</u>	<u>\$ 563,206</u>	<u>\$ 742,790</u>

	2014	2015	2016	2017	2018
\$	13,966,239	\$ 14,618,900	\$ 14,100,775	\$ 13,491,151	\$ 17,776,852
	42,680,344	44,948,119	47,901,187	45,544,297	48,374,315
	20,025,758	19,900,575	19,564,851	20,417,563	20,299,356
	19,345,400	9,904,241	11,135,606	11,190,650	6,636,863
	634,827	511,257	512,150	186,241	152,817
	3,774,690	3,684,545	3,555,539	3,212,835	3,064,638
	<u>100,427,258</u>	<u>93,567,637</u>	<u>96,770,108</u>	<u>94,042,737</u>	<u>96,304,841</u>
	5,757,132	5,638,750	6,562,089	5,136,974	6,149,893
	2,804,818	2,933,380	3,148,969	1,087,573	1,015,423
	3,231,386	3,336,173	3,563,890	3,892,737	4,154,806
	-	-	-	-	-
	1,928,826	1,934,766	1,926,486	1,881,958	1,757,873
	421,526	408,248	399,909	455,275	424,703
	325,255	307,312	315,951	347,644	361,214
	-	-	-	-	-
	<u>14,468,943</u>	<u>14,558,629</u>	<u>15,917,294</u>	<u>12,802,161</u>	<u>13,863,912</u>
\$	<u>114,896,201</u>	<u>\$ 108,126,266</u>	<u>\$ 112,687,402</u>	<u>\$ 106,844,898</u>	<u>\$ 110,168,753</u>
\$	<u>1,565,280</u>	<u>\$ 1,877,644</u>	<u>\$ 1,351,091</u>	<u>\$ 11,636,264</u>	<u>\$ 6,022,456</u>
\$	2,940,902	\$ 3,034,609	\$ 3,121,643	\$ 3,005,786	\$ 3,611,696
	10,485,105	11,566,683	12,562,322	12,650,507	13,240,196
	1,925,024	2,436,354	2,537,724	2,699,712	2,796,490
	2,056,017	2,179,082	2,584,704	2,419,289	2,904,671
	3,011,613	3,377,677	3,140,810	2,990,722	3,016,031
	6,279,358	7,833,385	11,638,363	14,064,286	31,784,900
	<u>26,698,019</u>	<u>30,427,790</u>	<u>35,585,566</u>	<u>37,830,302</u>	<u>57,353,984</u>
	5,877,233	6,075,893	6,774,915	7,589,393	8,180,914
	2,026,520	1,942,729	2,127,845	234,209	29,547
	3,538,962	3,645,893	3,879,469	3,993,456	4,342,109
	-	-	-	-	-
	1,818,323	1,804,130	1,732,473	1,808,937	1,512,784
	475,368	499,357	469,545	565,732	689,913
	241,265	244,199	246,063	254,711	269,347
	-	-	-	-	-
	172,561	93,203	118,698	137,559	530,590
	10,729,437	91,175	208,975	136,727	141,373
	<u>24,879,669</u>	<u>14,396,579</u>	<u>15,557,983</u>	<u>14,720,724</u>	<u>15,696,577</u>
\$	<u>51,577,688</u>	<u>\$ 44,824,369</u>	<u>\$ 51,143,549</u>	<u>\$ 52,551,026</u>	<u>\$ 73,050,561</u>
\$	<u>551,632</u>	<u>\$ 1,591,559</u>	<u>\$ 953,503</u>	<u>\$ 10,351,432</u>	<u>\$ 1,345,263</u>

TABLE 2 (Continued)

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

	2009	2010	2011	2012	2013
Net (expense)/revenue					
Governmental activities	\$ (42,569,986)	\$ (35,235,878)	\$ (35,643,764)	\$ (58,607,468)	\$ (58,339,296)
Business-type activities	(1,971,491)	(956,328)	(251,529)	(283,861)	(435,419)
Total primary government net expense	\$ (44,541,477)	\$ (36,192,206)	\$ (35,895,293)	\$ (58,891,329)	\$ (58,774,715)
Total component unit net expense	\$ (2,034,975)	\$ (4,386,737)	\$ (3,869,237)	\$ (947,980)	\$ (3,010,873)
Governmental activities:					
Taxes:					
Sales, use, and lodging	\$ 46,856,622	\$ 47,424,012	\$ 50,312,521	\$ 50,702,973	\$ 50,468,227
Property	8,701,650	10,146,009	10,608,818	8,976,292	8,837,970
Franchise	2,432,704	2,527,530	2,572,877	2,528,419	2,743,512
Highway users tax	1,940,291	2,262,898	2,261,503	2,186,732	2,167,518
Other taxes	4,024,160	1,907,422	2,403,354	2,648,647	1,811,980
Investment earnings (loss)	1,299,123	635,807	435,929	329,469	77,084
Gain (loss) on sale of capital assets	75,592	-	-	-	-
Transfers	(824,955)	(532,813)	1,323,064	(334,688)	(679,822)
Total governmental activities	64,505,187	64,370,865	69,918,066	67,037,844	65,426,469
Business-type activities:					
Investment earnings (loss)	84,165	38,206	18,158	20,129	(7,749)
Gain (loss) on sale of capital assets	-	-	-	-	-
Transfers	824,955	532,813	(1,323,064)	334,688	679,822
Total business-type activities	909,120	571,019	(1,304,906)	354,817	672,073
Total primary government activities	\$ 65,414,307	\$ 64,941,884	\$ 68,613,160	\$ 67,392,661	\$ 66,098,542
Component unit activities:					
Property taxes	2,179,436	2,192,121	2,203,253	1,984,461	1,576,439
Investment earnings (loss)	119,057	57,279	(21,847)	21,427	(9,795)
Gain (loss) on sale of capital assets	-	-	-	-	177,677
Total component unit activities	\$ 2,298,493	\$ 2,249,400	\$ 2,181,406	\$ 2,005,888	\$ 1,744,321
Change in net position					
Governmental activities	\$ 21,935,201	\$ 29,134,987	\$ 34,274,302	\$ 8,430,376	\$ 7,087,173
Business-type activities	(1,062,371)	(385,309)	(1,556,435)	70,956	236,654
Total primary government	\$ 20,872,830	\$ 28,749,678	\$ 32,717,867	\$ 8,501,332	\$ 7,323,827
Total component unit: Downtown Development Authority	\$ 263,518	\$ (2,137,337)	\$ (1,687,831)	\$ 1,057,908	\$ (1,266,552)

Source: Current and prior years' financial statements

	2014	2015	2016	2017	2018
\$	(73,729,239)	\$ (63,139,847)	\$ (61,184,542)	\$ (56,212,435)	\$ (38,950,857)
	10,410,726	(162,050)	(259,311)	1,918,563	1,832,665
\$	<u>(63,318,513)</u>	<u>\$ (63,301,897)</u>	<u>\$ (61,443,853)</u>	<u>\$ (54,293,872)</u>	<u>\$ (37,118,192)</u>
\$	<u>(1,013,648)</u>	<u>\$ (286,085)</u>	<u>\$ (397,588)</u>	<u>\$ (1,284,832)</u>	<u>\$ (4,677,193)</u>
\$	51,272,814	\$ 52,554,260	\$ 51,503,561	\$ 54,888,978	\$ 59,440,765
	8,089,029	8,250,740	8,293,562	8,463,085	8,702,226
	2,977,638	2,804,961	2,467,131	2,887,755	2,802,018
	2,240,348	2,291,572	2,106,327	2,299,573	2,825,138
	2,313,571	2,110,926	1,510,032	1,276,461	1,384,561
	320,989	250,356	377,556	406,054	781,201
	-	-	-	-	122,300
	(477,014)	(595,383)	(544,662)	(515,666)	(135,000)
	<u>66,737,375</u>	<u>67,667,432</u>	<u>65,713,507</u>	<u>69,706,240</u>	<u>75,923,209</u>
	19,127	14,398	34,791	33,527	154,589
	-	-	-	-	55,000
	<u>477,014</u>	<u>595,383</u>	<u>544,662</u>	<u>515,666</u>	<u>135,000</u>
	<u>496,141</u>	<u>609,781</u>	<u>579,453</u>	<u>549,193</u>	<u>344,589</u>
\$	<u>67,233,516</u>	<u>\$ 68,277,213</u>	<u>\$ 66,292,960</u>	<u>\$ 70,255,433</u>	<u>\$ 76,267,798</u>
	1,651,056	1,593,828	1,565,227	1,561,422	1,715,022
	13,324	13,492	27,664	28,400	120,442
	-	-	-	120,219	-
\$	<u>1,664,380</u>	<u>\$ 1,607,320</u>	<u>\$ 1,592,891</u>	<u>\$ 1,710,041</u>	<u>\$ 1,835,464</u>
\$	(6,991,864)	\$ 4,527,585	\$ 4,528,965	\$ 13,493,805	\$ 36,972,352
	10,906,867	447,731	220,142	2,467,756	2,177,254
\$	<u>3,915,003</u>	<u>\$ 4,975,316</u>	<u>\$ 4,749,107</u>	<u>\$ 15,961,561</u>	<u>\$ 39,149,606</u>
\$	<u>650,732</u>	<u>\$ 1,321,235</u>	<u>\$ 1,195,303</u>	<u>\$ 425,209</u>	<u>\$ (2,841,729)</u>

TABLE 3

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

	2009	2010	2011	2012	2013
General fund					
Nonspendable	\$ -	\$ -	\$ 8,329,598	\$ 7,498,417	\$ 7,474,266
Restricted	-	-	6,825,911	4,945,478	4,651,828
Assigned	-	-	1,802,875	7,362,016	2,258,043
Unassigned	-	-	13,193,886	10,535,731	10,198,700
Reserved	9,589,625	11,740,961	-	-	-
Unreserved	9,573,798	14,916,902	-	-	-
Total general fund	19,163,423	26,657,863	30,152,270	30,341,642	24,582,837
All other governmental funds					
Nonspendable, reported in:					
Special revenue funds	\$ -	\$ -	\$ 13,605	\$ 9,276	\$ 9,189
Permanent funds	-	-	1,289,972	1,309,993	1,329,102
Capital projects funds	-	-	20,157	91,149	-
Restricted, reported in:					
Special revenue funds	-	-	4,095,089	3,192,341	2,390,993
Debt service funds	-	-	19,245,569	4,238,829	6,483,403
Capital projects funds	-	-	23,437,299	3,598,365	78,328
Committed, reported in:					
Special revenue funds	-	-	1,353,572	1,299,165	1,235,568
Capital projects funds	-	-	571,214	924,099	236,967
Assigned, reported in:					
Capital projects funds	-	-	458,557	253,027	2,217,442
Reserved	14,581,790	18,168,718	-	-	-
Unreserved, reported in:					
Special revenue funds	4,569,216	4,086,536	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	1,532,966	41,078,067	-	-	-
Total all other governmental funds	20,683,972	63,333,321	50,485,034	14,916,244	13,980,992
Total governmental funds	<u>\$ 39,847,395</u>	<u>\$ 89,991,184</u>	<u>\$ 80,637,304</u>	<u>\$ 45,257,886</u>	<u>\$ 38,563,829</u>

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

Source: Current and prior years' financial statements

	2014	2015	2016	2017	2018
\$	6,852,617	\$ 6,386,895	\$ 5,924,766	\$ 5,411,369	\$ 4,941,645
	3,937,335	3,806,415	3,648,777	3,412,553	3,412,553
	2,348,435	1,084,580	1,578,434	3,856	9,213,643
	9,116,534	10,501,371	9,206,316	14,522,107	14,622,003
	-	-	-	-	-
	-	-	-	-	-
	<u>22,254,921</u>	<u>21,779,261</u>	<u>20,358,293</u>	<u>23,349,885</u>	<u>32,189,844</u>
\$	9,120	\$ 13,396	\$ 13,703	\$ 18,109	\$ 5,861
	1,352,852	1,372,221	1,392,430	1,414,304	1,435,189
	-	-	-	-	-
	2,746,901	2,709,359	3,084,486	2,923,717	3,010,648
	8,621,972	9,878,137	11,211,151	9,197,347	7,092,214
	1,040,494	1,109,018	3,336,866	2,642,824	6,688,587
	1,274,569	793,938	757,883	447,442	1,083,752
	645,455	1,198,995	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	<u>15,691,363</u>	<u>17,075,064</u>	<u>19,796,519</u>	<u>16,643,743</u>	<u>19,316,251</u>
	<u>\$ 37,946,284</u>	<u>\$ 38,854,325</u>	<u>\$ 40,154,812</u>	<u>\$ 39,993,628</u>	<u>\$ 51,506,095</u>

TABLE 4

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

	2009	2010	2011	2012	2013
Revenues					
Taxes	\$ 63,955,427	\$ 64,267,871	\$ 68,159,073	\$ 67,043,063	\$ 66,029,207
Licenses, fees and permits	121,783	118,128	116,930	110,618	108,206
Intergovernmental	4,955,308	4,476,793	5,131,948	5,096,820	7,541,086
Charges for services	8,311,362	9,923,697	9,940,383	12,462,603	13,956,659
Fines and forfeitures	945,666	1,234,810	1,296,959	1,533,575	896,190
Special assessments	92,198	49,372	32,868	15,814	14,708
Investment earnings	984,031	553,700	423,863	289,435	96,784
Other income	136,935	130,638	47,399	45,683	50,755
Other contributions	196,833	176,607	456,452	1,273,521	779,898
Total revenues	<u>79,699,543</u>	<u>80,931,616</u>	<u>85,605,875</u>	<u>87,871,132</u>	<u>89,473,493</u>
Expenditures					
General government	\$ 13,793,482	\$ 10,301,970	\$ 10,692,566	\$ 10,922,302	\$ 11,576,206
Public safety	29,092,018	27,193,471	28,691,061	33,791,689	35,406,743
Public works	9,954,111	9,686,215	10,035,622	9,752,185	10,014,670
Parks and recreation	7,347,609	7,067,698	7,083,898	8,421,297	8,456,460
Urban development and housing	572,726	561,457	645,572	477,886	591,545
Debt service:					
Advance refunding escrow	-	-	-	17,812,681	-
Principal retirement	3,883,479	4,073,479	4,275,000	5,130,000	5,380,000
Interest and fiscal charges	3,508,632	3,317,358	5,858,657	5,268,794	4,432,045
Bond issuance costs	-	364,048	-	146,923	-
Capital outlay: construction	16,879,724	9,916,907	26,126,955	28,376,550	17,516,041
Total expenditures	<u>85,031,781</u>	<u>72,482,603</u>	<u>93,409,331</u>	<u>120,100,307</u>	<u>93,373,710</u>
Other financing sources (uses)					
Transfers in	24,695,090	15,000,174	13,823,542	13,491,409	16,759,243
Transfers out	(25,745,967)	(15,652,330)	(15,453,966)	(16,792,117)	(19,553,083)
Bonds issued	-	-	-	30,645,000	-
Bond premium	-	-	-	5,512,594	-
Payment to refunded bond escrow agent	-	-	-	(36,007,129)	-
Certificates of participation issued	-	42,670,000	-	-	-
Discount on certificates of participation	-	(422,392)	-	-	-
Insurance recoveries	-	-	-	-	-
Sale of capital assets	-	99,324	80,000	-	-
Total other financing sources (uses)	<u>(1,050,877)</u>	<u>41,694,776</u>	<u>(1,550,424)</u>	<u>(3,150,243)</u>	<u>(2,793,840)</u>
Net change in fund balances	<u>\$ (6,383,115)</u>	<u>\$ 50,143,789</u>	<u>\$ (9,353,880)</u>	<u>\$ (35,379,418)</u>	<u>\$ (6,694,057)</u>
Debt service as a percentage of noncapital expenditures	10.9%	11.9%	18.7%	11.3%	12.9%

Source: Current and prior years' financial statements

	2014	2015	2016	2017	2018
\$	66,893,400	\$ 68,012,459	\$ 65,880,613	\$ 69,815,852	\$ 75,154,708
	118,991	116,091	160,265	142,595	159,540
	6,157,849	8,102,118	8,549,914	6,799,685	6,799,685
	10,151,290	9,763,812	10,834,740	10,698,753	10,698,753
	869,216	885,305	720,181	597,482	661,161
	16,050	13,771	9,235	8,216	4,045
	280,162	221,580	321,987	341,673	684,078
	27,560	1,277,516	1,419,482	2,346,323	58,495
	1,652,899	530,015	1,717,927	707,517	1,566,312
	<u>86,167,417</u>	<u>88,922,667</u>	<u>89,614,344</u>	<u>91,458,096</u>	<u>95,786,777</u>
\$	11,872,673	\$ 12,625,502	\$ 12,776,431	\$ 12,145,455	\$ 13,836,451
	35,610,598	37,871,800	38,285,166	37,963,223	40,445,199
	9,509,928	8,866,234	8,880,062	8,078,591	8,348,485
	8,403,649	8,663,393	8,939,889	8,462,734	8,787,839
	634,827	511,257	512,150	186,241	152,817
	-	-	-	-	-
	4,620,000	3,385,000	3,525,000	3,722,000	3,875,000
	4,189,597	4,025,922	3,890,097	3,720,535	3,540,335
	-	-	-	-	-
	9,762,451	9,894,161	9,224,171	14,105,100	11,469,185
	<u>84,603,723</u>	<u>85,843,269</u>	<u>86,032,966</u>	<u>88,383,879</u>	<u>90,455,311</u>
	13,150,703	9,387,527	9,657,508	13,354,777	15,420,839
	(15,407,597)	(12,152,716)	(11,956,048)	(16,599,272)	(16,416,561)
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	30,657	28,892	-	-	-
	44,998	564,940	17,649	9,094	61,001
	<u>(2,181,239)</u>	<u>(2,171,357)</u>	<u>(2,280,891)</u>	<u>(3,235,401)</u>	<u>(934,721)</u>
\$	<u>(617,545)</u>	<u>\$ 908,041</u>	<u>\$ 1,300,487</u>	<u>\$ (161,184)</u>	<u>\$ 11,512,467</u>
	11.7%	9.7%	9.6%	10.0%	9.4%

TABLE 5

City of Grand Junction, Colorado
SALES TAX REVENUE BY TYPE OF INDUSTRY ¹
Last Ten Fiscal Years

Fiscal Year	Miscellaneous Retail	General Merchandise	Motor Vehicles	Construction Industry	Restaurants & Bars	Taxable Utilities
2009	7,086,333	6,973,695	5,532,003	5,460,768	4,484,915	2,361,704
2010	7,542,580	6,696,440	6,052,294	5,262,981	4,482,577	2,358,091
2011	8,239,971	6,996,380	5,884,540	5,409,778	4,593,741	2,310,226
2012	8,605,978	6,910,212	6,146,000	5,298,252	4,812,086	2,281,527
2013	8,369,041	6,518,572	6,208,876	5,712,485	5,044,912	2,371,461
2014	8,225,826	6,495,169	6,758,219	5,989,543	5,319,764	2,388,032
2015	8,374,648	6,444,453	6,957,027	5,678,347	5,470,778	2,565,699
2016	7,986,706	6,486,529	6,572,938	5,986,737	5,551,750	2,477,021
2017	8,011,309	6,875,701	7,291,422	6,797,090	5,841,735	2,767,594
2018	8,326,953	7,131,477	7,716,477	7,770,602	6,125,913	2,258,818

¹Excludes use tax and the City's share of county sales tax. Refer to Table 8 for total sales and use tax collections.

Source: City Finance Department: Sales Tax Reports

Grocery, Convenience & Drug Stores	Oil & Gas Extraction	Liquor Stores	Hotels	Other	Total Sales Tax	Total Direct Tax Rate
1,469,116	1,129,496	920,406	1,187,725	1,626,684	38,232,845	2.75%
1,503,627	1,299,543	913,171	1,169,747	1,528,720	38,809,771	2.75%
1,668,861	1,407,923	931,723	1,108,903	1,338,826	39,890,872	2.75%
1,748,586	1,612,912	979,827	1,150,713	755,253	40,301,346	2.75%
1,752,567	1,045,718	1,018,575	1,220,306	1,466,599	40,729,112	2.75%
1,765,891	1,095,263	1,047,948	1,262,280	1,703,372	42,051,307	2.75%
1,960,658	652,693	1,089,131	1,346,842	2,293,187	42,833,463	2.75%
2,060,505	450,873	1,147,881	1,394,716	2,127,606	42,243,262	2.75%
2,232,717	742,649	1,199,186	1,449,259	1,794,876	45,003,538	2.75%
2,343,220	873,803	1,214,084	1,561,582	3,169,286	48,492,215	2.75%

2018 Sales Tax Revenue by Type of Industry

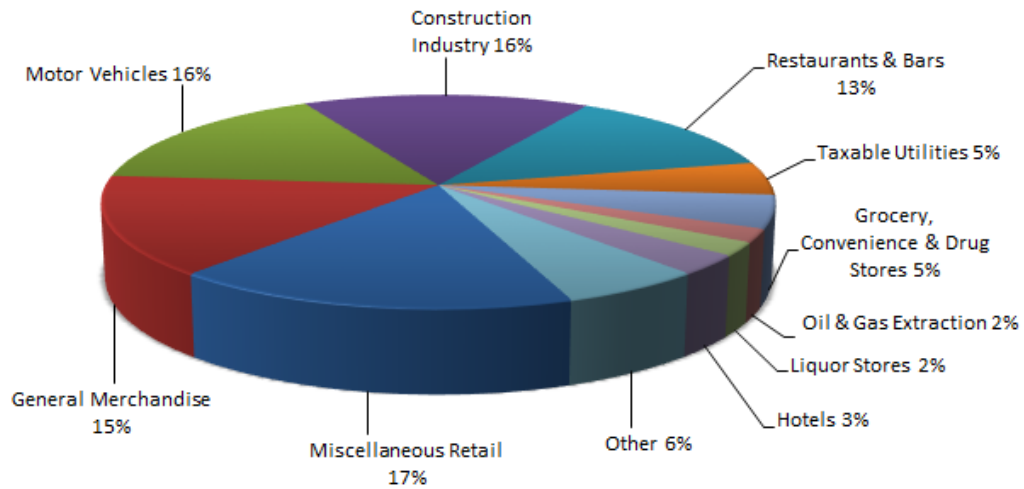


TABLE 6

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

Fiscal Year	City Direct Rate		Overlapping Rates		Total Overlapping Sales Tax Rate
	City of Grand Junction	Total Direct Sales Tax Rate	Mesa County	State of Colorado	
2009	2.75%	2.75%	2.00%	2.90%	7.65%
2010	2.75%	2.75%	2.00%	2.90%	7.65%
2011	2.75%	2.75%	2.00%	2.90%	7.65%
2012	2.75%	2.75%	2.00%	2.90%	7.65%
2013	2.75%	2.75%	2.00%	2.90%	7.65%
2014	2.75%	2.75%	2.00%	2.90%	7.65%
2015	2.75%	2.75%	2.00%	2.90%	7.65%
2016	2.75%	2.75%	2.00%	2.90%	7.65%
2017	2.75%	2.75%	2.00%	2.90%	7.65%
2018	2.75%	2.75%	2.37%	2.90%	8.02%

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

Source: City Finance Department: Sales Tax Reports

TABLE 7

City of Grand Junction, Colorado
PRINCIPAL SALES TAX PAYERS
 Current Year and Nine Years Prior

	<u>2009</u>	<u>2018</u>
Aggregate top ten filers ^{1 2}	\$ 9,889,256	\$ 11,035,798
Aggregate all other filers ²	28,343,589	37,456,417
Total sales tax	<u>\$ 38,232,845</u>	<u>\$ 48,492,215</u>
Top ten filers as a percentage of total sales tax	25.87%	22.76%

¹ Colorado State Statutes and the City of Grand Junction Ordinances prohibit disclosure of individual sales tax returns. Therefore, the current year top ten filers are listed in alphabetical order as follows: Best Buy, Home Depot, Lowes, Mesa County Colorado, Public Service Company, Sam's Club, Target Stores, Verizon Wireless, Walmart-North Avenue, and Walmart-Rimrock.

² Excludes use tax and the City's share of county sales tax. Refer to Table 8 for total sales and use tax collections.

Source: City Finance Department: Sales Tax Reports

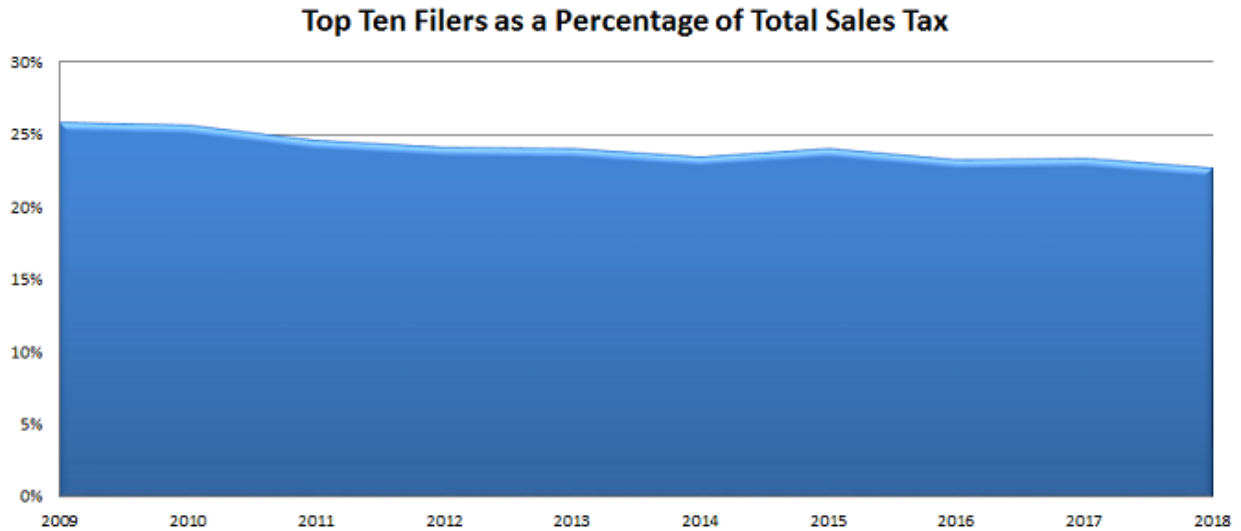


TABLE 8

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

Fiscal Year	City Sales Tax	City Use Tax	City Share of County Sales Tax	Lodging Tax	Total
2009	38,232,845	1,711,356	5,721,514	1,190,907	46,856,622
2010	38,809,771	2,110,934	5,354,386	1,148,921	47,424,012
2011	39,890,872	3,560,160	5,727,861	1,133,628	50,312,521
2012	40,301,346	3,230,026	5,959,563	1,212,038	50,702,973
2013	40,729,112	2,636,987	5,896,129	1,205,999	50,468,227
2014	42,051,307	1,910,683	6,056,300	1,254,524	51,272,814
2015	42,833,463	2,026,919	6,325,229	1,368,649	52,554,260
2016	42,243,262	1,651,052	6,194,296	1,414,951	51,503,561
2017	45,003,538	1,820,136	6,599,984	1,465,320	54,888,978
2018	48,492,215	1,682,258	7,686,493	1,579,799	59,440,765

Source: City Finance Department: Sales Tax Reports

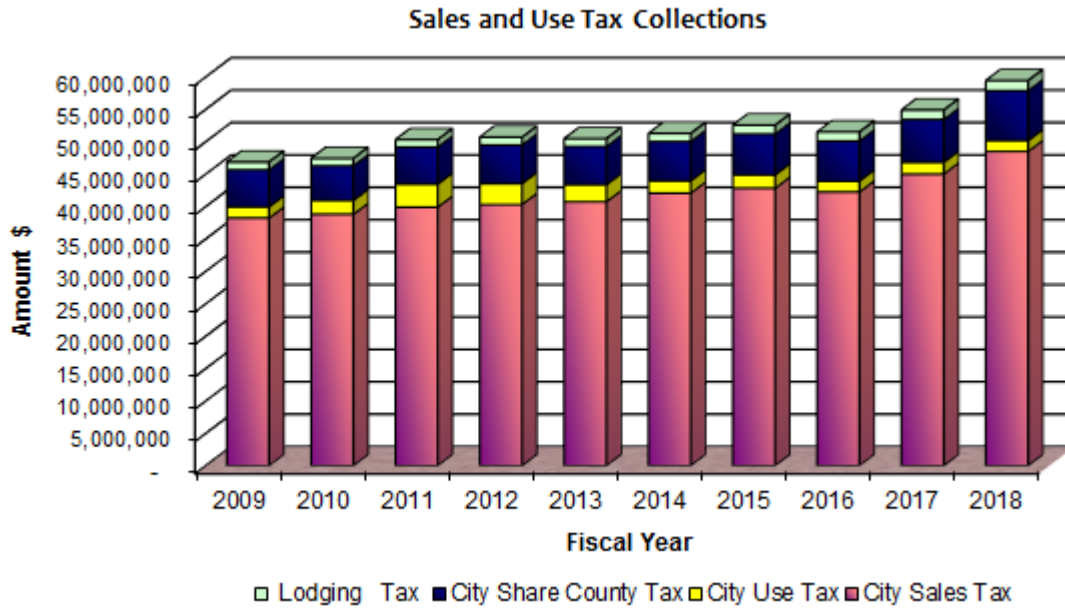


TABLE 9

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

Fiscal Year	Population ²	Personal Income in Thousands ⁴	Governmental Activities				Business-Type Activities			Total Primary Government	Ratio of Outstanding Debt to Personal Income	Outstanding Debt Per Capita
			General Obligation Bonds ¹	Revenue Bonds	Promissory Notes	Capital Leases	Promissory Notes	Loan Payable				
2009	56,446	1,963,813	770,000	71,838,039	-	-	-	2,589,193	75,197,232	3.79%	1,319	
2010	58,566	2,084,423	595,000	67,723,497	-	42,286,843	-	6,201,050	116,806,390	5.58%	1,984	
2011	58,702	2,038,310	410,000	63,459,413	-	42,097,628	-	5,864,020	111,831,061	5.47%	1,898	
2012	60,170	2,169,008	210,000	43,920,951	-	41,266,270	-	5,534,201	90,931,422	4.18%	1,508	
2013	60,317	2,193,669	-	38,850,946	-	40,426,335	-	5,198,101	84,475,382	3.85%	1,401	
2014	61,212	2,367,313	-	34,412,916	-	39,557,327	-	4,851,055	78,821,298	3.33%	1,288	
2015	61,847	2,463,057	-	31,283,775	-	38,659,324	-	4,494,375	74,437,474	3.02%	1,204	
2016	63,775	2,505,720	-	28,098,015	-	37,727,365	-	5,742,568	71,567,948	2.86%	1,122	
2017	64,629	2,518,045	-	24,845,222	-	37,743,807	-	5,952,139	68,541,168	2.72%	1,061	
2018	65,224 ³	2,815,271 ⁵	-	21,518,614	-	36,530,934	-	5,473,142	63,522,690	2.26%	974	

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

Sources:

Current and prior years' financial statements

² Colorado DOLA Demography Section - All other City Finance Department

³ Estimate, Colorado Department of Local Affairs, State Demography Office

⁴ Bureau of Economic Analysis

⁵ Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 10

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

Fiscal Year	Population ¹	Personal Income in Thousands ³	Revenue Bonded Debt	Debt Service Monies Available	Debt Payable from Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Personal Income	Net Bonded Debt Per Capita
2009	56,446	1,963,813	71,838,039	12,186,977	-	59,651,062	3.04%	1,057
2010	58,566	2,084,423	67,723,497	15,100,529	-	52,622,968	2.52%	899
2011	58,702	2,038,310	63,459,413	19,079,054	-	44,380,359	2.18%	756
2012	60,170	2,169,008	43,920,951	4,117,083	-	39,803,868	1.84%	662
2013	60,317	2,193,669	38,850,946	6,467,441	-	32,383,505	1.48%	537
2014	61,212	2,367,313	34,412,916	8,604,537	-	25,808,379	1.09%	422
2015	61,847	2,463,057	31,283,775	9,860,226	-	21,423,549	0.87%	346
2016	63,775	2,505,720	28,098,015	11,189,404	-	16,908,611	0.67%	265
2017	64,629	2,518,045	24,845,222	9,170,370	-	15,674,852	0.62%	243
2018	65,224 ²	2,815,271 ⁴	21,518,614	7,055,725	-	14,462,889	0.51%	222

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

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

Sources:

- ¹Colorado DOLA Demography Section - All other City Finance Department
- ² Estimate, Colorado Department of Local Affairs, State Demography Office
- ³ Bureau of Economic Analysis
- ⁴ Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 11

City of Grand Junction, Colorado
COMPUTATION OF LEGAL DEBT MARGIN
December 31, 2018

Estimated actual value as determined by Assessor ¹	<u>\$ 7,092,749,300</u>
Debt limit - 3% of actual value	\$ 212,782,479
Legal debt margin	<u>\$ 212,782,479</u>

Source:

¹ Mesa County Assessor

TABLE 12

City of Grand Junction, Colorado
COMPUTATION OF DIRECT AND OVERLAPPING DEBT ¹
 December 31, 2018

<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 ²	\$ 58,049,549	100.00%	\$ 58,049,549
Overlapping:			
Mesa County Valley School District No. 51 ³	182,050,000	50.00%	91,025,000
Mesa County ⁴	13,185,000	50.00%	6,592,500
			<u>97,617,500</u>
Total			<u>\$ 155,667,049</u>

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

Sources:

² City Finance Department

³ Mesa County Valley School District No. 51 Finance Department

⁴ Mesa County Financial Services Department

TABLE 13

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

Fiscal Year	Gross Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	5,977,671	4,299,638	1,678,033	-	-	-	-
2010	5,771,565	4,283,596	1,487,969	-	-	-	-
2011	5,241,766	3,860,748	1,381,018	-	-	-	-
2012	5,578,993	4,196,685	1,382,308	-	-	-	-
2013	5,452,497	4,305,490	1,147,007	-	-	-	-
2014	6,149,570	4,465,619	1,683,951	-	-	-	-
2015	6,264,306	4,515,103	1,749,203	-	-	-	-
2016	7,043,756	5,208,137	1,835,619	-	-	-	-
2017	7,879,981	3,804,410	4,075,571	-	-	-	-
2018	8,524,929	4,686,913	3,838,016	-	-	-	-

Source: City Finance Department

TABLE 14

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

Fiscal Year	City Population ¹	County Population ¹	Personal Income in Thousands ³	Per Capita Income ³	School Enrollment ²	Unemployment Rate ^{4 5}	
						Grand Junction MSA	State of Colorado
2009	56,446	147,522	1,963,813	34,791	22,147	9.3%	8.1%
2010	58,566	146,723	2,084,423	35,591	22,203	10.7%	9.0%
2011	58,702	149,556	2,038,310	34,723	22,081	9.9%	8.5%
2012	60,170	147,753	2,169,008	36,048	21,914	9.2%	7.3%
2013	60,317	148,013	2,193,669	36,369	21,714	7.4%	5.9%
2014	61,212	147,811	2,367,313	38,674	21,894	5.1%	4.2%
2015	61,847	148,348	2,463,057	39,825	21,742	5.4%	3.3%
2016	63,775	149,249	2,505,720	39,290	21,827	4.4%	2.7%
2017	64,629	150,731	2,518,045	38,962	22,105	4.1%	3.0%
2018	65,224 ⁶	151,900 ⁶	2,815,271	43,163 ⁷	22,084	4.8%	3.8%

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

Sources:

- ¹ US Census Bureau and Colorado DOLA Demography Office
- ² Mesa County Valley School District No. 51 - District wide enrollment
- ³ Bureau of Economic Analysis
- ⁴ US Department of Labor, Bureau of Labor Statistics, Non-Seasonally Adjusted
- ⁵ 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
- ⁶ Colorado Department of Local Affairs, State Demography Office
- ⁷ Estimate based on prior year data and Bureau of Economic Analysis

Population, Income and School Enrollment Trend

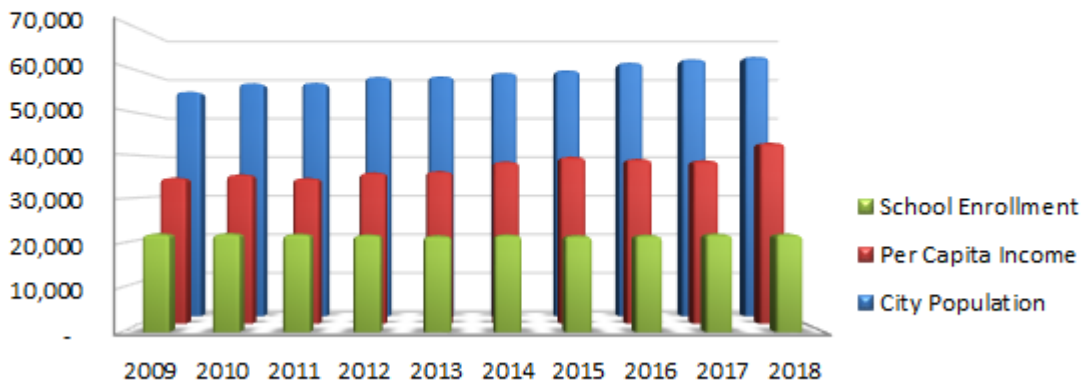


TABLE 15

City of Grand Junction, Colorado
TOP 10 PRINCIPAL EMPLOYERS
 December 31, 2018
 Current Year and Nine Years Ago

Employer	Type of Business	Number of Employees 2009 ¹	Percentage of Total 2009	Number of Employees 2018 ¹	Percentage of Total 2018
Mesa County Valley School District #51	Education	3,000	4.08%	2,785	3.82%
St. Mary's Hospital	Healthcare	2,191	2.98%	2,448	3.36%
Colorado Mesa University	Education	718	0.98%	1,086	1.49%
Mesa County	Government	978	1.33%	1,070	1.47%
State of Colorado	Government	1,212	1.65%	1,012	1.39%
Community Hospital	Healthcare	588	0.80%	1,000	1.37%
VA Medical Center	Services			720	0.99%
City of Grand Junction	Government	1,219	1.66%	652	0.89%
Hilltop Community Resources	Healthcare			600	0.82%
West Star Aviation	Aviation			441	0.60%
City Markets, Inc.	Retail	677	0.92%		
Star Tek USA	Services	595	0.81%		
Halliburton Energy	Services				
Walmart	Retail	980	1.33%		
Other		61,306	83.46%	61,135	83.80%
Total of All Employees ²		73,464		72,949	

Sources:

¹ Grand Junction Economic Partnership (includes part-time and seasonal employees)

² Colorado Department of Labor and Employment (includes part-time and seasonal employees)

Top 10 Principal Employers

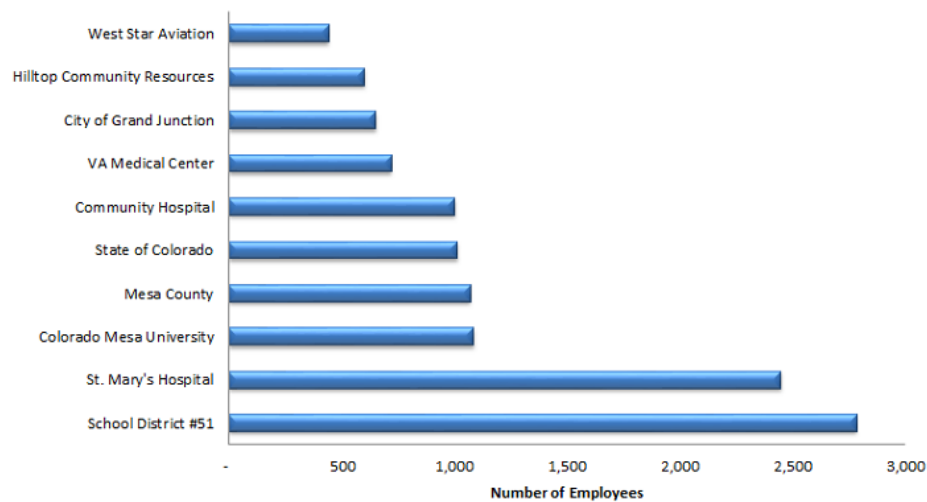


TABLE 16

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

Date of incorporation: July 19, 1882¹
 Date charter adopted: September 14, 1909¹
 Form of government: Council-Manager¹

Function ⁵	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	122	115	114	115	131	127	132	117	109	104
Fire protection	99	95	96	103	112	111	108	109	112	125
Parks and recreation	73	67	68	67	67	66	63	61	59	56
Police protection										
Sworn	107	90	102	103	105	109	114	110	109	138
Non-sworn	80	82	72	80	86	84	80	83	83	54
Public works	187	160	153	156	136	135	131	127	123	55
Utilities										68
Total	668	609	605	624	637	632	628	607	595	600

Building permits: ²	Year	# Issued	Value	Elections: ¹	Year	Number of Registered Voters	Number of Votes in last General Election	Percentage
	2010	929	128,551,321	2010	24,558	21,463	87.40%	
	2011	881	96,498,756	2011	23,928	13,786	57.61%	
	2012	899	90,830,317	2012	29,989	29,039	96.83%	
	2013	988	124,166,999	2013	29,989	11,665	38.90%	
	2014	1,075	168,028,225	2014	32,367	22,540	69.64%	
	2015	1,024	158,448,472	2015	31,482	11,262	35.77%	
	2016	1,828	161,204,970	2016	36,787	31,803	86.45%	
	2017	3,924	257,767,541	2017	37,643	15,301	40.65%	
	2018	4,664	258,193,139	2018	48,908	27,756	56.75%	

Education: Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Mesa County Valley School District No. 51 enrollment: ³										
Elementary	10,710	10,753	10,107	10,034	10,224	9,898	9,945	10,455	9,881	9,757
Middle	4,868	4,860	5,366	5,319	5,307	5,515	5,670	5,323	5,796	5,551
High	6,569	6,590	6,441	6,361	6,363	6,329	6,289	6,049	6,428	6,776
Colorado Mesa University enrollment: ⁴	6,665	7,746	8,826	9,010	9,325	8,853	9,065	9,223	9,591	9,492

- Sources:
- 1 City Clerk
 - 2 City Planning Division/Mesa County Building Department
 - 3 Estimate, based on Mesa County Valley School District No. 51 - Enrollment Data
 - 4 Colorado Mesa University
 - 5 City Personnel Department

TABLE 17

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

Function	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police:²										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicular patrol units	38	39	39	40	41	40	41	36	37	36
Canine units	3	3	3	3	2	2	2	2	2	2
Motorcycles units	8	8	8	8	8	8	8	8	6	6
Bicycles (attached to patrol units)	20	17	22	22	20	20	20	27	27	35
Fire stations³	5	5	5	5	5	5	5	5	5	5
Public works:¹										
Area (sq. miles)	37.84	38.05	39.10	39.18	39.35	39.37	39.62	39.59	39.80	39.99
Paved streets (centerline miles)	357.10	360.60	361.80	362.54	368.54	370.03	370.68	372.14	373.70	376.10
Unpaved streets (centerline miles)	4.20	4.20	5.40	5.44	5.52	3.43	3.62	3.59	3.59	3.59
Total streets (centerline miles)	361.30	364.80	367.20	367.98	374.06	373.46	374.30	375.73	377.29	379.69
Parks and recreation:⁴										
Developed parks (acres)	365.22	365.22	365.22	365.22	365.22	365.22	367.23	699.44	699.44	699.44
Undeveloped parks (acres)	389.00	389.00	389.00	396.50	396.50	396.50	394.49	397.23	397.23	397.23
Total parks (acres)	754.22	754.22	754.22	761.72	761.72	761.72	761.72	1,096.67	1,096.67	1,096.67
Swimming pools	2	2	2	2	2	2	2	2	2	2
Waterslides	2	2	2	2	2	2	2	2	2	2
Pickleball courts	-	-	-	-	-	4	4	4	4	4
Tennis courts	22	22	22	22	24	22	22	22	22	22
Shelters	18	18	18	19	19	19	21	21	21	21
Baseball stadiums (lighted)	1	1	1	1	1	1	1	1	1	1
Baseball stadiums (unlighted)	1	1	1	1	1	1	1	1	1	1
Football/track stadium (lighted)	1	1	1	1	1	1	1	1	1	1
Softball fields (lighted)	6	6	6	6	6	6	6	6	6	6
Softball fields (unlighted)	2	2	2	2	2	2	2	2	2	2
Golf courses	2	2	2	2	2	2	2	2	2	2
Golf courses (acres)	156	156	156	156	156	156	156	156	156	156
Outdoor basketball courts (lighted)	1	1	1	1	2	2	2	2	2	2
Outdoor basketball courts (unlighted)	10	10	10	10	10	10	10	10	10	10
Multi-purpose fields (lighted)	1	1	1	1	1	1	1	1	1	1
Multi-purpose fields (unlighted)	12	12	12	12	12	12	12	12	12	12
Amphitheater	-	-	-	-	-	-	-	-	1	1
Auditorium	1	1	1	1	1	1	1	1	1	1
Senior recreation center	1	1	1	1	1	1	1	1	1	1
Riverfront trail (miles)	18.70	19.07	19.07	21.47	21.47	21.47	21.47	21.47	21.47	21.47
Skateparks	2	2	2	2	2	2	2	2	2	2
Activity center	1	1	1	1	1	1	1	1	1	1
Utilities:¹										
Storm sewer (miles)	161.37	185.03	186.63	192.17	205.76	251.00	160.99	197.00	203.64	210.25
Sanitary sewer (miles)	597.81	595.27	594.68	596.35	600.57	601.00	538.73	558.00	561.93	522.15

Sources:

- ¹ City Administration GIS Department
- ² City Police Department
- ³ City Fire Department
- ⁴ City Parks and Recreation Department



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SINGLE AUDIT

The City of Grand Junction did not have a Single Audit during the year ended December 31, 2018 because Federal expenditures did not exceed the threshold requiring it.



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OTHER SUPPLEMENTAL INFORMATION



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

To the City Council
City of Grand Junction, Colorado

We have audited the basic financial statements of the City of Grand Junction, Colorado, as of and for the year ended December 31, 2018, and our report thereon dated June 28, 2019, which expressed unmodified opinions on those financial statements, appears on page 17. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Local Highway Finance Report is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Littleton, Colorado
June 28, 2019



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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Grand Junction
		YEAR ENDING : December 2018
This Information From The Records Of: The City of Grand Junction	Prepared By: Phone:	Ashley McGowen 970-256-4012

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	5,142,817
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,722,073
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	106,349
2. General fund appropriations	8,363,364	b. Snow and ice removal	2,957,444
3. Other local imposts (from page 2)	1,486,916	c. Other	
4. Miscellaneous local receipts (from page 2)	1,644,961	d. Total (a. through c.)	3,063,793
5. Transfers from toll facilities		4. General administration & miscellaneous	207,734
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	11,136,417
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	1,009,625
7. Total (1 through 6)	11,495,241	b. Redemption	2,845,000
B. Private Contributions		c. Total (a. + b.)	3,854,625
C. Receipts from State government (from page 2)	3,071,327	2. Notes:	
D. Receipts from Federal Government (from page 2)	424,474	a. Interest	
E. Total receipts (A.7 + B + C + D)	14,991,042	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	3,854,625
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			14,991,042

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	22,895,000	0	2,845,000	20,050,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	14,991,042	14,991,042	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2018	
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	3,948	a. Interest on investments	817
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	149,584
5. Specific Ownership &/or Other	1,482,968	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,482,968	h. Other	1,494,560
c. Total (a. + b.)	1,486,916	i. Total (a. through h.)	1,644,961
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,825,138	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	246,189	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	424,474
f. Total (a. through e.)	246,189	g. Total (a. through f.)	424,474
4. Total (1. + 2. + 3.f)	3,071,327	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	0	17,200	17,200
b. Engineering Costs	0	70,035	70,035
c. Construction:			
(1). New Facilities	0	1,607,935	1,607,935
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	3,138,028	3,138,028
(4). System Enhancement & Operation	45,529	264,090	309,619
(5). Total Construction (1) + (2) + (3) + (4)	45,529	5,010,053	5,055,582
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	45,529	5,097,288	5,142,817
			(Carry forward to page 1)
Notes and Comments:			





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